

**COMMONWEALTH OF MASSACHUSETTS
OFFICE OF CAMPAIGN AND POLITICAL FINANCE**

DISPOSITION AGREEMENT

This Disposition Agreement is entered into on August 7th, 2024, by and between the Office of Campaign and Political Finance ("OCPF"), Cristina Berrios ("Berrios"), Cesar Ruiz ("Ruiz"), and the Hispanic Latinos Leaders Now Independent Expenditure Political Action Committee (the "Committee"), in which the parties mutually agree, for the purposes of this Agreement, as follows:

I. INTRODUCTION

1. The Committee, at all times relevant to this Agreement, was a duly organized political committee subject to the provisions of M.G.L. c. 55, the Massachusetts campaign finance law.
2. The Committee organized with OCPF on February 22, 2023 as an Independent Expenditure Political Action Committee ("IE PAC"). Cesar Ruiz accepted the role of Chairperson, and Cristina Berrios accepted the role of Treasurer.
3. OCPF has the authority to review and investigate the legality, validity, completeness, and accuracy of all reports required to be filed and all actions required to be taken by political committees, candidates, campaign treasurers, and any other person pursuant to M.G.L. c. 55 or any other laws of the Commonwealth relative to campaign contributions and expenditures.
4. The political contributions, expenditures, and other activities noted in this Agreement are subject to the provisions of M.G.L. c. 55 and the regulations promulgated by this office in accordance with M.G.L. c. 55.
5. Throughout the entirety of OCPF's review, the Committee cooperated fully and all requests for the production of documents were responded to promptly.

II. FACTS

1. On February 22, 2023, the Committee filed its Statement of Organization with OCPF. On the same day, OCPF acknowledged the receipt of the Committee's paperwork, confirmed it was a duly registered political committee with OCPF, and notified the Committee of its online campaign finance training requirement, to be completed by Berrios. OCPF's records indicate that the treasurer training was not completed until November 12, 2023.
2. Since its inception, the Committee contacted OCPF at various times, seeking general

information regarding campaign finance requirements and the Committee's activity. OCPF advised the Committee accordingly and provided substantial, specific guidance regarding the statutory and regulatory requirements and restrictions applicable to independent expenditure political action committees ("IE PACs").

3. On July 18, 2023, OCPF provided the Committee with the Campaign Finance Guide for Independent Expenditure PACs and on August 28, 2023, OCPF provided the Committee with Interpretive Bulletin IB-10-03. OCPF records further indicate that OCPF staff spoke with representatives of the Committee by phone or answered email questions at least seven times between May and September 2023. In at least two of these communications, OCPF staff reminded the Committee that, as an IE PAC, it could not make contributions to candidates.

4. On November 6, 2023, the Committee contacted OCPF to inquire about contributions made directly to Massachusetts candidates and how to disclose such contributions on its campaign finance reports.

5. In response, OCPF reiterated that IE PACs are prohibited from directly or indirectly coordinating campaign activity with any Massachusetts candidate, including making contributions to candidates.

6. OCPF requested that the Committee provide details of all contributions made directly to Massachusetts candidates. The Committee promptly provided OCPF with the following list of monetary contributions made to candidates between October 16, 2023 and November 2, 2023:

Date	Recipient Candidate	Amount	Filer Type
10/16/23	Kocayne Givner (Holyoke)	\$250.00	Municipal Filer
10/16/23	Tessa Murphy Romboletti (Holyoke)	\$250.00	Municipal Filer
10/16/23	Jose Maldonado Velez (Holyoke)	\$250.00	Municipal Filer
10/16/23	Izzy Rivera (Holyoke)	\$500.00	Municipal Filer
10/16/23	Jenny Rivera (Holyoke)	\$500.00	Municipal Filer
10/16/23	Janelle Mojica (Holyoke)	\$500.00	Municipal Filer
10/16/23	Kelly Garcia (Chelsea)	\$250.00	Municipal Filer
10/19/23	Jonathan Paz (Waltham)	\$500.00	OCPF Filer
11/2/23	Axel Fontanez (Holyoke)	\$500.00	Municipal Filer
11/2/23	Nely Medina (Worcester)	\$500.00	Municipal Filer
11/2/23	Katie Norford (Worcester)	\$500.00	OCPF Filer
11/2/23	Jose Rivera (Worcester)	\$500.00	OCPF Filer
11/2/23	Eladia Romero Rodriguez (Leominster)	\$500.00	Municipal Filer

TOTAL \$5,500.00

7. OCPF subsequently obtained the Committee's bank records to conduct a

comprehensive review of the Committee's 2023 financial activity. This analysis included a reconciliation of campaign finance reports to the Committee's bank statements and deposited items. As a result of this review, OCPF noted that Ruiz made the following contributions to the Committee:

Deposit Date	Last Name	First Name	Amount	Tender Type
7/5/2023	Ruiz	Cesar	\$50,000.00	<i>Treasurer's Check</i>
7/28/2023	Ruiz	Cesar	\$50,000.00	Personal Check
9/6/2023	Ruiz	Cesar	\$50,000.00	<i>Treasurer's Check</i>
10/20/2023	Ruiz	Cesar	\$40,000.00	<i>Treasurer's Check</i>
TOTAL			\$190,000.00	

8. As a result of the review, OCPF noted that in 2023 the Committee underreported its receipts by \$5,151.15 and overreported its expenditures by \$30,474.23. Specifically, the Committee did not accurately report refunds received from various vendors, and there were several duplicate entries on the campaign finance reports. The inaccurate disclosure, however, appeared to be due to data entry errors.

9. OCPF determined that the Committee received and deposited three contributions in the form of treasurer's checks, totaling \$140,000, which the Committee attributed to Ruiz in its campaign finance reports.

10. The records indicated that Ruiz also made a \$50,000 contribution to the Committee on July 28, 2023. The bank records show that this contribution was drawn on Ruiz's personal checking account.

III. OCPF CONCLUSIONS

1. M.G.L. c. 55, §§18 and 18A – Disclosure

The campaign finance law requires committees to accurately and timely disclose their campaign finance activity. Section 18A requires IE PACs to file reports within seven business days of utilizing the goods or services for which an expenditure was made or, if utilized after the tenth day but more than 24 hours before the election day, the report must be filed within 24 hours of utilization. M.G.L. c. 55, §18 requires political committees to disclose certain information for contributions received and expenditures made. Although OCPF has determined that the disclosure-related issues set forth in paragraph 8 above were due to data entry errors, the

campaign finance law nevertheless requires political committees to file accurate and timely campaign finance reports to disclose all of its financial activity. Thus, the Committee did not comply with M.G.L. c. 55, §§18 and 18A.

2. M.G.L. c. 55, §9 – Tender Type Limits

Section 9 of the campaign finance law prohibits political committees from accepting aggregate contributions in excess of \$100 per year from a single contributor made by money order, bank check, treasurer's check, cashier's check, or other similar instrument. As noted above in Section II, Paragraph 9, the Committee received and deposited three contributions totaling \$140,000 that were made by treasurer's check and deposited into the Committee's bank account between July 5, 2023 and October 20, 2023. Even though an individual may give without limit to IE PACs pursuant to M.G.L. c. 55, the statute makes no exception to the restriction on tender types for such committees and, as a result, contributions to IE PACs must be made in accordance with the tender type requirements set forth in M.G.L. c. 55, §9. Therefore, the Committee did not comply with M.G.L. c. 55, §9 when it received and deposited excess treasurer's check contributions in the amount \$139,900.

3. M.G.L. c. 55, §§ 1, 7, 7A; 970 C.M.R. 2.02, 2.21 and 2.22 – IE PAC Activity

An IE PAC is a political committee that is organized to receive contributions for the purpose of making independent expenditures to support or oppose a candidate or candidates. Unlike a traditional political action committee ("PAC"), an IE PAC may receive contributions from individuals without limit, and from corporations and other entities that are otherwise prohibited from contributing to a traditional PAC. See 970 CMR 2.02. IE PACs may not make contributions directly to a candidate or candidate's committee. Further, an IE PAC may not make coordinated expenditures on behalf of a candidate or candidate's committee, that is, an expenditure made "in concert with, or at the request or suggestion of, any candidate, or any nonelected political committee organized on behalf of a candidate or agent of such candidate." See M.G.L. c. 55, §§1 and 18A, and 970 CMR 2.21.

Pursuant to OCPF's regulations, a contribution made by an IE PAC to a candidate converts the IE PAC into a traditional PAC and subjects the IE PAC to contribution limits applicable to traditional PACs. See 970 CMR 2.22(1)(b). Therefore, an IE PAC that converts to a traditional PAC may not accept contributions from any individual in excess of \$500 in the aggregate per calendar year. See M.G.L. c. 55, §7A.

While it was organized as an IE PAC in 2023, the Committee made contributions directly to candidates or their candidate's committee, totaling \$5,500, that did not comply with the

campaign finance law and its related regulations. By making contributions to candidates, the Committee transformed from an IE PAC into a PAC, subject to all of the restrictions and requirements applicable to traditional PACs under Chapter 55 and its related regulations. Specifically, the Committee, once it became a traditional PAC, could not accept contributions without limit; instead, it could only accept up to \$500 per person, per calendar year. Therefore, the Committee's receipt of contributions totaling \$190,000 from one individual (Ruiz) exceeded the \$500 contribution limit applicable to PACs as set forth in M.G.L. c. 55, §7 and resulted in excess contributions from Ruiz in the total amount of \$189,500. The Committee's receipt and deposit of the excess contributions as described above did not comply with Sections 7 and 7A of Chapter 55.

IV. RESPONDENTS' POSITION

The Hispanic Latino Leaders Now Political Action Committee (HLLN PAC) began as an effort to support candidates and advance issues essential to advancing the Latino community's voice across the Commonwealth. We're proud of what we accomplished in our first year. We also acknowledge minor and unintentional missteps were made in initially funding the organization, which led to a clerical error made by the founder. While small, we recognized the serious nature of this error, quickly accepted responsibility, and worked diligently to correct it with the Office of Campaign Political & Finance. To further show our commitment, HLLN PAC will return the errant funds to the community through donations to organizations making an impact in Massachusetts and nationwide. We believe in a fair election process and look forward to continuing our mission to elect leaders who prioritize creating an inclusive Massachusetts where all Latinos can prosper and thrive.

V. RESOLUTION

In order to resolve the matter now before OCPF, the parties agree, pursuant to M.G.L. c. 55, §3 and 970 CMR 3.07(1), as follows:

1. Ruiz will make charitable contributions, on behalf of the Committee, totaling \$ 189,500.
2. Initial donations, totaling \$50,000, were made to charities by Ruiz on July 17, 2024. Additionally, Ruiz has agreed to make periodic donations to charitable entities for the remaining \$139,500 by December 31, 2024.
3. Ruiz has further agreed to provide OCPF with sufficient documentation to verify that each charitable entity received and deposited the donation. This documentation must be provided to OCPF in full before December 31, 2024.
4. The Committee filed a dissolution report with OCPF on August 5, 2024.

5. If Ruiz intends to be politically active in the future, Ruiz agrees to ensure compliance with the campaign finance law.

6. OCPF agrees not to refer the Committee, the recipient candidates, Ruiz, or Berrios to any other governmental agency, including, without limitation, the Office of the Attorney General, for any failure to comply with the provisions of M.G.L. c. 55 cited herein, with respect to the conduct that is specifically referenced in this Agreement.

7. OCPF may, at any time, review compliance with this Agreement. If it believes that the provisions of this Agreement have been violated, after notice to the Committee, Ruiz, or Berrios, OCPF may, notwithstanding the provisions of the foregoing paragraph, proceed with any action consistent with M.G.L. c. 55 or otherwise authorized by law without the necessity of further hearings under Section 3.

8. This Agreement shall be binding upon OCPF, Cristina Berrios (Treasurer), Cesar Ruiz (Chairman), the Committee, and their successors in interest.

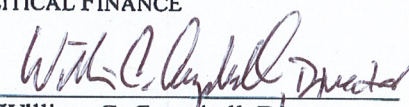
9. The parties have entered into this Agreement, knowingly and voluntarily, in an effort to resolve all matters set forth in the Agreement.

10. This Agreement is a public record under M.G.L. c. 4, §7 and shall be subject to public inspection as required by M.G.L. c. 66, §10.

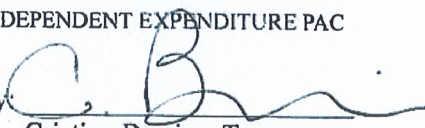
HISPANIC LATINOS LEADERS NOW
INDEPENDENT EXPENDITURE PAC

By: 
Cesar Ruiz, Chairman

OFFICE OF CAMPAIGN AND
POLITICAL FINANCE

By: 
William C. Campbell, Director

HISPANIC LATINOS LEADERS NOW
INDEPENDENT EXPENDITURE PAC

By: 
Cristina Berrios, Treasurer