



**New York City
Campaign Finance Board**

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April 19, 2007

Diane J. Rizzo
Bloomberg for Mayor 2005, Inc.

Dear Ms. Rizzo:

Attached please find the New York City Campaign Finance Board's (the "Board") final audit report for the 2005 election campaign of Michael R. Bloomberg (the "Campaign"). This report is based on a comprehensive review of the Campaign's financial disclosure statements and submitted documentation. The results of the Board's completed audit indicate that the Campaign was in substantial compliance with the Campaign Finance Act and the Rules of the Board with the exception delineated in the attached report.

The disclosure statement due on January 17, 2006 (#17) was the last disclosure statement the Campaign was required to file with the Board for the 2005 elections. (Board of Elections filing requirements are different; please contact the Board of Elections if you have questions about its filing requirements.) Please be advised that the Board may in the future require the Campaign to submit relevant information and proof of ongoing compliance with the 2005 election requirements. See Campaign Finance Board Rules 3-02(b) and 4-01(a).

If you have any questions regarding filing disclosure statements for future elections, please call the Candidate Services Unit at 212-306-7100.

Diane J. Rizzo
Bloomberg for Mayor 2005, Inc.

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April 19, 2007

The Board and its staff would like to thank you and the Campaign staff for your cooperation during the 2005 election cycle. Should you have any questions about the enclosed report, please call me at 212-306-7123.

Sincerely,

A handwritten signature in black ink, appearing to read "Julius Peele". The signature is stylized with a large initial "J" and a long horizontal stroke at the end.

Julius Peele
Director of Auditing and Accounting

Attachments

c: Michael R. Bloomberg

**CAMPAIGN FINANCE BOARD
FINAL AUDIT REPORT OF
BLOOMBERG FOR MAYOR 2005, INC.**

BACKGROUND

The Campaign Finance Program (the “Program”) was designed to limit the role and influence of private money in the political process. Candidates who voluntarily participate in the Program can qualify to have private contributions matched with public money. In exchange, the participants agree to full disclosure of their campaign finances, as well as to strict contribution and spending limits.

In December 2004, the City Council passed legislation expanding the jurisdiction of the Board to all candidates running for Mayor, Public Advocate, Comptroller, Borough President and City Council. Program participants and non-participants alike are required to disclose all campaign activity to the Board. In addition, all candidates must adhere to the contribution limits and the ban on corporate contributions. Non-participants are not eligible to receive public funds and are not subject to the expenditure limits.

The table below provides detailed information about the candidate:

Name: Michael R. Bloomberg	ID: 605
Office Sought: Mayor	
Class: Non-Participant	
Filer Registration Date: March 9, 2005	Contribution Limit: N/A
Committee Name: Bloomberg for Mayor 2005, Inc.	Party: Republican, Independent, Liberal
Other Committees: No	Ballot Status: General

REVIEW SCOPE AND OBJECTIVES

Board staff performed an audit of the financial disclosure statements and books and records submitted by the Campaign. The audit covered the information disclosed in the Campaign's financial disclosure statements seven through seventeen covering the period from March 11, 2004 through January 11, 2006. The audit also included a review of the Campaign's bank statements covering the period October 19, 2004 through September 30, 2006.

The objectives of the Board's audit were to ensure that (1) the applicable limits and prohibitions were adhered to; (2) financial transactions were accurately reported and documented; and (3) adequate books and records were maintained by the Campaign to demonstrate compliance with the Campaign Finance Act and Campaign Finance Board Rules.

CONCLUSION

The Board staff's review revealed that the functions carried out by the Campaign were properly documented and that the applicable rules were followed with the exception of the following item:

- The Campaign did not disclose payments made by a vendor to subcontractors (see Finding #1).

FINDINGS AND RECOMMENDATIONS

1. DISCLOSURE – Possible Subcontractors

Campaigns are required to disclose all expenditures that total more than \$5,000 in the aggregate that are made to subcontractors by any vendors to the Campaign subcontracting for work on behalf of the Campaign. The name and address of the subcontractor, the amounts paid to the subcontractor, and the purpose and amount of any expenditure must be reported. *See* Rule 3-03(e)(3).

Board staff's review of disclosure statements filed by the Campaign revealed that the following payee received large payments and appears to have provided goods and/or services that may have been subcontracted:

<u>Payee Name</u>	<u>Total Amount Paid</u>
Big Apple/Lazernet	\$88,332

Therefore, information concerning the use of subcontractors may not have been fully reported to the Board as required.

Recommendation #1

The Campaign must respond by addressing whether this payee used subcontractors who received in excess of \$5,000 in total during the course of the campaign. The Campaign must support its response with written documentation from the payee regarding the use of subcontractors. If subcontractors received more than \$5,000, the Campaign must amend its disclosure statements to reflect this information by adding subcontractor information in C-SMART and filing amended disclosure statements. The

Campaign should not rely solely on the lack of named subcontractors on a payee's original invoices. A sample form to send to the listed payee is available in the *Campaign Finance Handbook*, on the CFB's website, www.nyccfb.info, or you may contact the Candidate Services Unit at 212-306-7100 to request a copy. The Campaign should provide documentation of all its attempts to obtain subcontractor information.

Campaign's Response

The Campaign stated that Big Apple/Lazernet is no longer in business and it is attempting to locate a contact person to complete the subcontractor disclosure form.

Board's Response

Because the Campaign responded to notification, the Board will take no further action on this matter other than to make it a part of the candidate's record with the Board.

New York City Campaign Finance Board
 Campaign Finance Information System
 Transaction Summary Report
 Appendix 1

Candidate: Bloomberg, Michael R (ID:605-NP)

Office: 1 (Mayor)

Election: 2005

1. Opening cash balance (All committees)		\$0
2. Total itemized monetary contributions (Sch ABC)		\$84,155,868
3. Total unitemized monetary contributions		\$0
4. Total in-kind contributions (Sch D)		\$0
5. Total unitemized in-kind contributions		\$0
6. Total other receipts (Sch E - excluding CFB payments)		\$452,326
7. Total unitemized other receipts		\$0
8. Total itemized expenditures (Sch F)		\$84,621,007
Expenditure payments	\$84,533,301	
Advance repayments	\$87,706	
9. Total unitemized expenditures		\$22,229
10. Total transfers-In (Sch G)		\$760,870
Type 1	\$0	
Type 2a	\$760,870	
Type 2b	\$0	
11. Total transfers-out (Sch H)		\$0
Type 1	\$0	
Type 2a	\$0	
Type 2b	\$0	
12. Total loans received (Sch I)		\$0
13. Total loan repayments (Sch J)		\$0
14. Total loans forgiven (Sch K)		\$0
15. Total liabilities forgiven (Sch K)		\$0
16. Total expenditures refunded (Sch L)		\$55,917
17. Total receipts adjustment (Sch M - excluding CFB repayments)		\$0
18. Total outstanding liabilities (Sch N - last statement submitted)		\$0
Outstanding Bills	\$0	
Outstanding Advances	\$0	
19. Total advanced amount (Sch X)		\$0
20. Net public fund payments from CFB		\$0
Total public funds payment	\$0	
Total public funds returned	\$0	
21. Total Valid Matchable Claims		N/A
22. Total Invalid Matchable Claims		N/A
23. Total Amount of Penalties Assessed		N/A
24. Total Amount of Penalty Payments		\$0
25. Total Amount of Penalties Withheld		\$0