

**1. Accepting a corporate contribution \$35**

Candidates are prohibited from accepting corporate contributions. *See* Admin. Code § 3-703(1)(l), Board Rule 1-04(e). When a candidate has received a prohibited contribution, the candidate must refund the contribution by bank check or certified check made out to the contributor. *See* Board Rule 1-04(c)(1). The Handbook makes it clear that contributions from professional corporations are prohibited.

On May 6, 2009, Dr. Stewart M. Chodosch D. D. S., P. C., a corporation, contributed \$35 to the Campaign. The CFB notified the Campaign of the prohibited contribution on June 19, 2009, and the Campaign promptly refunded it. The Board assessed a penalty of \$35 (the amount of the contribution).

**2. Exceeding the expenditure limit \$5,653**

Candidates who participate in the Campaign Finance Program must abide by limits on the amount of money they can spend on their campaigns. Admin. Code §§ 3-703(1)(i), 3-706, 3-711(2)(a); Board Rules 1-08(a), (d), (l). The expenditure limit for the election year for candidates running for City Council in the 2009 primary election was \$161,000, and the limit for the pre-election period was \$43,000. An expenditure is made when the goods are used, regardless of when payment is made. Board Rule 1-08(b). Expenditures made at any time prior to the first day of the election year, for materials distributed during the election year, are allocated to the election year. *See* Admin. Code § 3-706(1). The Campaign exceeded the expenditure limit by \$5,653, which is 3.5% over the limit.

Generally, CFB staff attributes expenditures to the calendar year in which they are incurred and paid. However, when expenditures are incurred towards the very end of the year before the election, the question of when the campaign receives the benefit and use from those expenditures – not just when the physical items were received – becomes important. This factor is critical for analyzing a campaign’s compliance with the expenditure limit for an election year, because campaigns may attempt to evade the limit by making large expenditures at the end of the year preceding the election for items that will actually be used during the election year. Exceeding the expenditure limit is one of the most serious violations of the Act and Board Rules and undermines the purpose of the Campaign Finance Program.

Five purchases made by the Campaign in December 2008, totaling \$6,551.85, were attributed to the election year, 2009. These expenditures were attributed to 2009 due to the substantial costs, nature of the items, and late December purchase and payment dates. Three of these expenditures were made to SSW Printing, a print shop owned by the candidate’s family, for lawn signs. Two other purchases (of toner cartridges and paper) were made on December 31, 2008. It would be highly unusual, nine months before a City Council election, for a Campaign to distribute over \$5,000 worth in lawn signs over five days. In addition, it is extremely unlikely

that the lawn signs were used in late December 2008.

The Board assessed a penalty of \$5,653, the amount of the overage.