

1. Accepting an over-the-limit contribution \$125

City Council campaigns are not permitted to accept contributions from a single source that, added together, exceed \$2,750. *See* Admin. Code §§ 3-702(8), 3-703(1)(d), (f), (g), (6); Board Rules 1-02, 1-04(h). The Campaign accepted an aggregate contribution of \$3,750 from the NYC District Council of Carpenters, which exceeded the limit by \$1,000. On September 6, 2009, staff notified the Campaign about the over-the-limit contribution and directed the Campaign to return the over-the-limit portion by September 8, 2009, which it did.

The Board assessed a penalty of \$125 for this violation.

2. Making improper post-election expenditures \$577

A participant may make post-election expenditures only for routine activities involving nominal cost associated with winding up a campaign and responding to the post-election audit. *See* Admin. Code §§ 3-703(1)(d), (g), (6); Board Rules 1-03(a), 5-03(e)(2).

The Campaign reported expenditures totaling \$5,771.83 that, due to their timing, purpose, and lack of documentation, appeared to be impermissible post-election expenditures. Administrative Code §§ 3-703(1)(d), (g), (6) and Board Rules 1-03(a), 5-03(e)(2).

Most of this amount, \$4,552, consists of outstanding liabilities to employees who, according to the Campaign, were “post-election workers” who worked on “closing out [the] campaign” and “closing [the] campaign office.”

While the Act and Rules permit post-election expenditures for “reasonable staff salaries ... for responding to a post-election audit,” a campaign is required to provide records to substantiate the expenditures. *See* Board Rules 4-01, 5-03(e)(2)(ii). The Campaign did not do so. It provided wage records that were not signed by the employee or the treasurer and that were not dated. Because the documentation was insufficient to substantiate the expenditures, the Campaign failed to demonstrate that the expenditures were permissible.

The second-largest portion of this amount consists of \$843.60 in outstanding liabilities and \$228.90 in expenditures to Verizon. While limited phone service might be a permissible post-election expenditure, because the documentation provided by the campaign did not include dates or descriptions of the Verizon services, or the location where the services were provided, the Campaign has failed to demonstrate that the expenditures were permissible.

The Board assessed a penalty of 10% of the amount of the expenditures, or \$577.

3. Failing to report three transactions \$150

Candidates are required to report transactions. *See* Admin. Code § 3-703(1)(d), (g), (6); Board Rule 3-03(e). The Campaign failed to report three substantial transactions: two separate \$500 expenditures to Michael Chaney on August 22nd and 25th, 2009, and also a \$340 check to an unknown payee dated September 4, 2009. The Board assessed a penalty of \$150 for this violation.

4. Failing to provide deposit slips \$50

Candidates are required to document transactions. *See* Admin. Code § 3-703(1)(d), (g); Board Rules 4-01(a), (b)(1). The Campaign failed to provide copies of four deposit slips. The Board assessed a penalty of \$50 for this violation.

5. Failing to comply with subcontractor reporting requirements \$50

When a campaign knows or should have known that its vendor paid a subcontractor more than \$5,000 for goods or services, the campaign is required to report information concerning the subcontractor. The campaign must request this information from the vendor and submit a completed Subcontractor Disclosure Form or evidence of a good faith attempt to obtain this information. *See* Admin. Code §§ 3-703(1)(d), (g), (6); Board Rules 3-03(e)(3), 4-01(h).

The Campaign paid Visibility Consulting Services \$18,000, yet did not provide a completed Subcontractor Disclosure Form for the vendor or provide evidence of a good faith attempt to obtain this information. The Board assessed a penalty of \$50 for this violation.