STATE ETHICS COMMISSION

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PRESS RELEASE

Committee to Protect New Mexico Consumers agrees to disclose over $264,000 in expenditures supporting PRC ballot question

Albuquerque, NM, September 21, 2020 – The Committee to Protect New Mexico Consumers ("CPNMC") has agreed to file reports disclosing $264,193.14 in expenditures on campaign advertisements supporting a ballot question that would change the composition of the Public Regulation Commission ("PRC"). The Commission determined that recent CPNMC mailers were "independent expenditures," which New Mexico law defines as advertisements that are "susceptible to no other reasonable interpretation than as an appeal to vote for or against a clearly identified candidate or ballot question." Under the Campaign Reporting Act, individuals or entities who spend more than $3,000 on independent expenditures are required to make disclosures about the expenditures with the Secretary of State.

Jeremy Farris, the State Ethics Commission's Executive Director, had the following comment: "Our state's campaign reporting and disclosure laws ensure New Mexicans know basic facts about special interests seeking to influence their votes on identified candidates or ballot questions. The Committee to Protect New Mexico Consumers sent mailers to registered voters supporting an identified ballot question, but initially refused to provide basic disclosures about its spending on the mailers. This settlement provides the public with critical information before it votes in the November election, avoids protracted litigation in state district court, and

vindicates the State Ethics Commission's role as an independent and bipartisan enforcer of New Mexico's ethics and good government laws."

On Monday, September 14, 2020, the Commission voted to authorize its staff attorneys to demand that CPNMC come into compliance with the Campaign Reporting Act by filing independent expenditure reports with the Secretary of State, and, if CPNMC refused, to initiate a civil action in state district court. The Commission's staff attorneys sent CPNMC a demand letter on September 15, 2020. CPNMC agreed to file required expenditure reports on September 18, 2020, just four days later. Under the settlement agreement, CPNMC agreed to disclose details about its spending on the mailers in exchange for the Commission's agreement not to pursue further investigation or enforcement actions against CPNMC relating to the mailers.

While the settlement agreement provides the public with important disclosures that CPNMC paid $264,193.14 to Bouchard Gold Communications, the vendor responsible for the mailers' design and distribution, CPNMC provided no information about who had financed CPNMC's efforts. Executive Director Farris explained: "Unfortunately, the Campaign Reporting Act allows donors behind independent expenditures to remain anonymous by making a pro-forma request that their contributions not be used to fund independent expenditures. The Commission enforced all the disclosure that it could achieve before the election, and the Commission looks forward to working with the Legislature in the upcoming session to close this loophole."

Members of the media and public can view CPNMC's independent expenditure report (filed with the Secretary of State) and samples of CPNMC's mailers below, as well as on the Commission's transparency page, https://sec.state.nm.us/transparency. For additional information, please contact the State Ethics Commission at Ethics.Commission@state.nm.us.

CPNMC Independent Expenditure Report (filed with SOS, Sept. 18, 2020)

CPNMC Mailer #1
CPNMC Mailer #2
CPNMC Mailer #3
CPNMC Mailer #4