



# STATE OF RHODE ISLAND BOARD OF ELECTIONS

CAMPAIGN FINANCE AUDIT

LIZ GLEDHILL

**CAMPAIGN FINANCE AUDIT**



Audit Conducted By: Richard E. Thornton, Director of Campaign Finance

**STATE OF RHODE ISLAND  
BOARD OF ELECTIONS**

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50 Branch Avenue  
Providence, Rhode Island 02904  
(401) 222-2345      (401) 222-4424 FAX

[www.elections.ri.gov](http://www.elections.ri.gov)  
Email: [campaign.finance@elections.ri.gov](mailto:campaign.finance@elections.ri.gov)

# Liz Gledhill

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# **Liz Gledhill**

## **INTRODUCTION**

### **Audit Authority**

Pursuant to Rhode Island General Law §17-25-5(a)(8), the Board of Elections is authorized to perform any duties that are necessary to implement the provisions of Chapter 25 of Title 17. Without limiting the generality of this provision, the Board is authorized and empowered to: Conduct compliance reviews and audits of campaign accounts as necessary, and in a manner consistent with the provisions of Chapter 25, Title 17.

### **Audit Purpose**

Campaign Finance audits assist the Board of Elections with enforcement of campaign finance laws, provides a tool to evaluate the effectiveness of those laws and the campaign finance reporting process, verifies the accuracy and propriety of campaign finance receipts and validity and legality of campaign finance expenses and helps provide timely and accurate information to the public.

Campaign Finance audits assist and encourage candidate compliance with campaign finance reporting laws and promotes candidate accountability and integrity.

# Liz Gledhill

**Scope:** Review campaign finance reports and supporting documentation for the period June 1, 2016 through October 25, 2019.

**Methodology:** Review Contributions:

- Compare contributions received to bank statement deposits
- Compare contributions received to contributions reported on campaign finance reports
- Verify there are no prohibited contributions
- Verify contributions do not exceed aggregate annual limit

Review Expenditures:

- Compare expenditures made to bank statement checks/debits
- Compare expenditures made to expenditures reported on campaign finance reports
- Verify there are no prohibited uses of campaign funds
- Verify campaign expenditures are valid and legal.

**History:** In September 2019, the Board initiated an audit of the campaign account of Liz Gledhill (“Gledhill”) pursuant to R.I.G.L. §17-25-5(a), due to Gledhill’s failure to file a copy of her campaign account bank statement pursuant to R.I.G.L. §17-25-11(c)(2).

On September 17, 2019, the Board issued a subpoena to Gledhill’s bank of account, compelling production of campaign depository account bank statements, bank deposits, and checks/money orders deposited into and checks written from the account, for the period June 1, 2016 through December 31, 2018. Gledhill voluntarily produced campaign depository account bank statements for the period January 1, 2019 through October 25, 2019 when the account was closed.

**Findings:** The following are Findings of campaign finance violations discovered during the Audit Review of Gledhill’s campaign account and supporting documentation:

**Account Balance:**

- The 2016 2<sup>nd</sup> Quarterly campaign finance report filed by Gledhill disclosed a balance of \$508.08 for the period ending June 30,

## Liz Gledhill

2016, compared to the campaign bank account balance of (\$108.96) as of the same date; resulting in a variance of \$617.04.

### Contributions:

- \$3,674.93 in contributions/loans received were not reported on any campaign finance report; and
- \$1,045.00 in contributions received in Cash had no record to identify the source or amount of each contribution.

### Expenditures:

- \$4,450.12 in campaign expenditures were incurred which were not reported on any campaign finance report, including \$2,232.00 in cash withdrawals/debits.
- \$36.97 in expenditures were for personal use.

### Disclosure:

- For 2018, Gledhill failed to file a copy of his campaign account bank statement pursuant to R.I.G.L. §17-25-11(c)(2).

**Summary:** The Audit Review of Gledhill's campaign account and supporting documentation for the period June 1, 2016 through October 25, 2019 demonstrates:

- A variance of \$617.04 existed between the cash balance reported in the 2016 2<sup>nd</sup> Quarterly campaign finance report and the cash balance in the campaign bank account as of June 30, 2016.
- All campaign contributions received were from allowable sources and were within the statutory limit.
- The receipt of \$3,674.93 in contributions/loans was not reported on any campaign finance report, including \$1,921.93 in contributions/loans received from Gledhill.
- Expenditures totaling \$4,450.12 were incurred which were not reported on any campaign finance report, including \$2,232.00 in cash withdrawals/debits.
- Personal expenditures totaling \$36.97 were made from the campaign account.

**Auditee Response:** Gledhill acknowledged she was deficient in providing a year-end campaign account bank statement and took responsibility for its lateness. Most of the unreported contributions/loans to her campaign represent the direct deposit of her council pay into her

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campaign account, which she believed she was required to do.

**Action:** Consent Order (as follows)

State of Rhode Island  
Board of Elections

CONSENT ORDER

In Re: Liz Gledhill

Liz Gledhill (“Gledhill”) hereby agrees to the entry of this Order and to each term and condition set forth herein:

1. At all times relevant hereto, Ms. Gledhill has been subject to the reporting requirements set forth in Title 17, Chapter 25 of the General Laws, pertaining to campaign contributions and expenditures.
2. In September 2019, the Board of Elections (“Board”) initiated an audit of the campaign account of Ms. Gledhill due to her failure to file a copy of his campaign account bank statement with the Board as required, resulting in a subpoena being issued to the bank of account for bank records and supporting documentation, for the period June 1, 2016 through December 31, 2018. Ms. Gledhill voluntarily produced bank records and supporting documentation for the period January 1, 2019 through October 25, 2019 when the bank of account was closed.
3. The Board conducted a full review of campaign finance reports, supporting documentation and bank records to verify the accuracy and propriety of campaign receipts and expenditures. The audit determined the following:
  - 1) \$617.04 Variance between Campaign Finance Report balance and Bank Balance as of June 30, 2016, which could not be reconciled;
  - 2) \$3,674.93 in Campaign Contributions/Loans received were not reported on any campaign finance report;



- 3) \$1,045.00 in Campaign Contributions received in Cash had no record to identify the source or amount of each contribution;
  - 4) \$4,450.12 in Campaign Expenditures were incurred which were not reported on any campaign finance report, including \$2,232.00 in Cash Withdrawals/Debits;
  - 5) \$36.97 in Expenditures were for personal use; and
  - 6) For 2018, Gledhill failed to file a copy of her campaign account bank statement as required by law.
4. Ms. Gledhill, with the assistance of the Board, successfully amended previously filed campaign finance reports to accurately report contributions and expenditures, including reporting Campaign Contributions/Loans not previously reported; reporting Campaign Expenditures that were not previously reported; validating all Cash Withdrawals/debits as true and legal Campaign Expenditures; and reimbursing campaign account for Expenditures for personal use.
  5. Ms. Gledhill has at all times been cooperative with the Board during the audit of her campaign account.
  6. Ms. Gledhill hereby acknowledges that from June 1, 2016 through October 25, 2019, she originally failed to accurately and completely report campaign contributions [as set forth in paragraph 3, lines 1) and 2) above]; received cash contributions with no record to identify the source or amount of each contribution [as set forth in paragraph 3, line 3) above]; failed to accurately and completely report campaign expenditures [as set forth in paragraph 3, line 4) above]; improperly used campaign funds for personal use [as set forth in paragraph 3, line 5) above]; and failed to file a copy of her campaign account bank statement [as set forth in paragraph 3, line 6) above].
  7. Ms. Gledhill hereby waives her right to any further hearing before the Board, and her right to bring any legal challenge before any state or federal court and expressly consents to a finding by the Board that her actions, as more fully described above, violate the reporting and compliance requirements of Title 17, Chapter 25.
  8. Ms. Gledhill further consents to the entry of this Order and the imposition of a fine in the amount of \$1,500.00 to be paid personally by her; for unreported and misreported contributions and

expenditures; for receipt of anonymous cash contributions; for using campaign funds for personal use and for failure to provide a copy of her campaign account bank statement.

9. Ms. Gledhill hereby agrees to make the following payments of fines to the Board:

1) \$1,500.00 fine to be paid personally by Liz Gledhill according to the following schedule:

- \$250.00 on or before December 31, 2019;
- \$250.00 on or before March 31, 2020;
- \$250.00 on or before June 30, 2020;
- \$250.00 on or before September 30, 2020;
- \$250.00 on or before December 31, 2020; and
- \$250.00 on or before March 31, 2021.

10. Ms. Gledhill agrees to make each payment described above on or before the Due Date. In the event Ms. Gledhill fails to make any payment by the corresponding Due Date, the Board shall notify Ms. Gledhill both by U.S. Mail First Class and electronically at the residence and email address set forth below (“Delinquency Notice”). Ms. Gledhill shall be afforded ten (10) calendar days from the date of the Delinquency Notice to make the overdue payment. In the event the aforesaid payment is not made within the ten (10) day notice period, Ms. Gledhill agrees that the entire amount shall immediately become due and payable to the Board. Ms. Gledhill consents to the personal jurisdiction and entry of this Order as a final judgment in the superior court and waives any and all defenses that she may have to its enforcement and collection. In the event of a lawsuit filed to enforce any term or payment required by this Order, Ms. Gledhill agrees to fully reimburse the Board for all costs and reasonable legal fees incurred as a result therefrom.

The fines contained herein relate only to the violations identified in this Order and do not cover any violations not listed.

I, Liz Gledhill, agree to each and every term set forth above and further agree to the entry of this Order.

Liz Gledhill 10/31/19  
Liz Gledhill Date

So entered this 31 day of October, 2019.

Diane C Mederos 11/5/19  
Diane Mederos, Chairwoman