



STATE OF RHODE ISLAND BOARD OF ELECTIONS

CAMPAIGN FINANCE AUDIT

ELAINE J. MORGAN

CAMPAIGN FINANCE AUDIT



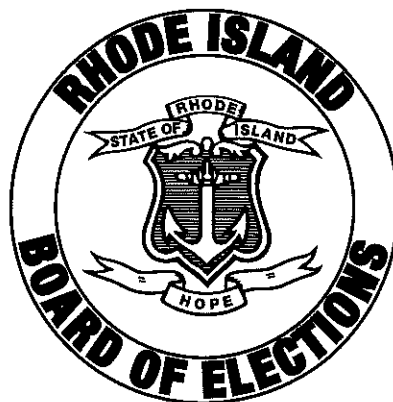
Audit Conducted By: Richard E. Thornton, Director of Campaign Finance

**STATE OF RHODE ISLAND
BOARD OF ELECTIONS**

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Elaine J. Morgan

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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.

Elaine J. Morgan

Scope: Review campaign finance reports and supporting documentation for the period January 1, 2020 through March 31, 2022.

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: Elaine J. Morgan ("Morgan"), a Republican, was elected to the Senate in 2014, 2016, 2018 and 2020 and previously served three terms as Hopkinton's Town Sargent.

In April 2022, the Board of Elections ("Board") initiated an audit of the campaign account of Morgan pursuant to R.I.G.L. §17-25-5(a), due to her reporting contributions and expenditures in the aggregate disproportionately.

In April 2022, the Board received via subpoena served upon the bank of Morgan's campaign account, campaign depository account bank statements for the period January 1, 2020 through March 31, 2022.

Findings: The following are Findings of campaign finance violations discovered during the Audit Review of Morgan's campaign account and supporting documentation:

Contributions:

- For 2021 Q4 campaign finance report, \$4,200.00 in contributions received were originally reported as Aggregate-Individual, when the name, address and place of employment of each contributor and the amount so contributed by each should have been reported on the campaign finance report.

Elaine J. Morgan

Expenditures:

- For 2022 Q1 campaign finance report, \$2,748.63 in campaign expenditures were originally reported as Aggregate Expenditures, when the name and address of each payee/vendor, the amount so paid to each and the purpose of the expenditure should have been reported on the campaign finance report.
- From 2020 Q1 through 2022 Q1, there were five (5) separate occasions when campaign funds were expended for personal use, totaling \$2,604.22.

Summary: The Audit Review of Morgan's campaign account and supporting documentation for the period January 1, 2020 through March 31, 2022 demonstrates:

- \$4,200.00 in contributions received were originally reported as Aggregate-Individual, when the name, address and place of employment of each contributor and the amount so contributed by each should have been reported on the campaign finance report, in violation of R.I.G.L. §17-25-11(a).
- \$2,748.63 in campaign expenditures were originally reported as Aggregate Expenditures, when the name and address of each payee/vendor, the amount so paid to each and the purpose of the expenditure should have been reported on the campaign finance report, in violation of R.I.G.L. §17-25-11(a).
- There were five (5) separate occasions when campaign funds were expended for personal use, totaling \$2,604.22, in violation of R.I.G.L. §17-25-7.2.

Auditee Response: Morgan acknowledges the campaign finance violations. The campaign finance reports have been amended to properly report contributions and expenditures and her campaign account was fully reimbursed from her personal funds.

Action: Consent Order (to follow)

State of Rhode Island
Board of Elections

CONSENT ORDER

In Re: Elaine J. Morgan

Elaine J. Morgan ("Morgan") hereby agrees to the entry of this Order and to each term and condition set forth herein:

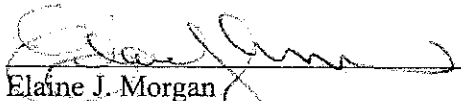
1. At all times relevant hereto, Morgan has been subject to the reporting requirements set forth in Title 17, Chapter 25 of the General Laws, pertaining to campaign contributions and expenditures.
2. In April 2022, the Board of Elections ("Board") initiated an audit of the campaign account of Morgan pursuant to R.I.G.L. §17-25-5(a), due to her reporting contributions and expenditures in the aggregate disproportionately.
3. The Board conducted a full review of campaign finance reports, supporting documentation and bank records obtained via subpoena to verify the accuracy and propriety of campaign receipts and expenditures for the period January 1, 2020 through March 31, 2022. The review determined the following:
 - \$4,200.00 in contributions received were originally reported as Aggregate-Individual, when the name, address and place of employment of each contributor and the amount so contributed by each should have been reported on the campaign finance report, in violation of R.I.G.L. §17-25-11(a).
 - \$2,748.63 in campaign expenditures were originally reported as Aggregate Expenditures, when the name and address of each payee/vendor, the amount so paid to each and the purpose of the expenditure should have been reported on the campaign finance report, in violation of R.I.G.L. §17-25-11(a).
 - There were five (5) separate occasions when campaign funds were expended for personal use, totaling \$2,604.22, in violation of R.I.G.L. §17-25-7.2.
4. Morgan hereby acknowledges that she violated several provisions of Title 17, Chapter 25, fully reimbursed her campaign account from her personal funds; and

authorized the Board to amend the campaign finance reports on her behalf for complete and accurate reporting.

5. Morgan 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.
6. Morgan further consents to the entry of this Order and the imposition of a fine by the Board pursuant to R.I.G.L. §17-25-13(b), in the amount of \$1,200.00 to be paid personally by her; and consents to submit documentation to the Board supporting her campaign finance reports from the second quarter of 2022 through the fourth quarter of 2022.
7. Morgan hereby agrees to the following schedule for fine payment:
 - \$1,200.00 fine to be paid from the personal funds of Elaine J. Morgan by December 31, 2023.
8. Morgan agrees to make the fine payment described above on or before the Due Date. In the event Morgan fails to make the payment by the corresponding Due Date, the Board shall notify Morgan both by U.S. Mail First Class and electronically at the residence and email address set forth in Morgan's Notice of Organization ("Delinquency Notice"). Morgan shall be afforded ten (10) calendar days from the date of the Delinquency Notice to make the overdue payment. In the event the aforesaid fine payment is not made within the ten (10) day notice period, Morgan agrees that the fine shall increase to \$2,400.00 which shall immediately become due and payable to the Board and that the Board shall refer the unpaid debt to the Department of Revenue-Central Collections Unit for collection. Morgan consents to the personal jurisdiction and entry of this Order as a final judgment and waives any and all defenses that he may have to its enforcement.

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

I, Elaine J. Morgan, agree to each and every term set forth above and further agree to the entry of this Order.


Elaine J. Morgan

6/20/2022
Date

So entered this 25th day of July, 2022.


Diane Mederos, Chairwoman