

Commonwealth of Massachusetts
Office of Campaign and Political Finance

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CONTACT: Denis Kennedy
Director of Public Information
(617) 727-8352 / (800) 462-6273

**OCPF, Santiago sign disposition agreement
concerning campaign finance violations**

The Office of Campaign and Political Finance announced today that it has entered into a disposition agreement with former state Rep. Jose Santiago of Lawrence regarding numerous violations of the campaign finance law from 2000 through 2002, including reporting discrepancies, activity that was not disclosed in public filings, and late filing of campaign finance reports.

Among the violations cited in the agreement are more than \$20,000 in expenditures that were inaccurately disclosed, not disclosed at all or not made properly through the Committee's bank account.

Santiago served two terms in the 16th Essex District from 1999-2002. He also ran unsuccessfully for Mayor of Lawrence in 2001.

The facts cited in the agreement arose from inquiries generated by OCPF's regular audits of Santiago's reports while he was a legislator. The office also audited reports filed by all candidates for mayor of Lawrence in 2001 as part of its regular review of mayoral activity in selected cities.

The improprieties cited in the agreement include:

- o \$6,982 in payments made by Santiago from his personal funds directly to vendors, making it impossible for OCPF to ascertain the exact amount of his personal contributions.
- o many contributions to the Committee that were not deposited into its bank account and instead were paid out to vendors in cash, a manner inconsistent with the law. The Committee used \$885 from contributions received at an October 2000 fundraiser event for "out of pocket" expenses incurred in connection with the event. In addition, between October 28, 2002, and February 27, 2003, the Committee received \$2,825 in

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contributions that were never deposited into the Committee's account, but instead were used to make cash payments to the persons or entities that provided services to the Committee.

- o inaccurate or incomplete reporting of information regarding expenditures. For example, the Committee made 40 expenditures totaling \$6,941 to various individuals, but the expenditures were not reported as having been made to these individuals and do not coincide with the Committee's bank checks. In addition, 14 expenditures from the Committee's account, totaling \$2,160, were not disclosed until the Committee filed amended reports in April 2003 as a result of OCPF's review.
- o the Committee's failure to file campaign finance reports in a timely manner. In addition to all three 2002 reports filed after the due dates, the Committee failed to file a report reflecting activity from January 1, 2001, to May 31, 2001, when Santiago changed treasurers and bank accounts. Based on bank records obtained by OCPF, a supplemental report was filed in April 2003 to cover this period, showing \$3,348 in receipts and \$3,615 in expenditures.
- o Additional violations such as receiving \$570 in contributions from business corporations; receiving a contribution from an individual of \$550, which is \$50 over the annual limit; receiving a contribution by money order of \$100, which is \$50 over the limit for money order contributions; incorrectly reporting contributions from unincorporated businesses as coming from individuals only; improperly reporting contributions from political action committees and other candidates as having been received from individuals; raising at least \$200 through a raffle; and failing to report liabilities in a timely or accurate manner.

To resolve the matter, Santiago made a personal payment of \$2,600 to the Commonwealth: a \$1,230 civil penalty for late-filed campaign finance reports, \$870 representing the amount of improper contributions received, and \$500 in the nature of a civil forfeiture. Santiago has voluntarily dissolved his committee, but agreed to notify OCPF if he seeks office again and to provide the office with campaign bank records through 2005.

OCPF agreed not to refer the matter to the Attorney General for further action.

In addition to Santiago, the agreement was signed by his committee treasurer, Angel Rodriguez, and OCPF Director Michael J. Sullivan.

Copies of the agreement and of Santiago's campaign finance reports are available at OCPF's office at One Ashburton Place, Room 411, Boston. Santiago's three reports for 2002 are also online in OCPF's Electronic Filing System at www.mass.gov.ocpf.

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