

**STATE OF RHODE ISLAND  
BEFORE THE RHODE ISLAND ETHICS COMMISSION**

**In re: Carlos E. Tobon,**

**Complaint No. 2022-3**

**ORDER**

This matter having been heard before the Rhode Island Ethics Commission on August 16, 2022, pursuant to 520-RICR-00-00-3.16 Informal Disposition (1011), and the Commission having considered the Complaints herein, the arguments of counsel and the Respondent, and the proposed Informal Resolution and Settlement, which is incorporated by reference herein, it is hereby:

**ORDERED, ADJUDGED AND DECREED**

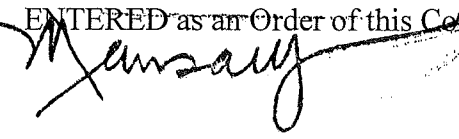
THAT, the Commission approves the Informal Resolution and Settlement; and

THAT, the Commission incorporates by reference herein the Findings of Fact and the Conclusions of Law set forth in the Informal Resolution and Settlement; and

THAT, as detailed in the Conclusions of Law enumerated in the Informal Resolution and Settlement, the Respondent violated R.I. Gen. Laws § 36-14-16(a)(1) and Commission Regulation 520-RICR-00-00-4.11 Leadership Positions with Not-For-Profit Organizations (36-14-17008).; and

THAT, the Respondent is ordered to pay a civil penalty in the amount of Three Thousand Six Hundred Dollars (\$3,600).

ENTERED as an Order of this Commission,

  
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Chairperson

Dated: August 16, 2022

**STATE OF RHODE ISLAND  
BEFORE THE RHODE ISLAND ETHICS COMMISSION**

**In re: Carlos E. Tobon,  
Respondent**

**Complaint No. 2022-3**

**INFORMAL RESOLUTION AND SETTLEMENT**

The Respondent, Carlos E. Tobon, and the Chief Prosecutor of the Rhode Island Ethics Commission, Jason Gramitt, hereby agree to the following Findings of Fact, Conclusions of Law, and Settlement of the above-captioned matter, subject to the approval of the Rhode Island Ethics Commission:

**I. INTRODUCTION AND TRAVEL OF THE CASE.**

The Respondent was elected to the Rhode Island House of Representatives in 2014 and has continuously served in that position each year from 2015 to present. As a state elected official during this period, the Respondent was required by law to file an annual financial disclosure statement (“disclosure statement”) with the Ethics Commission pursuant to R.I. Gen. Laws § 36-14-16(a)(1).

On or about May 5, 2022, a local television news station, WPRI 12, aired and published an investigative report alleging that the Respondent had received multiple personal loans over the years which, in some cases, remained outstanding and that were not disclosed on the Respondent’s annual disclosure statements. The report also alleged that the Respondent had registered multiple limited liability companies which did not appear on his disclosure statements.

On May 12, 2022, the Ethics Commission’s Chief Prosecutor initiated a Preliminary Investigation, pursuant to Commission Regulation RICR 520-00-00-3.4 Preliminary Investigations (36-14-12001), to investigate whether the Respondent violated provisions of the Code of Ethics’

financial disclosure mandate relating to omissions from his disclosure statements previously filed with the Ethics Commission. Subsequently, on May 16, 2022, Suzanne Cienki filed an ethics complaint against the Respondent, alleging that the WPRI 12 reporting indicated that the Respondent had improperly omitted information from his previously filed disclosure statements. Following the Ethics Commission's initial determination on June 7, 2022, that the Cienki complaint stated facts that were sufficient to constitute violations of the Code of Ethics' financial disclosure mandate, the Chief Prosecutor's preliminary investigation was administratively consolidated with the authorized investigation into the allegations of the Cienki complaint. Ultimately, the preliminary investigation was completed with the understanding that issues uncovered therein would be addressed through the resolution of the instant complaint.

## **II. FINDINGS OF FACT**

On May 19, 2022, and again on June 17, 2022, the Respondent voluntarily reported to the Ethics Commission offices and submitted to investigative interviews with the Ethics Commission's Chief Prosecutor and Chief of Investigations. Following these interviews, and consistent with direction provided by the prosecution team, the Respondent made multiple required amendments to his previously filed financial statements, as recounted below:

**A. OMITTED DEBTS IN EXCESS OF \$1,000:** Pursuant to Section 36-14-17(b)(8), the disclosure statement must include: "Identification of any person, business entity, financial institution or other organization to whom the person was indebted at any time during the calendar year for which the statement is required in an amount in excess of one thousand dollars (\$1,000) other than (A) Any person related to the person at any time within the third degree of consanguinity or affinity or (B) Any transactions involving credit cards, or (C) Any indebtedness to a financial institution, licensed and regulated by any state or by the United States, which is secured solely by a mortgage of record on real property used exclusively as the principal residence of the person required to file the statement." The following debts were not, but should have been, properly disclosed on the Respondent's disclosure statements:

1. **April Kuzdeba.** The Respondent accepted a personal loan in the amount of \$21,000 from April Kuzdeba, a friend, on November 15, 2005. Although the

Respondent tendered a payment of \$3,500 to Kuzdeba in 2016, at all times relevant times between 2015 and 2020 there remained a loan balance in excess of \$1,000. In 2020, Kuzdeba filed suit to recover the unpaid balance of the loan plus interest. This suit was settled in 2022.

- a. The Respondent did not disclose his debt to Kuzdeba on the financial disclosure statements he filed for calendar years 2015 through 2020.
- b. In May of 2022, subsequent to the filing of the instant complaint, the Respondent amended his 2015 through 2020 financial disclosure statements to reflect his indebtedness to Kuzdeba.

2. **Diagneris Garcia.** The Respondent accepted personal loans from Diagneris Garcia, a friend, from 2013 to 2015 in a total amount of \$10,100. In 2018, Garcia filed suit to recover an unpaid loan balance of \$6,500. The suit was resolved in 2020 with satisfaction of the loan. During 2015 and through 2020, the Respondent was indebted to Garcia in an amount in excess of \$1,000.

- a. The Respondent did not disclose his debt to Garcia on the financial disclosure statements he filed for calendar years 2015 through 2020.
- b. In May and June of 2022, subsequent to the filing of the instant complaint, the Respondent amended his 2015 through 2020 financial disclosure statements to reflect his indebtedness to Garcia.

3. **Gregory Troy.** The Respondent accepted a personal loan in 2015 from Gregory Troy, the Respondent's employer at the time, for \$7,000. In 2017, after Mr. Troy's death, Troy's estate filed suit to recover the balance owed on the loan, which at the time exceeded \$1,000. The outstanding balance of the loan was repaid in 2018. During 2015 and through 2018, the Respondent was indebted to Troy or Troy's estate in an amount in excess of \$1,000.

- a. The Respondent did not disclose his debt to Troy on the financial disclosure statements he filed for calendar years 2015 through 2018.
- b. In May and June of 2022, subsequent to the filing of the instant complaint, the Respondent amended his 2015 through 2018 financial disclosure statements to reflect his indebtedness to Troy.

4. **Francisco Navas.** The Respondent contracted with Francisco Navas in 2015, wherein Navas agreed to perform renovation work on a property at 681 Broadway, Pawtucket owned by the Respondent's company, SOLRAC LLC, in return for the sum of \$16,000 to be paid by the end of 2015 or upon the sale of the property. The holder of a mortgage on 681 Broadway foreclosed on the property and sold it through auction in August 2015. In 2016, Navas filed a breach of contract suit against the Respondent to recover \$19,000. During 2015 through the 2022, the Respondent was indebted to Navas in an amount in excess of \$1,000.

- a. The Respondent did not disclose his debt to Navas on the financial disclosure statements he filed for calendar years 2015 through 2020.

b. In May of 2022, subsequent to the filing of the instant complaint, the Respondent amended his 2016 through 2020 financial disclosure statements to reflect his indebtedness to Navas.

5. **JPMorgan Chase and Quercus Mortgage Investment Trust**. The Respondent purchased a multi-family home at 104 Lawn Ave., Pawtucket, in 2008. In 2011, the Respondent received a loan from First Home Mortgage Corporation in the amount of \$128,775, secured by a mortgage on 104 Lawn Ave. In 2014, this loan and mortgage was assigned to JPMorgan Chase. In 2019, JPMorgan Chase assigned the loan and mortgage to Quercus Mortgage Investment Trust. The loan was discharged in 2020. During each year of calendar years 2015 through 2020, 104 Lawn Ave. was not used exclusively as the Respondent's principal residence, either because the Respondent resided elsewhere or because he was renting one or more of the property's living units to others. During 2015 and through 2020, the Respondent was indebted to First Home Mortgage Corporation and its successors in interest in an amount in excess of \$1,000.

a. The Respondent did not disclose his debt to First Home Mortgage Corporation, JPMorgan Chase, or Quercus Mortgage Investment Trust on his financial disclosure statements filed for calendar years 2015 through 2020.

b. In June of 2022, subsequent to the filing of the instant complaint, the Respondent amended his 2015 through 2020 financial disclosure statements to reflect his indebtedness to First Home Mortgage Corporation, JPMorgan Chase, and Quercus Mortgage Investment Trust.

**B. OMITTED BUSINESS OWNERSHIP INTERESTS**: Pursuant to section 36-14-17(b)(7), the disclosure statement must include: "The name and address of any business entity in which he or she or any person enumerated in subsection (a) of this section held a ten percent (10%) or greater equity interest or five thousand dollars (\$5,000) or greater cash value interest at any time during the calendar year for which the statement is required[.]" The following business interests were not, but should have been, properly disclosed on the Respondent's disclosure statements:

1. **El Tata LLC**. On April 30, 2018, the Respondent registered El Tata LLC with the Rhode Island Secretary of State as a limited liability company, and he has at all relevant times been its owner and manager. The Respondent states that El Tata LLC does business as "Tobon Insurance," and it has continued operations to the present. El Tata LLC's registration was revoked by the Secretary of State on December 29, 2020, for failure to file a 2019 Annual Report, and it has never been reinstated. No Articles of Dissolution<sup>1</sup> were ever filed with the Secretary of State pursuant to R.I. Gen. Laws § 7-16-47.

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<sup>1</sup> The revocation of a business entity's Certificate of Incorporation does not mean that the business has been dissolved, which requires the filing of Articles of Dissolution with the Secretary of State. A 1998 article in the Rhode Island Bar Journal noted the important distinction between a corporation's official dissolution versus merely having its registration revoked for failing to file an annual report: "[I]t seems clear that the revocation of a corporation's certificate of incorporation is not a dissolution in the same sense as issuance of a certificate of dissolution. One court has made clear

- a. The Respondent did not disclose his ownership interest in El Tata LLC on his financial disclosure statements filed for calendar years 2018 through 2020.
  - b. In May of 2022, subsequent to the filing of the instant complaint, the Respondent amended his 2018 through 2020 financial disclosure statements to reflect his business ownership interest in El Tata LLC.
2. **Chein & Associates LLC**. On July 23, 2013, the Respondent registered Chein<sup>2</sup> & Associates LLC with the Secretary of State as a limited liability company with the Rhode Island Secretary of State, and he has at all relevant times been its owner and manager. Through Chein & Associates LLC, the Respondent endeavored to engage in the business of real estate investment. Chein & Associates LLC's registration was revoked by the Secretary of State on June 1, 2015, for failure to file a 2014 Annual Report, and it has never been reinstated. While the Respondent indicates that this entity is no longer in operation, no Articles of Dissolution were ever filed with the Secretary of State pursuant to R.I. Gen. Laws § 7-16-47.
- a. Although the Respondent disclosed an ownership interest in "Chein & Associates LLC" on his 2014 financial disclosure statement, and he disclosed that he held an executive position with the entity in his 2014 through 2017 statements, he did not disclose his ownership interest in this entity on his financial disclosure statements filed for calendar years 2015 through 2020.
  - b. In May of 2022, subsequent to the filing of the instant complaint, the Respondent amended his 2015 through 2020 financial disclosure statements to reflect his business ownership interest in Chein & Associates LLC.
3. **SOLRAC LLC**. On May 16, 2013, the Respondent registered SOLRAC<sup>3</sup> LLC with the Secretary of State as a limited liability company, and he has at all relevant times been its owner and manager. Through SOLRAC LLC, the Respondent endeavored to engage in the business of real estate investment and home renovation. SOLRAC LLC's registration was revoked by the Secretary of State on June 1, 2015, for failure to file a 2014 Annual Report, and it has never been reinstated. While the Respondent indicates that this entity is no longer in operation, no Articles of Dissolution were ever filed with the Secretary of State pursuant to R.I. Gen. Laws § 7-16-47, and SOLRAC LLC was engaged in home repair/renovation work as late as 2017.

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that under Alaska's statutory language, which is similar to Rhode Island's, a corporation that has its certificate of incorporation revoked is not dissolved but in a state of 'suspended animation' for the period that reinstatement is possible." H. Norman Knickle, *Terminating a Rhode Island Corporation and Avoiding Personal Liability*, 47-OCT R.I. B.J. 7 (1998)(citing *Castner v. First National Bank of Anchorage*, 278 F.2d 376, 382-383 (9th Cir. 1960)). In Rhode Island, the reinstatement of a limited liability company's registration is possible for up to twenty years after revocation. R.I. Gen. Laws § 7-16-43(a).

<sup>2</sup> "Chein" in the name of this LLC was meant to refer to the French word for dog, *chien*.

<sup>3</sup> SOLRAC is "Carlos" spelled backwards.

- a. Although the Respondent disclosed an ownership interest in SOLRAC LLC on his 2014 financial disclosure statement, and he disclosed that he held an executive position with the entity in his 2014 through 2017 statements, he did not disclose his ownership interest in this entity on his financial disclosure statements filed for calendar years 2015 through 2020.
  - b. In May of 2022, subsequent to the filing of the instant complaint, the Respondent amended his 2015 through 2020 financial disclosure statements to reflect his business ownership interest in SOLRAC LLC.
4. **Nobot Rivers LLC**. On August 3, 2009, the Respondent registered Nobot Rivers<sup>4</sup> LLC with the Secretary of State as a limited liability company, and he has at all relevant times been one of its owners and managers. Through Nobot Rivers LLC, the Respondent endeavored to engage in the business of real estate investment. Nobot Rivers LLC's registration was revoked by the Secretary of State on June 27, 2011, for failure to file a 2010 Annual Report, and it has never been reinstated. While the Respondent indicates that this entity is no longer in operation, no Articles of Dissolution were ever filed with the Secretary of State pursuant to R.I. Gen. Laws § 7-16-47.
- a. The Respondent did not disclose his ownership interest in Nobot Rivers LLC on his financial disclosure statements filed for calendar years 2015 through 2020.
  - b. In May of 2022, subsequent to the filing of the instant complaint, the Respondent amended his 2015 through 2020 financial disclosure statements to reflect his business ownership interest in Nobot Rivers LLC.

**C. OMITTED EXECUTIVE POSITIONS:** Pursuant to Section 36-14-17(b)(6), Commission Regulation 520-RICR-00-00-4.5 Executive Positions (36-14-17002), and Commission Regulation 520-RICR-00-00-4.11 Leadership Positions with Not-For-Profit Organizations (36-14-17008), the disclosure statement must include: "A list of all boards of directors of which the person is a member and the executive positions which he or she holds in any business entity," "The name and address of any business as defined in R.I. Gen. Laws § 36-14-2(2) which the public official, his or her spouse or dependent child is a director, officer, partner, trustee, or holds a supervisory management position[.]" and "a list of all boards of directors, trustees or equivalent fiduciary positions of which the person is a member, and all executive officer positions which the public official holds, in any not-for-profit organization." Positions with the following entities should have been, but were not, properly disclosed on the Respondent's financial statements:

1. **Nobot Rivers LLC**. This section incorporates by reference the facts previously set forth relative to Nobot Rivers LLC. In addition to the Respondent's ownership interest in this entity, he at all times held a management and executive position.

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<sup>4</sup> Nobot is "Tobon" spelled backwards, and "Rivers" refers to Tobon's business associate at that time, Javier Rios.

- a. The Respondent did not disclose his executive position with Nobot Rivers LLC on his financial disclosure statements filed for calendar years 2015 through 2020.
  - b. In June of 2022, subsequent to the filing of the instant complaint, the Respondent amended his 2017 through 2020 financial disclosure statements to reflect his executive position with Nobot Rivers LLC.
2. **Chein & Associates LLC**. This section incorporates by reference the facts previously set forth relative to Chein & Associates LLC. In addition to the Respondent's ownership interest in this entity, he at all times held a management and executive position.
  - a. Although the Respondent disclosed his executive position with Chein & Associates LLC on his 2014 through 2017 financial disclosure statement, he did not disclose this interest on his financial disclosure statements filed for calendar years 2018 through 2020.
  - b. In May of 2022, subsequent to the filing of the instant complaint, the Respondent amended his 2018 through 2020 financial disclosure statements to reflect his executive position with Chein & Associates LLC.
3. **SOLRAC LLC**. This section incorporates by reference the facts previously set forth relative to SOLRAC LLC. In addition to the Respondent's ownership interest in this entity, he at all times held a management and executive position.
  - a. Although the Respondent disclosed that he held an executive position with the entity in his 2014 through 2017 statements, he did not disclose his executive position with this entity on his financial disclosure statements filed for calendar years 2018 through 2020.
  - b. In May of 2022, subsequent to the filing of the instant complaint, the Respondent amended his 2018 through 2020 financial disclosure statements to reflect his executive position with SOLRAC LLC.
4. **National Hispanic Caucus of State Legislators**. In 2017, the Respondent became the Vice President for Public Policy, an executive leadership position, with the National Hispanic Caucus of State Legislators (NHCSL), a nonprofit corporation based in Washington, D.C. He held that position until his appointment as Secretary of the organization, another executive leadership position he still holds as of the writing of this document.
  - a. The Respondent did not disclose his executive positions with NHCSL on his financial disclosure statements filed for calendar years 2017 through 2020.
  - b. In June of 2022, subsequent to the filing of the instant complaint, the Respondent amended his 2017 through 2019 financial disclosure statements to reflect his executive position with NHCSL.
5. **National Association of Latino Elected and Appointed Officials Educational Fund**. Since 2019, the Respondent has been a member of the Board of Directors of the National Association of Latino Elected and Appointed Officials



Educational Fund (NALEO Educational Fund), a nonprofit corporation based in California.

- a. The Respondent did not disclose his position as Director with NALEO Educational Fund on his financial disclosure statements filed for calendar years 2019 and 2020.
  - b. In June of 2022, subsequent to the filing of the instant complaint, the Respondent amended his 2019 and 2020 financial disclosure statements to reflect his executive position with NALEO Educational Fund.
6. **The Pawtucket Foundation.** In 2020, the Respondent became a member of the Board of Directors of The Pawtucket Foundation, a nonprofit corporation based in Pawtucket, Rhode Island.
- a. The Respondent did not disclose his position as Director with The Pawtucket Foundation on his financial disclosure statement filed for calendar year 2020.
  - b. In June of 2022, subsequent to the filing of the instant complaint, the Respondent amended his 2020 financial disclosure statement to reflect his executive position with The Pawtucket Foundation.

### III. CONCLUSIONS OF LAW

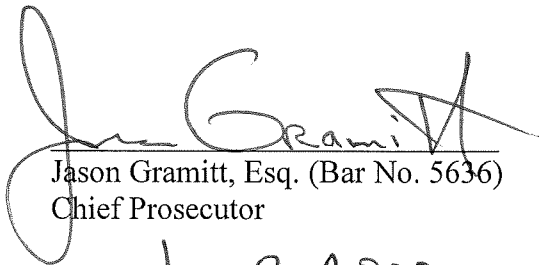
1. As a member of the Rhode Island House of Representatives from 2015 through the present, the Respondent was at all relevant times a state elected official who was required by law to file an annual financial disclosure statement with the Ethics Commission pursuant to R.I. Gen. Laws § 36-14-16(a)(1), which conformed to the requirements of R.I. Gen Laws § 36-14-17 and Commission Regulations 520-RICR-00-00-4 *et seq.* relating to Financial Disclosure.
2. By failing to disclose his indebtedness to April Kuzdeba on his financial statements for calendar years 2015 through 2020, as required by R.I. Gen. Laws § 36-14-17(b)(8), the Respondent violated R.I. Gen. Laws § 36-14-16(a)(1).
3. By failing to disclose his indebtedness to Diagneris Garcia on his financial statements for calendar years 2015 through 2020, as required by R.I. Gen. Laws § 36-14-17(b)(8), the Respondent violated R.I. Gen. Laws § 36-14-16(a)(1).
4. By failing to disclose his indebtedness to Gregory Troy on his financial statements for calendar years 2018 through 2020, as required by R.I. Gen. Laws § 36-14-17(b)(8), the Respondent violated R.I. Gen. Laws § 36-14-16(a)(1).
5. By failing to disclose his indebtedness to Francisco Navas on his financial statements for calendar years 2016 through 2020, as required by R.I. Gen. Laws § 36-14-17(b)(8), the Respondent violated R.I. Gen. Laws § 36-14-16(a)(1).
6. By failing to disclose his indebtedness to JPMorgan Chase and Quercus Mortgage Investment Trust on his financial statements for calendar years 2015 through 2020, as required by R.I. Gen. Laws § 36-14-17(b)(8), the Respondent violated R.I. Gen. Laws § 36-14-16(a)(1).

7. By failing to disclose his business ownership interest in El Tata LLC on his financial statements for calendar years 2018 through 2020, as required by R.I. Gen. Laws § 36-14-17(b)(7), the Respondent violated R.I. Gen. Laws § 36-14-16(a)(1).
8. By failing to disclose his business ownership interest in Chein & Associates LLC on his financial statements for calendar years 2015 through 2020, as required by R.I. Gen. Laws § 36-14-17(b)(7), the Respondent violated R.I. Gen. Laws § 36-14-16(a)(1).
9. By failing to disclose his business ownership interest in SOLRAC LLC on his financial statements for calendar years 2015 through 2020, as required by R.I. Gen. Laws § 36-14-17(b)(7), the Respondent violated R.I. Gen. Laws § 36-14-16(a)(1).
10. By failing to disclose his business ownership interest in Nobot Rivers LLC on his financial statements for calendar years 2015 through 2020, as required by R.I. Gen. Laws § 36-14-17(b)(7), the Respondent violated R.I. Gen. Laws § 36-14-16(a)(1).
11. By failing to disclose his executive or management positions in Nobot Rivers LLC on his financial statements for calendar years 2015 through 2020, as required by R.I. Gen. Laws § 36-14-17(b)(6) and Commission Regulation 520-RICR-00-00-4.5 Executive Positions (36-14-17002), the Respondent violated R.I. Gen. Laws § 36-14-16(a)(1).
12. By failing to disclose his executive or management positions in Chein & Associates LLC on his financial statements for calendar years 2018 through 2020, as required by R.I. Gen. Laws § 36-14-17(b)(6) and Commission Regulation 520-RICR-00-00-4.5 Executive Positions (36-14-17002), the Respondent violated R.I. Gen. Laws § 36-14-16(a)(1).
13. By failing to disclose his executive or management positions in SOLRAC LLC on his financial statements for calendar years 2018 through 2020, as required by R.I. Gen. Laws § 36-14-17(b)(6) and Commission Regulation 520-RICR-00-00-4.5 Executive Positions (36-14-17002), the Respondent violated R.I. Gen. Laws § 36-14-16(a)(1).
14. By failing to disclose his executive positions in National Hispanic Caucus of State Legislators on his financial statements for calendar years 2019 and 2020, the Respondent violated Commission Regulation 520-RICR-00-00-4.11 Leadership Positions with Not-For-Profit Organizations (36-14-17008).
15. By failing to disclose his executive position in National Association of Latino Elected and Appointed Officials Educational Fund on his financial statements for calendar years 2015 through 2020, the Respondent violated Commission Regulation 520-RICR-00-00-4.11 Leadership Positions with Not-For-Profit Organizations (36-14-17008).
16. By failing to disclose his executive position in The Pawtucket Foundation on his financial statements for calendar year 2020, the Respondent violated Commission Regulation 520-RICR-00-00-4.11 Leadership Positions with Not-For-Profit Organizations (36-14-17008).

**IV. SETTLEMENT**

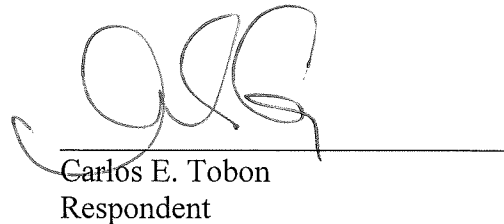
This settlement recognizes the seriousness and quantity of the Respondent's financial disclosure omissions over a six-year period, while acknowledging the Respondent's willingness to fully cooperate with the investigation, take immediate responsibility for the above violations, and properly amend his financial statements. Pursuant to the above Findings of Fact and Conclusions of Law, the parties hereby agree, subject to the approval of the Ethics Commission, pursuant to section 36-14-13(d) and Commission Regulation 520-RICR-00-00-3.16 Informal Disposition (1011), to the following:

1. The Ethics Commission shall enter an Order and Judgment adopting the Findings of Fact, Conclusions of Law, and the terms of the Settlement herein.
2. The Respondent agrees that the Ethics Commission will impose, and the Respondent agrees to pay, a civil penalty in the amount of \$3,600.
3. The above terms represent a full and complete resolution and settlement of Complaint No. 2022-3.



Jason Gramitt, Esq. (Bar No. 5636)  
Chief Prosecutor

Dated: Aug. 9, 2022



Carlos E. Tobon  
Respondent

Dated: 09 AUG 2022