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Hon. William F. Lang (*Chair*)
Jeffrey L. Baker
Stuart M. Bluestone
Hon. Garrey Carruthers
Hon. Celia Foy Castillo
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STATE ETHICS COMMISSION

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For Immediate Release:

12/15/2022

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PRESS RELEASE

Albuquerque, NM, December 15, 2022 – The State Ethics Commission announces that at the Commission’s December meeting, a proposed settlement between the State Ethics Commission’s general counsel and New Mexico candidate committee Cynthia4nmhouse was approved by the Commission. Under the settlement agreement, Cynthia4nmhouse agreed to pay a \$500 civil penalty for a violation of the Campaign Reporting Act provisions governing the receipt and reporting of anonymous contributions. The general counsel found that a separate allegation that Cynthia4nmhouse had violated the Campaign Reporting Act’s contribution limits was not supported by probable cause.

The State Ethics Commission is a constitutionally independent state agency that promotes the integrity of state government through the interpretation, enforcement and improvement of New Mexico’s campaign finance, procurement, and governmental conduct laws.

Related materials to this matter are attached. For more information about the State Ethics Commission visit www.sec.state.nm.us.



STATE ETHICS COMMISSION

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Jeremy D. Farris, Executive
Director

November 15, 2022

Cynthia4nmhouse
c/o Morris Chavez
800 Lomas Blvd NE, Ste 200
Albuquerque, NM 87102

Via email: mo@saucedochavez.com

Re: *Gallegos v. Cynthia4nmhouse*, No. 2022-032: Offer of Settlement

Dear Mr. Chavez:

I am writing to offer to enter into a settlement of this complaint.

The complaint alleges your client, a registered candidate committee, violated NMSA 1978, Section 1-19-34(B) (2019) by receiving a \$500 anonymous contribution on March 28, 2022.¹ In response to the complaint, your client stated that the contribution related to the campaign's first fundraiser, and

[r]eview of our records from the event shows we were able to accurately identify the contributors of \$410 of the \$500, of those individuals who attended the event and gave cash. An amendment to our report has been made by our campaign treasurer.

The remaining amount of \$90.00 cannot be accurately identified and attributed to any one individual in attendance. The individual at the door was a volunteer, and therefore did not realize that all cash funding accepted required documentation.

Therefore, the campaign has decided to contribute the \$90 which cannot be identified to any one individual to a charitable organization, per statute.²

¹ See Complaint (#1) (Aug. 17, 2022) at 3; see also NMSA 1978, § 1-19-34(B) (2019) ("No anonymous contributions shall be accepted for more than one hundred dollars (\$100)."). The complaint also alleges that your client violated NMSA 1978, Section 1-19-34.7 (2019) by accepting an excess contribution from the Speaker Fund. After reviewing your client's responses to my requests for information regarding that contribution, I am satisfied that the contribution was an in-kind contribution and therefore was not subject to the Campaign Reporting Act's contribution limits. Accordingly, this letter addresses only the anonymous contributions alleged to have been accepted in violation of the Campaign Reporting Act.

² See Response to Complaint (# 4) (Sept. 6, 2022).

In addition to the above, I have reviewed your client’s First Primary Report of Contributions and amendments thereto.³ In its First Amended First Primary Report, your client disclosed receiving a total of \$10,915.00 in contributions during the reporting period, one of which being the single \$500 anonymous contribution identified in the complaint. After the complaint was filed, your client filed a Second Amended First Primary Report that (i) deleted the \$500 anonymous contribution; (ii) added a \$200 contribution from Ed Romero, a \$20 contribution from Mark Fleisher, a \$40 contribution from Richard Sineen, and a \$50 contribution Romaine Serna (a total of \$310); and reported a total of \$10,725.00 in contributions during the reporting period (i.e., \$190 less than the amount of contributions reported in the First Amended First Primary Report). On September 6, 2022, your client filed a Third Amended First Primary Report by adding a \$100 anonymous contribution and revising the total amount of contributions received during the reporting period to \$10,825.00 (i.e., \$90 less than the total amount of contributions your client reported in its First Amended First Primary Report). The following table illustrates the changes:

First Amended 1st Primary Report (Apr. 12, 2022)	8/23/2022 1st Primary Report (Second Amended) vs. 4/12/2022 1st Primary Report (Amended)	9/6/2022 1st Primary Report (Third Amended) vs. 8/23/2022 1st Primary Report (Second Amended)
\$10,915.00 in contributions \$6,220.00 in loans, \$1,745.00 in contributions	\$10,725.00 contributions (\$190 less than 4/12/22 amended report)	\$10,825.00 contributions (\$100 more than 8/23/2022 amended report)
3/28/2022 Anonymous \$500.00	3/28/2022 Anonymous \$500.00 3/28/2022 Ed Romero \$200.00 3/28/2022 Mark Fleisher \$20.00 3/28/2022 Richard Sineen \$40.00 3/28/2022 Romaine Serna \$50.00	3/28/2022 Anonymous \$100.00

The complaint’s allegations, your client’s response, and her original and amended First Primary Reports of Contributions appear to establish that your client violated the Campaign Reporting Act, either (i) by soliciting and reporting as anonymous contributions where the identity of the contributor “[was] known to the candidate or the candidate’s agent . . . who

³ This report was amended three times—once on April 12, 2022, again on August 23, 2022, and finally on September 6, 2022.

accept[ed] the contribution;”⁴ (ii) by accepting an anonymous contribution of more than \$100;⁵ or (iii) by failing to report a \$190 anonymous contribution on its First Primary Report of Contributions.⁶ If it is shown that your client or your client’s agents solicited one or more contributions from contributors known to your client and reported those contributions as anonymous, each solicitation would carry a \$1,000 civil penalty, in addition to forfeiture of contributions received.⁷ If it is shown that your client committed a single violation of the Campaign Reporting Act by accepting an anonymous contribution of more than \$100 or by failing to report an anonymous contribution of \$190, those violations would each carry a \$1,000 civil penalty.⁸

The Commission’s general counsel is authorized to enter into a settlement agreement with a respondent to an administrative complaint, subject to Commission approval.⁹ Because your client appears to have admitted at least one of the violations above, and because the State Ethics Commission is under an obligation to “at all times seek to ensure voluntary compliance with the provisions of the Campaign Reporting Act,”¹⁰ I believe a settlement is in the best interests of the Commission in this case. Accordingly, and pursuant to Rule 11-408 NMRA (incorporated and applicable to State Ethics Commission proceedings under NMSA 1978, Section 10-16G-12(C) (2019)), I offer to settle this matter on the following terms:

1. Your client agrees to pay a \$500 civil penalty to the State of New Mexico within seven days of a Commission vote approving this settlement agreement.¹¹

If your client accepts the terms of this settlement offer, please have a representative sign a copy of this letter and return it to me. If the Commission approves this settlement agreement and your client complies with its obligations hereunder, the Commission will enter an order dismissing the complaint. Please note that if you accept this settlement agreement and the Commission approves it, the complaint and this settlement agreement would be public records.¹²

⁴ See NMSA 1978, § 1-10-26(B) (2019) (defining “anonymous contribution”).

⁵ See NMSA 1978, § 1-19-34(B) (2019).

⁶ See NMSA 1978, § 1-19-27(A) (2016) (requiring a political committee to make a report of contributions).

⁷ See NMSA 1978, § 1-19-34.6(B) (2021).

⁸ *Id.* Although your client states in her response to the complaint that it “[was] able to accurately identify the contributors of \$410 of the \$500” in contributions it received on March 28, 2022, that statement appears to be in tension with the \$100 anonymous contribution reported in your client’s Third Amended First Primary Report.

⁹ NMSA 1978, § 10-16G-10(F) (2021); 1.8.3.13(C) NMAC.

¹⁰ See NMSA 1978, § 1-19-34.4(D) (2021).

¹¹ Please note that pursuant to 1.10.13.25(B)(4) NMAC, a political committee may use campaign funds to satisfy fines and other non-criminal penalties as a result of violating a provision of the Campaign Reporting Act.

¹² See NMSA 1978, §§ 10-16G-10(F), 10-16G-12(F) (2019).

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Please indicate whether this offer of settlement is acceptable on or before December 1, 2022.

Very truly yours,



Walker Boyd

I ACCEPT:



Cynthia4nmhouse

DATE: 11/30/2022