

## **William C. Thompson, Jr., Mayor (2009)**

### **1. Accepting contributions over the “doing business” limit \$5,600**

Mayoral campaigns may not accept contributions in excess of \$400 from those having business dealings with the City. *See* Admin. Code §§ 3-702(8), (18), 3-703(1)(d), (g), (1-a), (6); Board Rule 1-02. If a campaign accepts such an over-the-limit contribution, it must return the excess portion to the contributor by bank check or certified check made out to the contributor within twenty days of being notified by the Board. *See* Admin. Code § 3-703(1-b); Board Rule 1-04(c)(1).

The Campaign accepted twelve contributions from contributors having business dealings with the City that exceeded the “doing business” limit.

Pursuant to the Penalty Guidelines, if the campaign returns the over-the-limit portion of the contribution after the deadline stated in the CFB notification, the baseline penalty is \$250 (for contributions over-the-limit by up to \$3,000) or \$500 (for contributions over-the-limit by \$3,001 to \$6,000). If the over-the-limit portion is not returned at all, the penalty is the overage plus \$250 (for contributions over-the-limit by up to \$3,000) or the overage plus \$500 (for contributions over-the-limit by \$3,001 to \$6,000). The Board assessed the baseline penalties of \$5,600.

### **2. Accepting contributions from unregistered political committees \$4,600**

A participating campaign may not accept a contribution from a political committee unless the committee is registered with the CFB or registers within ten days of the contribution. *See* Admin. Code §§ 3-702(11), 3-703(1)(k), 3-707; Board Rule 1-04(d). When a campaign knows that it has accepted a contribution from a source prohibited by the Act, the campaign shall promptly return the prohibited contribution by bank or certified check. *See* Board Rule 1-04(c)(1).

The Campaign reported that it accepted twenty contributions from political committees not registered with the Board within ten days of their contributions.

Pursuant to the Penalty Guidelines, the baseline penalty for accepting and promptly refunding a contribution from an unregistered political committee upon notification is \$125 or the amount of the contribution, whichever is smaller. The baseline penalty for refunding a contribution after the notification deadline, or not refunding a contribution (if the committee registers), is \$250. The Board assessed the baseline penalties of \$4,600.

### **3. Accepting over-the-limit contributions \$2,500**

Mayoral campaigns are not permitted to accept contributions from a single source that, added together, exceed \$4,950. *See* Admin. Code §§ 3-702(8), 3-703(1)(d), (f), (g), (6); Board

Rules 1-02, 1-04(h). If a campaign accepts such an over-the-limit contribution, it must return the excess portion to the contributor by bank check or certified check made out to the contributor. Board Rule 1-04(c)(1).

The Campaign accepted contributions from single sources that were in excess of the \$4,950 limit. The Campaign promptly refunded the overages to thirteen of the contributors by the deadline. Two other contributions were returned after the deadline.

Pursuant to the Penalty Guidelines, if the campaign returns the over-the-limit portion of the contribution by the deadline in the notification, the baseline penalty is \$125 (for contributions over-the-limit by up to \$3,000) or \$250 (for contributions over-the-limit by \$3,001 to \$6,000). If the over-the-limit portion of the contribution is not returned until after the deadline, those baseline penalties double. The Board assessed the baseline penalties of \$2,500.

#### **4. Making impermissible post-election expenditures of \$16,205 \$1,620**

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 \$16,205.70 that, due to their timing and purpose, appear to be impermissible post-election expenditures.

*Patrick B. Jenkins Associates – Consulting: \$6,667.00*

The Campaign paid this vendor \$6,667 on November 11, 2009 and submitted a copy of the cancelled check. Subsequently, the Campaign deleted the transaction. It reported a \$15,000 liability to this vendor, incurred October 15, 2009, but provided no contract or other documentation.

*Food expenses: \$2,313.90*

The Campaign's assertion that these expenditures to various restaurants were for food for campaign workers, either pre-election or permissibly post-election, is not supported by documentation.

*All Car Rent A Car: \$1,536.33*

The Campaign's assertion that these expenditures were incurred on election day to transport campaign workers is not supported by documentation.

*Jason D. Laidley – Consulting: \$5,000.00*

The Campaign paid this vendor \$5,000 on December 1, 2009 for "services rendered," but has submitted no documentation concerning this expenditure.

*Foa & Son Corporation – Insurance: \$688.47*

The Campaign submitted a copy of an invoice for a policy change transaction that became effective on October 6, 2009, and was paid for on December 23, 2009. The invoice is illegible and accordingly, the documentation is insufficient.

Pursuant to the Penalty Guidelines, the baseline penalty for impermissible post-election expenditures is 10% of the amount of those expenditures. Accordingly, the Board assessed a penalty of \$1,620.

**5. Accepting contributions from corporations \$750**

A campaign may not accept a contribution from a corporation. *See* Admin. Code § 3-703(1)(l); Board Rule 1-04(e). When a campaign knows that it has accepted a contribution from a source prohibited by the Act, the campaign shall promptly return the prohibited contribution by bank or certified check. Board Rule 1-04(c)(1).

The Campaign accepted five corporate contributions.

Pursuant to the Penalty Guidelines, the baseline penalty for accepting and promptly refunding a contribution from a corporation is \$125 or the amount of the contribution, whichever is smaller. The baseline penalty for not refunding such a contribution is the amount of the contribution plus \$250. Accordingly, the Board assessed baseline penalties of \$750.

**6. Failing to report or adequately respond to questions about intermediaries \$600**

An intermediary is an individual or entity who solicits or delivers contributions to a campaign. Campaigns are required to report and respond to questions about intermediaries and to provide a signed statement from the intermediary affirming that the contributors were not reimbursed for their contributions and that none of the contributions was a loan. *See* Admin. Code §§ 3-702(12), 3-703(1)(d), (g), (6); Board Rules 3-03(c)(7), 4-01(b)(5).

Reporting, copies of contribution checks, and/or other documentation submitted to the CFB indicate that intermediaries were used for contributions totaling \$4,990 from individuals at six organizations – CWA, UFA, FDNY, Local 3, Mintz Levin, and RLJ Companies. The Campaign failed to report these intermediaries and did not provide signed intermediary affirmation statements.

Pursuant to the Penalty Guidelines, the baseline penalty for failing to report or respond to questions about intermediaries is \$100 per suspected intermediary. Accordingly, the Board assessed a penalty of \$600.

**7. Failing to report attributions for contributions from partnerships and limited liability companies** **\$800**

The Campaign accepted contributions from partnerships, limited liability partnerships (LLP) and limited liability companies (LLC), which were permitted through December 31, 2007. At that time, a contribution by a partnership or LLP was considered to be a contribution by the partnership as a whole and by its partners. A contribution by an LLC was considered to be a contribution by the LLC as a whole and also, where contributions from the LLC in aggregate exceeded \$2,500, a contribution by each member whose share exceeded \$99. Campaigns that received partnership and LLC contributions during that period are required to attribute and report the individual amounts contributed by each partner or member of the entity. *See* Admin. Code §§ 3-703(1)(d), (g), (6); Board Rule 1-04(h). *See* Board Rules 1-04(h), (i), 3-03(c)(8) as in effect on the dates these contributions were made (Board Rules effective 03/20/05; Board Rules effective 06/21/07).

The Board notified the Campaign on October 21, 2009 and in the DAR that the Campaign had received sixteen contributions from partnerships and limited liability companies in excess of \$2,500 that required attributions to individual partners or members.

The Board assessed a penalty of \$50 per contributor, for total penalties of \$800.

**8. Failing to file daily pre-election disclosure statements** **\$350**

During the two weeks preceding an election, a campaign is required to report all contributions or loans accepted from a single source exceeding \$1,000, and any expenditures that exceed \$20,000, within 24 hours after they are accepted or made. These contributions and expenditures must also be reported in the Campaign's next disclosure statement. *See* Admin. Code §§ 3-703(1), (g), (6), (12); Board Rule 3-02(e).

The Campaign failed to file required daily disclosures to report eleven contributions greater than \$1,000 and eleven expenditures in excess of \$20,000 in the two weeks preceding the primary and general elections.

Pursuant to the Penalty Guidelines, the baseline penalty for failing to report eleven or more transactions required to be reported in daily disclosure statements in the two weeks preceding an election is \$350. Accordingly, the Board assessed a penalty of \$350.

**9. Failing to provide intermediary affirmation statements** **\$200**

An intermediary is an individual or entity who delivers contributions to a campaign or solicits contributions on behalf of a campaign. Campaigns are required to provide a signed statement from the intermediary affirming that the contributors were not reimbursed for their

contributions and that none of the contributions was a loan. *See* Admin. Code §§ 3-703(1)(d), (g), (6); Board Rule 4-01(b)(5). *See also* Admin. Code § 3-702(12).

The Campaign failed to provide signed intermediary affirmation statements for the following four reported intermediaries: Lawrence Sucharow, Jonathan L. Mechanic, Jonathan M. Plasse, and Faryce B. Moore.

Pursuant to the Penalty Guidelines, the baseline penalty for failing to document a specific transaction is \$50. According, the Board assessed baseline penalties of \$200 (\$50 for each missing intermediary statement).

**10. Maintaining a petty cash fund greater than \$500**

**Violation No Penalty**

A campaign is prohibited from maintaining more than \$500 in its petty cash fund. *See* Board Rule 4-01(e)(2). *See also* Admin. Code §§ 3-703(1)(d), (g), (6).

The Campaign made cash withdrawals of \$820 on October 30, 2009 and of \$880 on November 2, 2009, which resulted in a petty cash fund that exceeded the \$500 limit. The Board assessed no penalty for this violation.