



**New York City
Campaign Finance Board**

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April 22, 2011

Jihye L. Jennings
A Jennings 2009



Dear Mrs. Jennings:

Please find attached the New York City Campaign Finance Board's (the "CFB" or "Board") Final Audit Report for the 2009 campaign of Allan W. Jennings (the "Campaign"). The report is based on a comprehensive review of the Campaign's financial disclosure statements and submitted documentation, and incorporates the Board's final determination of **April 7, 2011** (attached). The report concludes that the Campaign demonstrated substantial compliance with the requirements of the Campaign Finance Act (the "Act") and Rules of the Board (the "Rules"), with exceptions as detailed in the report.

The January 15, 2010 disclosure statement (#16) was the last disclosure statement the Campaign was required to file with the CFB for the 2009 elections. The Campaign is required to maintain its records for six years after the election, and the CFB may require the Campaign to demonstrate ongoing compliance. *See* Rules 3-02(b)(3), 4-01(a), and 4-03. In addition, please contact the Board of Elections for information concerning their separate filing requirements.

The CFB thanks you for your cooperation during the 2009 election cycle. Should you have any questions about the enclosed report, please contact the Audit Unit at 212-306-5250 or AuditMail@nyccfb.info.

Sincerely,

[signature on original]

Julius Peele
Director of Auditing and Accounting

Attachments

c: Allan W. Jennings
[REDACTED]

A Jennings 2009
[REDACTED]

April 22, 2011

**CAMPAIGN FINANCE BOARD
FINAL AUDIT REPORT OF
A JENNINGS 2009**

BACKGROUND

Among the purposes of the Act are to diminish the role and influence of private money in New York City elections, to increase the information available to the public about elections and candidates' campaign finances, and to reduce the potential for actual or perceived corruption. The CFB is a nonpartisan, independent city agency that serves the public interest by enhancing the role of New York City residents in the electoral process. All candidates for the five covered offices - mayor, public advocate, comptroller, borough president, and City Council member - are required to disclose all campaign activity to the CFB.

All candidates must adhere to strict contribution limits and the ban on contributions from corporations, and beginning January 1, 2008, partnerships and limited liability entities. Additionally, participating candidates are prohibited from accepting contributions from unregistered political committees. The CFB also administers the voluntary Campaign Finance Program (the "Program"). Candidates who voluntarily participate in the Program can qualify to have private contributions matched with public money in exchange for agreeing to strict spending limits.

CAMPAIGN INFORMATION

The table below provides detailed information about the Campaign:

Name: Allan W. Jennings	ID: ER
Office Sought: City Council	District: 28
Classification: Non-Participant	Filer Registration Date: July 8, 2009
Committee Name: A Jennings 2009	Ballot Status: Primary
Primary Election Date: September 15, 2009	Party: Democratic
Other Committees: No	

Public Funds:

Received: N/A

Returned: N/A

Contribution Limit:

\$2,750

OBJECTIVES

The overall objective of the CFB's audit was to determine whether the Campaign complied with the Act and Rules. Specifically, CFB staff evaluated whether (1) the Campaign accurately reported financial transactions and maintained adequate books and records; (2) the Campaign adhered to contribution limits and prohibitions; and (3) the Campaign disbursed funds in accordance with the Act and Rules.

SCOPE AND METHODOLOGY

Prior to the election, CFB staff performed an initial review of the Campaign's reporting and documentation of contributions for compliance with the Act and Rules. After the election, CFB staff performed an audit of financial disclosure statements nine through sixteen (see Appendix #1), covering the period from July 3, 2009 through January 11, 2010. The audit was conducted in accordance with generally accepted government auditing standards (GAGAS) and included tests of records and other auditing procedures as necessary. This audit was performed in accordance with the audit responsibilities of the CFB as set forth in Administrative Code §3-710.

CFB staff examined the bank statements submitted by the Campaign from July 3, 2009 through October 30, 2009 and reconciled transactions to the Campaign's disclosure statements during this period to verify that all financial transactions were accurately reported and documented.

CFB staff conducted a comprehensive review of all financial transactions reported in the Campaign's disclosure statements to determine whether contribution limits and prohibitions were adhered to. Additionally, CFB staff reviewed the Campaign's reported

expenditures to ensure that the Campaign disbursed funds in accordance with the Act and Rules.

On April 9, 2010, CFB staff issued a Draft Audit Report to the Campaign that contained preliminary findings of non-compliance with the Act and Rules and recommended corrective actions. The Campaign subsequently responded to the Draft Audit Report.

Based on CFB staff recommendations and the Campaign's responses, the Board issued this Final Audit Report.

CONCLUSION:

The Campaign demonstrated substantial compliance with the Campaign Finance Act and the Rules of the Board with the exception of the following items:

Disclosure Findings - Accurate public disclosure is an important part of the CFB's mission. Findings in this section relate to the Campaign's failure to completely and timely disclose the Campaign's financial activity.

- The Campaign did not report or inaccurately reported financial transactions to the Board (see Finding #1).

Contribution Findings - All campaigns are required to abide by contribution limits and adhere to the ban on contributions from prohibited sources. Further, campaigns are required to properly document and disclose all contributions. Findings in this section relate to the Campaign's failure to comply with the requirements for contributions under the Act and Rules.

- The Campaign accepted aggregate contributions exceeding the \$2,750 contribution limit for the 2009 election cycle (see Finding #2). The Board found the Campaign in violation, but did not assess a penalty.

Expenditure Findings - Campaigns participating in the Program are required to comply with the spending limit. All campaigns are required to properly disclose and document expenditures and disburse funds in accordance with the Act and Rules. Findings in this section relate to the Campaign's failure to comply with the Act and Rules related to its spending.

- The Campaign made cash disbursements greater than \$100 (see Finding #3). The Board found the Campaign in violation, but did not assess a penalty.

FINDINGS AND RECOMMENDATIONS

1. Financial Disclosure Reporting - Discrepancies

Campaigns are required to report every contribution, loan, and other receipt received, and every disbursement made. *See* Administrative Code §3-703(6) and Rule 3-03. In addition, campaigns are required to deposit all receipts into an account listed on the candidate's Filer Registration. *See* Administrative Code §3-703(10) and Rule 2-06(a). Campaigns are also required to provide the CFB with bank records, including periodic bank statements and deposit slips. *See* Administrative Code §§3-703(1)(d), (g), and Rules 4-01(a),(b)(1),(f).

The Campaign provided CFB staff with its bank statements covering the period July 3, 2009 through October 30, 2009:

<u>Bank</u>	<u>Account Type</u>
Chase	Checking

The Campaign reported the following transaction that does not appear on its bank statements:

<u>Name</u>	<u>Check No.</u>	<u>Statement/Schedule/ Transaction ID</u>	<u>Date</u>	<u>Amount</u>
Taylor, Priestly	1009	12/F/R0000086	09/10/09	\$100.00

Previously Provided Recommendation

For the check reported in the Campaign's disclosure statement but not appearing on the Campaign's bank statements, you must provide evidence to show that the check cleared the bank (i.e., copy of the front and back of the check, or missing bank statement), was reported in error, or amend your disclosure statement to delete the transaction as an expenditure payment and report it as an in-kind contribution.

Please note that any newly entered transactions will only appear as new transactions in an amendment to the last disclosure statement, even if the transaction dates are from earlier periods. Also note that the Campaign must file an amendment for each disclosure statement in which transactions are being modified. Once all data entry is completed, you should run the Modified Statements Report in C-SMART to identify the statements for which amendments must be submitted. If any new transactions have been added, you must amend Disclosure Statement 16.

Campaign's Response

The Campaign stated that it had issued a (non-certified) refund check to Mr. Taylor, who never deposited it, and that the account was closed by the bank without prior notification to the Campaign.

Board Action

See Finding #2.

2. Contributions Over the Limit

Campaigns may not accept contributions from any single source in excess of the applicable contribution limit for the entire election cycle. A single source includes, but is not limited to, any person or entity who or which establishes, maintains, or controls another entity and every entity so established, maintained, or controlled. Candidates participating in the Program may contribute to their own campaign up to three times the contribution limit. Non-participating candidates are not limited in the amount they can contribute to their own campaign from their own money. *See* Administrative Code §3-703(1)(f) and Rule 1-04(h).

CFB staff's review revealed the following instance where the Campaign exceeded the contribution limit:

CONTRIBUTIONS EXCEEDING THE LIMIT OF \$2,750:

<u>Name</u>	<u>Schedule/Statement/ Transaction ID</u>	<u>Transaction Type</u>	<u>Date Received</u>	<u>Amount</u>
Taylor, Priestly	12/ABC/R0000079	Contribution	09/05/09	\$650.00
Taylor, Priestly	12/ABC/R0000080	Contribution	09/09/09	\$500.00
Taylor, Priestly	12/ABC/R0000089	Contribution	09/10/09	<u>\$1,700.00</u>
			Total	\$2,850.00
			Office Limit	<u>(\$2,750.00)</u>
			Amount Over-the-Limit	<u>\$100.00</u>

Previously Provided Recommendation

You must refund the over-the-limit portion by bank or certified check and provide the CFB with copies of the refund check or pay the Public Fund an amount equal to the amount of the overage. You must respond by indicating why you failed to comply with the contribution limit.

If you disagree with this finding, you must provide an explanation and documentation to demonstrate that the finding is not a violation. Even if the over-the-limit contribution is refunded, exceeding the contribution limit may result in a finding of a violation and the assessment of penalties.

Campaign's Response

See Finding #1.

Board Action

The Board found the Campaign in violation, but did not assess a penalty.

3. Cash Disbursements Exceeding \$100

Campaigns are prohibited from maintaining a petty cash fund greater than \$500. *See* Rule 4-01(e)(2). Campaigns are also prohibited from spending amounts greater than \$100 except by checks from a bank account reported to the CFB and signed by the Campaign's authorized signatory. *See* Rule 1-08(i).

The Campaign reported the following expenditure in cash greater than \$100:

<u>Payee</u>	<u>Transaction Type</u>	<u>Statement/Schedule/ Transaction ID</u>	<u>Date</u>	<u>Amount</u>
New Dragon	Expenditure Payment	12/F/R0000244	09/15/09	\$178.20

Previously Provided Recommendation

You must explain why you made an expenditure in cash exceeding \$100.

Campaign's Response

The Campaign responded that it had made two separate cash payments to the restaurant totaling \$178.20 for two purchases that day but it reported the expenditures as a single transaction under one payee name.

Board Action

The documentation demonstrates that one of the purchases by the Campaign was paid with cash in excess of \$100. The Board found the Campaign in violation, but did not assess a penalty.

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

Candidate: Jennings, Allan W (ID:ER-NP)**Office:** 5 (City Council)**Election:** 2009

1. Opening cash balance (All committees)		\$0.00
2. Total itemized monetary contributions (Sch ABC)		\$9,985.00
3. Total unitemized monetary contributions		\$0.00
4. Total in-kind contributions (Sch D)		\$500.00
5. Total unitemized in-kind contributions		\$0.00
6. Total other receipts (Sch E - excluding CFB payments)		\$0.00
7. Total unitemized other receipts		\$0.00
8. Total itemized expenditures (Sch F)		\$10,443.56
Expenditure payments	\$10,443.56	
Advance repayments	\$0.00	
9. Total unitemized expenditures		\$0.00
10. Total transfers-In (Sch G)		\$33.31
Type 1	\$0.00	
Type 2a	\$0.00	
Type 2b	\$33.31	
11. Total transfers-out (Sch H)		\$0.00
Type 1	\$0.00	
Type 2a	\$0.00	
Type 2b	\$0.00	
12. Total loans received (Sch I)		\$2,500.00
13. Total loan repayments (Sch J)		\$2,500.00
14. Total loans forgiven (Sch K)		\$0.00
15. Total liabilities forgiven (Sch K)		\$0.00
16. Total expenditures refunded (Sch L)		\$21.70
17. Total receipts adjustment (Sch M - excluding CFB repayments)		\$0.00
18. Total outstanding liabilities (Sch N - last statement submitted)		\$0.00
Outstanding Bills	\$0.00	
Outstanding Advances	\$0.00	
19. Total advanced amount (Sch X)		\$0.00
20. Net public fund payments from CFB		\$0.00
Total public funds payment	\$0.00	
Total public funds returned	\$0.00	
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		\$0.00
25. Total Amount of Penalties Withheld		\$0.00