FOR IMMEDIATE RELEASE

Greg Gallegos Committee to Elect Ellis McMath Info@kghnm.com

Albuquerque, NM, Wednesday, September 22, 2022 – Deputy Secretary of State of New Mexico, Sharon Pinon, formally responded to the New Mexico State Ethics Commission regarding a complaint filed against Cynthia Borrego's State House District 17 campaign.

After reviewing the Complaint filed by Greg Gallegos, campaign consultant of the Ellis McMath Campaign, and responses by the Borrego campaign, the NM Secretary of State's office, has failed to certify voluntary compliance with the Campaign Reporting Act. The Secretary of State's office has returned the Complaint to the State Ethics Commission for further proceedings.

Ellis McMath responded by saying, "In the interest of transparency and honesty, the public has the right to full disclosure concerning these anonymous donations and apparent lapse in proper accounting".

The Complaint alleges unlawful acceptance of anonymous monetary campaign funds, questionable reporting practices, contributions accepted in excess of legal limits, and failure to abide by campaign finance laws.

See attached NM SOS Referral Letter See Attached Complaint

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STATE OF NEW MEXICO MAGGIE TOULOUSE OLIVER SECRETARY OF STATE

September 21, 2022

SENT VIA EMAIL ONLY

State Ethics Commission Attn: Jeremy Farris, Executive Director 800 Bradbury Drive Southeast, Suite 215 Albuquerque, NM 87106 (505) 827-3636

Email: jeremy.farris@state.nm.us

Re: SEC Case No. 2022-032

Executive Director Farris:

On August 18, 2022, the Office of the New Mexico Secretary of State ("SOS") was referred State Ethics Commission Case No. 2022-032 ("Complaint") for review and certification of voluntary compliance with the Campaign Reporting Act, NMSA 1978, Sections 1-19-25 to -37 (1979, as amended 2021). On August 22, 2022, SOS sent a letter to Cynthia4nmhouse ("Respondent") via electronic mail requesting a response to the Complaint, with instructions to respond within fifteen (15) calendar days. *See* attached. On September 9, 2022, Cynthia4nmhouse responded.

After a review of the Complaint and supplemental material, the response, and the Respondent's campaign finance reports, the SOS cannot certify voluntary compliance with the Campaign Reporting Act and returns the Complaint to the State Ethics Commission for further proceedings pursuant to the State Ethics Commission Act, NMSA 1978, Sections 10-16G-1 to 10-16G-16 (2019, as amended 2021). Please note that the inability to certify voluntary compliance as required by Section 1-19-34.4(C) does not imply a violation has occurred.

Should you have any questions or concerns, please do not hesitate to contact our Ethics Division at (505) 827-3600 or <u>sos.ethics@state.nm.us</u>.

Respectfully, Sharon Pino

Deputy Secretary of State

cc: Greg Gallegos, Complainant – <u>info@kghnm.com</u>
Cynthia4nmhouse, Respondent – <u>cynthia4nmhouse@gmail.com</u>
Walker Boyd, Esq., State Ethics Commission – <u>Walker.Boyd@state.nm.us</u>
Dylan Lange, Esq., Office of the Secretary of State – <u>Dylan.Lange@state.nm.us</u>

enc: Cynthia4nmhouse Response to SOS Inquiry Letter



Case 2022-032 Complaint Filed 8/17/2022 11:38 AM Page 1 of 7 NEW MEXICO STATE ETHICS COMMISSION

800 Bradbury Dr. SE, Suite 215, Albuquerque, New Mexico 87106 505-827-7800 | ethics.commission@state.nm.us

COMPLAINT FORM

By my signature below, I verify that the allegations contained in this complaint, along with the attachments and exhibits hereto, are true and correct to the best of my knowledge and belief, and that I believe the allegations herein violate New Mexico election and/or ethics law.

COMPLAINANT'S INFORMATION (Person(s) and/or Organization(s) filling out this complaint)

Name or Organization: Greg Gallegos

Address: 9400 Holly Ave. Building 4

City: Albuquerque	State: New Mexico	Zip: <u>87122</u>	
Phone: 5053663154 Email: info@kghnm.com			

RESPONDENT'S INFORMATION (Person(s) and/or Organization(s) this complaint is filed against)

Include information for additional respondents (if any) on a separate sheet. Complaints submitted without the Respondent's address or email will not be accepted.

Name or Organization: Cynthia Borrego's Candidate Campaign Committee Cynthia4nmhouse

Address: 8731 Springhill Dr. NW

City: AlbuquerqueState: New MexicoZip: 87114Phone: 5052391557Email: cdborrego@comcast.net

Have you submitted or will you submit this or a substantially similar complaint against the Respondent with another governmental agency:

■ Yes □ No If Yes, which agency: Office of the New Mexico Secretary of State

Is there any pending legal action against the Respondent for the conduct alleged in the complaint? \Box Yes \Box No \blacksquare Unsure

The State Ethics Commission has jurisdiction to investigate and adjudicate alleged violations of the following statutes. Please indicate the law(s) you believe have been violated and, if known, include specific provisions in the Complaint Description. (*Check all that apply*):

Campaign Reporting Act

- Financial Disclosure Act
- Gift Act
- \Box Lobbyist Regulation Act
- \Box Voter Action Act

□ Procurement Code
□ State Ethics Commission Act

□ Article 9, Section 14 of the Constitution of

New Mexico (Anti-Donation Clause)

□ Unsure

 \Box Governmental Conduct Act

Do you believe any of the conduct alleged in this complaint constitutes a violation of criminal law?

 \Box Yes \Box No \blacksquare Unsure

Attached hereto are _____ additional pages which reasonably describe the actions or inactions which I believe violate the selected laws as indicated above.

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COMPLAINT DESCRIPTION

Please use the following format for your description of each alleged violation: 1) Law violated; 2) Relevant section(s) or provision(s) of the law; 3) Description of alleged violation; and 4) List of facts that substantiate your allegations; 5) Names and contact information of any witnesses; 6) What action(s) on part of the Respondent will resolve your concern; and 7) Description of supporting documents included with this complaint or documents relevant to the complaint, if any. Please include the date, place, and time of conduct (to the best of your knowledge) for each violation alleged.

By submitting this complaint, I attest under oath and subject to penalty of perjury that the information in the complaint, and any attachments provided with the complaint, are true and accurate.

8/17/2022 Greg Gallegos

Greg Gallegos Committee to Elect Ellis McMath 10343 Dunbar St NW Albuquerque, NM 87114

Tuesday, August 17, 2022

New Mexico State Ethics Commission 800 Bradbury Dr. SE, Suite 215 Albuquerque, NM 87106

To whom it may concern,

This is a filing of an Ethics Complaint pertaining to the Campaign Committee Cynthia4nmhouse and Candidate Cynthia Borrego. The campaign committee Cynthia4nmhouse is in violation of the Election Code and Campaign Practices:

- 1. Violation of 1-19-34(B) NMSA 1978
 - a. Violation of 1.10.13.20 (D) NMAC
- 2. Violation of 1-19-34.7(A) NMSA 1978
 - a. 1-19-34.7(J) NMSA 1978
 - b. 1.10.13.32(C) NMAC

1. Violation of 1-19-34(B) NMSA 1978 and 1.10.13.20 (D) NMAC

Cynthia Borrego's Campaign Committee Cynthia4nmhouse has violated the campaign reporting act on her first primary report. The campaign committee filed a first primary report on April 11, 2022, and as amended on 4/12/2022 shows an anonymous cash donation of \$500 on March 28, 2022 on page 3(see Appendix A). This is a violation of the campaign reporting act 1-19-34(B) and administrative rules 1.10.13.20(D) NMAC. A Candidate cannot more than a \$100 anonymous donation totaling \$500 aggregated per cycle. The Candidates Campaign Committee is in excess of the single donation by \$400.

1-19-34 (B) NMSA 1978

No anonymous contributions shall be accepted for more than one hundred dollars (\$100). The aggregate amount of anonymous contributions received by a reporting individual during a primary or general election or a statewide special election shall not exceed two thousand dollars (\$2,000) for statewide races and five hundred dollars (\$500) for all other races

1.10.13.20(D) NMAC

No single anonymous contribution may be accepted in excess of one hundred dollars (\$100). No more than five hundred dollars (\$500) may be accepted in aggregate anonymous contributions for any non-statewide candidate in a primary or general election cycle. No more than two thousand dollars (\$2000) may be accepted in aggregate anonymous contributions for any statewide campaign committee or political committee in a primary or general election cycle.

2. Violation of 1-19-34.7(A) NMSA 1978 as defined by 1-19-34.7(F) NMSA, 1-19-34.7(J) NMSA 1978, and 1.10.13.32(C) NMAC

Cynthia Borrego's Campaign Committee Cynthia4nmhouse has violated the campaign reporting act on her fourth primary report. The campaign committee filed a fourth primary report on July 7, 2022 and shows a single monetary contribution on 7/2/2022 of \$7,556.24 from the Speaker fund on Page 3 (See Appendix B). This is a violation of the limits set by 1-19-34.7 (A) and 1-19-37.7 (F) of \$5,200 for the 2022 election cycle. Understandable the Speaker fund is a Legislative Caucus Committee and has no contribution limits to in-kind contributions to a candidate of the same party, 1-19-34.7(J) NMSA 1978 and 1.10.13.32(C) NMAC, a Legislative Caucus Committee is still required to follow the monetary contribution limits set by the campaign reporting act statutes 1-19-34.7 (A) and 1-19-37.7 (F) of \$5,200.

1-19-34.7 (A) NMSA 1978

Except as provided in Subsections H through J of this section:

(1) a person, including a political committee, shall not make a contribution to a candidate, including the candidate's campaign committee, or to a political committee in an amount that will cause that person's total contributions to the candidate or political committee to exceed five thousand dollars (\$5,000) during a primary election cycle or five thousand dollars (\$5,000) during a general election cycle; provided that a person may make a contribution attributable to the general election cycle during the primary election cycle even though the person has contributed the maximum amount allowed for the primary election cycle:

(a) if that contribution is not used to pay for any expenditure related to the primary election; and

(b) if the candidate is not on the general election ballot, all contributions made to the candidate for the general election are returned to the persons who made the contributions or deposited in the public election fund; and

1-19-34.7(F) NMSA 1978

On January 1 after each general election, the contribution amounts provided in Subsection A of this section shall be increased by the percentage of the preceding two calendar years' increase of the consumer price index for all urban consumers, United States city average for all items, published by the United States department of labor. The amount of the increase shall be rounded to the nearest multiple of one hundred dollars (\$100). The secretary of state shall publish by October 1 before each general election the adjusted contribution limits that shall take effect the January 1 following general election.

1-19-34.7 (J) NMSA 1978

The limitations on contributions to candidates or campaign committees provided for in Subsection A of this section shall not apply to the value of in-kind contributions from a political party or legislative caucus committee to a candidate nominated by that party in a general election cycle.

1.10.13.32(C) NMAC

A legislative caucus committee must comply with all statutes and rules applicable to political committees, with the exception of in-kind contributions from a legislative caucus committee to a candidate nominated by that party in a general election cycle, which do not apply to limitation on contributions.

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The Campaign Committee registered as "Cynthia4nmhouse," and the committee's Candidate Cynthia Borrego violated the New Mexico Election Code and Campaign Practices. Accordingly, we request that the New Mexico Secretary of State's Office and New Mexico State Ethics Commission take all appropriate action to enforce 1-19-34(B) NMSA 1978, *of 1.10.13.20 (D) NMAC*, and *1-19-34.7(A) NMSA*, and render any penalties for noncompliance as deemed appropriate under 1-19-34.6 NMSA 1978 and 1-19-36 NMSA 1978.

Thank you for your time and attention

Greg Gallegos Consultant for Committee to Elect Ellis Mcmath

Appendix A

First Primary Report showing single contribution in excess of \$100.

Report of Expenditures and Contributions

FORM B 1 MONETARY CONTRIBUTIONS

Candidate's	Name Cynthia D Borreg	Cynthia D Borrego		
Date Submit	ted: 4/12/2022	Date Due: 4/11/2	022	
DATE	NAME and ADDRESS of CONTRIB	UTOR OCCUPATION	AMOUNT	
3/28/2022	Adele Henley Abq Albuquerque, NM 87102 Donation for campaign	Retired	\$150.00	
3/28/2022	ANONYMOUS Cash Donations		\$500.00	
3/28/2022	Camille Varoz Abq Albuquerque, NM 87102 Donation	Individual	\$25.00	
3/28/2022	Clara Padilla Albuquerque Albuquerque, NM 87120 Donation	Other - Self Employed	\$50.00	
3/28/2022	Deona Creel Abq Albuqeurque, NM 87102 Donation	Individual	\$20.00	
3/28/2022	Fred Mondragon Abq Albuquerque, NM 87102 Donation for Campaign	Retired	\$250.00	
3/28/2022	Gina Montoya Varela Abq Albuquerque, NM 87102 Donation	Individual	\$50.00	

Electronically Filed with the Office of the Secretary of the State on 4/12/2022

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Appendix **B**

Fourth Primary Report showing a single contribution in excess of \$5,200.

Report of Expenditures and Contributions

FORM B 1 MONETARY CONTRIBUTIONS

Date Due:

7/7/2022

Candidate's Name Date Submitted: Cynthia D Borrego 7/7/2022

DATE	NAME and ADDRESS of CONTRIBUTOR	OCCUPATION	AMOUNT
6/1/2022	Arthur Tannenbaum 200 Hermosa Dr NE Albuquerque, NM 87108 Donation	Retired	\$2,500.09
6/2/2022	Elane Montoya 8708 Oakcrest Pl NW Albuquerque, NM 87114 Monetary Donation	Individual	\$100.00
6/2/2022	Joe Tones 5003 Calle de Carino Albuquerque, NM 87111 Donation	Retired	\$200.00
6/3/2022	Amy Miller Albuquerque Albuquerque, NM 87120 Donation	Individual	\$38.35
6/8/2022	Laura Lakin Albuquerque Albuquerque, NM 87120 Donation	Individual	\$145.17
6/22/2022	Doreen Yvonne Gallegos 5305 Superstition Dr. Las Cruces, NM 88011 Donation	Candidate	\$500.00
7/2/2022	The Speaker Fund, 1828 PO Box 27654 Albuquerque, NM 87125 Donation	Political Committee	\$7,556.24
		TOTAL	\$11,039.85

Electronically Filed with the Office of the Secretary of the State on 7/7/2022

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