



Summary of Final Board Determination

Nikki Lucas

Candidate, EC2013, City Council District 42

Program participant: \$31,584 in public funds received

1. Failing to report a merchant account used for campaign purposes \$250

Campaigns are required to report all bank, merchant, and depository accounts used for campaign purposes. *See* Admin. Code §§ 3-703(1)(c), (d), (g), (6), (10), (11); Board Rules 1-11(d), 2-06, 4-01(f). The bank statements provided by the Campaign revealed that a Litle & Co. merchant account was used for campaign purposes but was not reported to the Board.

The Board assessed a penalty of \$250 for this violation

2. Failing to provide bank or merchant account statements \$500

Campaigns are required to provide copies of all bank and merchant account statements for accounts used for each election. *See* Admin. Code §§ 3-703(1)(d), (g), (11); Board Rule 4-01(f). Following multiple requests from the Board staff, the Campaign failed to provide statements for its JP Morgan Chase, Litle & Co., and ActBlue bank and merchant accounts.

The Board assessed total penalties of \$500 for these violations.

3. Failing to demonstrate compliance with cash receipts reporting and documentation requirements \$47

Campaigns are required to report all cash receipts, deposit them into the bank account listed on the candidate's filer registration and/or certification, and provide the deposit slips for the account to the Board. *See* Admin. Code §§ 3-703(1)(d), (g), (6), (10), (11), (12); Board Rules 1-04(a), (b), 2-06(a), 3-03(c), 4-01(a), (b)(1), (3), (f).

The Campaign reported cash receipts of \$4,560.80 but provided deposit slips for only \$4,370, a difference of \$190.80. This constitutes a 4.18% variance between the cash receipts reported and documented by the Campaign.

The Board assessed a penalty of \$47 for this violation.



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4. Failing to document a transaction \$100

Campaigns are required to document all financial transactions, including loans, in-kind contributions, and joint expenditures. See Admin. Code §§ 3 703(1)(d), (g), (11), (12), 3-715; Board Rules 1-09, 4 01(a), (c), (g), (k), 4-03.

According to its contract with Grace Christian Church, the Campaign agreed to pay \$4,500 for the use of facilities at the church for a fundraiser held on March 30, 2013. However, the Campaign reported payments to the vendor totaling only \$3,000. The Campaign did not report the remaining \$1,500 as an outstanding liability and it therefore appears that the Campaign received a discount from the vendor, which the Campaign did not document (or report) as an in-kind contribution.

The Board staff assessed a penalty of \$100 for this violation.

5. Failing to demonstrate that spending was in furtherance of the campaign \$1,250

Campaigns are required to demonstrate that all spending was in furtherance of the campaign. See Admin. Code §§ 3-702(21)(a), (b); 3-703(1)(d), (g), (6), (11); Board Rules 1-03(a), 4-01(e). Campaigns that receive public funds cannot pay volunteers for services already performed on a voluntary basis. Board Rule 1-08(k).

For work purportedly performed on September 10, 2013, the Campaign paid \$2,500 each to the Campaign treasurer and another worker. The wage payments for these workers appeared to be above fair market value based on a comparison of their timesheets and those of other Campaign workers who were paid significantly less for similar work performed. The payment to the treasurer also appeared to be payment for services already performed on a voluntary basis, because she was already providing similar services in her capacity as the Campaign's volunteer treasurer.

The Board assessed total penalties of \$1,250 for these violations.



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6. Making impermissible post-election expenditures \$137

After an election and before repaying leftover campaign funds to the Board, participants may spend campaign funds only to pay campaign-related expenses incurred in the preceding election and for “routine activities involving nominal cost associated with winding up a campaign and responding to the post-election audit.” See Admin. Code §§ 3-702(21)(a)(8), 3-703(1)(d), (g), (6), (11), 3-710(2)(c); Board Rules 1-03(a), 1-08(b), 5-03(e)(2).

Based on a review of its reporting and documentation, the Campaign made \$550.81 of expenditures that were impermissible post-election expenditures due to their timing, amount or purported purposes.

The Board assessed total penalties of \$137 for these violations.

7. Late response and failing to respond to audit documentation and information requests (initial documentation request and DAR). \$3,658

Campaigns are required to maintain records, such as copies of checks, invoices, and bank records, to verify financial transactions reported in disclosure statements, and campaigns are required to provide such records to the Board upon request and to respond to specific questions regarding compliance with the Act and Board Rules. See Admin. Code §§ 3-703(1)(d), (g), (6), (11), (12), 3-708(5), 3-710(1); Board Rules 1-09(a), 4-01, 4 05(a). Candidates who fail to respond to the Draft Audit Report may be subject to a penalty of up to 10% of total public funds received. See Admin. Code § 3-711(2)(b).

On November 25, 2013, the Campaign received an initial documentation request (“IDR”) as part of the Campaign’s post-election audit. The IDR had a response deadline of December 26, 2013. The Campaign failed to respond timely and did not request an extension of its response deadline until January 14, 2014, 18 days after the original deadline. The Campaign was granted an extension at that time and submitted an IDR response by the new deadline.

On September 22, 2014, the Campaign received its DAR, with a deadline to respond of October 22, 2014. To date, the Campaign has failed to respond to the DAR or request an extension of time to respond.

The Board assessed total penalties of \$3,658 for these violations.