



New York City Campaign Finance Board
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Via C-Access
 December 15, 2015

William Rivera
 Andy King 2013



Dear William Rivera:

Please find attached the New York City Campaign Finance Board’s (“CFB” or “Board”) Final Audit Report for the 2013 campaign of Andrew King (the “Campaign”). CFB staff prepared the report based on a review of the Campaign’s financial disclosure statements and documentation submitted by the Campaign.

This report incorporates the Board’s final determination of November 12, 2015, (attached). As detailed in the report, the Campaign failed to demonstrate compliance with the Campaign Finance Act (the “Act”) and the Board Rules (the “Rules”).

As detailed in the attached Final Board Determination, the Campaign must repay the following:

CATEGORY	AMOUNT
Public Funds Repayment	\$26,971
Penalties Assessed	\$16,848
Total Owed	\$43,819

The full amount owed must be paid no later than **January 14, 2016**. Please send a check in the amount of \$43,819, payable to the “New York City Election Campaign Finance Fund,” to: New York City Campaign Finance Board, 100 Church Street, 12th Floor, New York, NY 10007.

If the CFB is not in receipt of the full amount owed by **January 14, 2016**, the Candidate’s name and the amount owed will be posted on the CFB’s website. The CFB may also initiate a civil action to compel payment. In addition, the Candidate will not be eligible to receive public funds

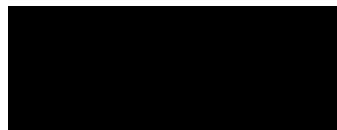
for any future election until the full amount is paid. Further information regarding liability for this debt can be found in the attached Final Board Determination.

The Campaign may challenge a public funds determination in a petition for Board reconsideration within thirty days of the date of the Final Audit Report as set forth in Board Rule 5-02(a). However, the Board will not consider the petition unless the Campaign submits new information and/or documentation and shows good cause for its previous failure to provide this information or documentation. To submit a petition, please call the Legal Unit at 212-409-1800.

The January 15, 2014 disclosure statement (#16) was the last disclosure statement the Campaign was required to file with the CFB for the 2013 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 New York State Board of Elections for information concerning its filing requirements.

The CFB appreciates the Campaign's cooperation during the 2013 election cycle. Please contact the Audit Unit at 212-409-1800 or AuditMail@nyccfb.info with any questions about the enclosed report.

Sincerely,



Jonnathon Kline, CFE
Director of Auditing and Accounting

signature on original

c: Andrew King



Andy King 2013



Attachments



EC2013 Final Audit Report

Andy King 2013

December 2015

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RESULTS IN BRIEF

The results of the New York City Campaign Finance Board’s (“CFB” or “Board”) review of the reporting and documentation of the 2013 campaign of Andrew King (the “Campaign”) indicate findings of non-compliance with the Campaign Finance Act (the “Act”) and Board Rules (the “Rules”) as detailed below:

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).
- The Campaign did not file, by the due date, a financial disclosure statement required by the Board (see Finding #2).

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 disclose and document 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 a contribution from a prohibited source (see Finding #3).
- The Campaign did not disclose in-kind contributions received (see Finding #4).
- The Campaign did not report that contributions were received through intermediaries (see Finding #5).

Expenditure Findings

Campaigns participating in the Campaign Finance 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 did not properly report and/or document its joint expenditures (see Finding #6).

- The Campaign made expenditures that were not in furtherance of the Campaign, some of which were converted to a personal use (see Finding #7).
- The Campaign made post-election expenditures that are not permissible (see Finding #8).

Public Matching Funds Findings

The CFB matches contributions from individual New York City residents at a \$6-to-\$1 rate, up to \$1,050 per contributor. The CFB performs reviews to ensure that the correct amount of public funds was received by the Campaign and that public funds were spent in accordance with the Act and Rules. Findings in this section relate to whether any additional public funds are due, or any return of public funds by the Campaign is necessary.

- The Campaign did not document qualified expenditures equal to the amount of public funds it received (see Finding #9).
- The Campaign is required to return its final bank balance (see Finding #10).

Other Findings

- The Campaign commingled 2013 election cycle receipts and expenditures with receipts and expenditures from a previous election (see Finding #11).
- The Campaign did not respond timely to a request for information (see Finding #12).

BACKGROUND

The Campaign Finance Act of 1988, which changed the way election campaigns are financed in New York City, created the voluntary Campaign Finance Program. The Program increases the information available to the public about elections and candidates' campaign finances, and reduces the potential for actual or perceived corruption by matching up to \$175 of contributions from individual New York City residents. In exchange, candidates agree to strict spending limits. Those who receive funds are required to spend the money for purposes that advance their campaign.

The CFB is the nonpartisan, independent city agency that administers the Campaign Finance Program for elections to the five offices covered by the Act: Mayor, Public Advocate, Comptroller, Borough President, and City Council member. All candidates are required to disclose all campaign activity to the CFB. This information is made available via the CFB's online searchable database, increasing the information available to the public about candidates for office and their campaign finances.

All candidates must adhere to strict contribution limits and are banned from accepting contributions from corporations, partnerships, and limited liability companies. Additionally, participating candidates are prohibited from accepting contributions from unregistered political committees. Campaigns must register with the CFB, and must file periodic disclosure statements reporting all financial activity. The CFB reviews these statements after they are filed and provides feedback to the campaigns.

The table below provides detailed information about the Campaign:

Name: Andrew King	Contribution Limit:
ID: 1185	\$2,750
Office Sought: City Council	
District: 12	Expenditure Limit:
	2010–2012: N/A
Committee Name: Andy King 2013	2013 Primary: \$168,000
Classification: Participant	2013 General: \$168,000
Certification Date: June 7, 2013	
	Public Funds:
Ballot Status: Primary, General	Received: \$37,939
Primary Election Date: September 10, 2013	Returned: \$0
General Election Date: November 5, 2013	
Party: Democratic, Working Families	Campaign Finance Summary:
	http://bit.ly/1yRnp7m

SCOPE AND METHODOLOGY

Pursuant to Admin. Code § 3-710(1), the CFB conducted this audit to determine whether the Campaign complied with the Act and Rules. Specifically, we evaluated whether the Campaign:

1. Accurately reported financial transactions and maintained adequate books and records.
2. Adhered to contribution limits and prohibitions.
3. Disbursed funds in accordance with the Act and Rules.
4. Complied with expenditure limits.
5. Received the correct amount of public funds, or whether additional funds are due to the Campaign or must be returned.

Prior to the election, we performed preliminary reviews of the Campaign's compliance with the Act and Rules. We evaluated the eligibility of each contribution for which the Campaign claimed matching funds, based on the Campaign's reporting and supporting documentation. We also determined the Candidate's eligibility for public funds by ensuring the Candidate was on the ballot for an election, was opposed by another candidate on the ballot, and met the two-part threshold for receiving public funds. Based on various criteria, we also selected the Campaign for an onsite review, and visited the Campaign's location to observe its activity and review its recordkeeping. After the election, we performed an audit of all financial disclosure statements submitted for the election (see summary of activity reported in these statements at Appendix #1).

To verify that the Campaign accurately reported and documented all financial transactions, we requested all of the Campaign's bank statements and reconciled the financial activity on the bank statements to the financial activity reported on the Campaign's disclosure statements. We identified unreported, misreported, and duplicate disbursements, as well as reported disbursements that did not appear on the Campaign's bank statements. We also calculated debit and credit variances by comparing the total reported debits and credits to the total debits and credits amounts appearing on the bank statements. Because the Campaign reported that more than 25% of the dollar amount of its total contributions were in the form of credit card contributions—or had a variance between the total credit card contributions reported and the credits on its merchant account statements of more than 4%—we reconciled the transfers on the submitted merchant account statements to the deposits on the bank account statements.

As part of our reconciliation of reported activity to the bank statements the Campaign provided, we determined whether the Campaign properly disclosed all bank accounts. We also determined if the Campaign filed disclosure statements timely and reported required activity daily during the two weeks before the election. Finally, we reviewed the Campaign's reporting to ensure it disclosed required information related to contribution and expenditure transactions, such as intermediaries and subcontractors.

To determine if the Campaign adhered to contribution limits and prohibitions, we conducted a comprehensive review of the financial transactions reported in the Campaign's disclosure statements. Based on the Campaign's reported contributions, we assessed the total amount contributed by any one source and determined if it exceeded the applicable limit. We also determined if any of the contribution sources were prohibited. We reviewed literature and other documentation to determine if the Campaign accounted for joint activity with other campaigns.

To ensure that the Campaign disbursed funds in accordance with the Act and Rules, we reviewed the Campaign's reported expenditures and obtained documentation to assess whether funds were spent in furtherance of the Candidate's nomination or election. We also reviewed information from the New York State Board of Elections and the Federal Election Commission to determine if the Candidate had other political committees active during the 2013 election cycle. We determined if the Campaign properly disclosed these committees, and considered all relevant expenditures made by such committees in the assessment of the Campaign's total expenditures.

We requested records necessary to verify that the Campaign's disbursement of public funds was in accordance with the Act and Rules. Our review ensured that the Campaign maintained and submitted sufficiently detailed records for expenditures made in the election year that furthered the Candidate's nomination and election, or "qualified expenditures" for which public funds may be used. We specifically omitted expenditures made by the Campaign that are not qualified as defined by the Campaign Finance Act § 3-704.

We also reviewed the Campaign's activity to ensure that it complied with the applicable expenditure limits. We reviewed reporting and documentation to ensure that all expenditures—including those not reported, or misreported—were attributed to the period in which the good or service was received, used, or rendered. We also reviewed expenditures made after the election to determine if they were for routine activities involving nominal costs associated with winding up a campaign and responding to the post-election audit.

To ensure that the Campaign received the correct amount of public funds, and to determine if the Campaign must return public funds or was due additional public funds, we reviewed the Campaign's eligibility for public matching funds, and ensured that all contributions claimed for match by the Campaign were in compliance with the Act and Rules. We determined if the Campaign's activity subsequent to the pre-election reviews affected its eligibility for payment. We also compared the amount of valid matching claims to the amount of public funds paid pre-election and determined if the Campaign was overpaid, or if it had sufficient matching claims, qualified expenditures, and outstanding liabilities to receive a post-election payment. As part of this review, we identified any deductions from public funds required under Rule 5-01(n).

We determined if the Campaign met its mandatory training requirement based on records of training attendance kept throughout the 2013 election cycle. Finally, we determined if the Campaign submitted timely responses to post-election audit requests sent by the CFB.

Following an election, campaigns may only make limited winding up expenditures and are not going concerns. Because the activity occurring after the post-election audit is extremely limited,

the audit focused on substantive testing of the entire universe of past transactions. The results of the substantive testing served to establish the existence and efficacy of internal controls. The CFB also publishes and provides to all campaigns guidance regarding best practices for internal controls.

To determine if contributors were prohibited sources, we compared them to entities listed in the New York State Department of State's Corporation/Business Entity Database. Because this was the only source of such information, because it was neither practical nor cost effective to test the completeness of the information, and because candidates could provide information to dispute the Department of State data, we did not perform data reliability testing. To determine if reported addresses were residential or commercially zoned within New York City, we compared them to a database of addresses maintained by the New York City Department of Finance. Because this was the only source of such data available, because it was not cost effective to test the completeness of the information, and because campaigns had the opportunity to dispute residential/commercial designations by providing documentation, we did not perform data reliability testing.

In the course of our reviews, we determined that during the 2013 election cycle a programming error affected C-SMART, the application created and maintained by the CFB for campaigns to disclose their activity. Although the error was subsequently fixed, we determined that certain specific data had been inadvertently deleted when campaigns amended their disclosure statements and was not subsequently restored after the error was corrected. We were able to identify these instances and did not cite exceptions that were the result of the missing data or recommend violations to the Board. The possibility exists, however, that we were unable to identify all data deleted as a result of this error.

The CFB's Special Compliance Unit investigated any complaints filed against the Campaign that alleged a specific violation of the Act or Rules. The Campaign was sent a copy of all formal complaints made against it, as well as relevant informal complaints, and was given an opportunity to submit a response.

The Campaign was provided with a preliminary draft of this audit report and was asked to provide a response to the findings. The Campaign responded, and the CFB evaluated any additional documentation provided and/or amendments to reporting made by the Campaign in response. The Campaign was subsequently informed of its alleged violations, and was given the opportunity to respond. The Board's actions are summarized as a part of each Finding in the Audit Results section. The finding numbers and exhibit numbers, as well as the transactions included in the findings, may have changed from the Draft Audit Report to the Final Audit Report.

AUDIT RESULTS

Disclosure Findings

1. Financial Disclosure Reporting - Discrepancies

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

The Campaign provided the following bank statements:

BANK	ACCOUNT #	ACCOUNT TYPE	STATEMENT PERIOD
Amalgamated Bank	XXXXX4699	Checking	Jan 2013 – Oct 2014

Below are the discrepancies and the additional records needed, as identified by a comparison of the records provided and the activity reported by the Campaign on its disclosure statements.

The Campaign reported duplicate transactions as listed below:

NAME	CHECK NO./ TRANSACTION	STATEMENT/ SCHEDULE/ TRANSACTION	PAID DATE	AMOUNT	DUPLICATE REPORTED AMOUNT	NOTE
Sams Club	Debit	12/F/R0000590	09/10/13	\$494.15		(1)
Sams Club	Debit	16/F/R0000807	09/10/13	\$108.88	\$108.88	

(1) In response to the Draft Audit Report, the Campaign separately reported \$108.88 of this total.

Previously Provided Recommendation

This finding was identified as a result of the Campaign’s response to the Draft Audit Report.

Campaign’s Response

In response to the Draft Audit Report, the Campaign reported a \$108.88 expenditure to Sam’s Club that does not appear on a bank statement (Transaction ID 16/F/R0000807).

Board Action

The Board has taken no further action on this matter other than to make this a part of the Candidate’s record with the Board.

2. Failure to File and Late Filings

Campaigns are required to file disclosure statements on scheduled dates. *See* New York City Charter §1052(a)(8), Admin. Code §§ 3-703(6) and 3-708(8), and Rules 1-09(a) and 3-02.

The Campaign failed to file the following disclosure statement by the due date:

STATEMENT #	DUE DATE	DATE FILED	# DAYS LATE
11	08/30/13	08/31/13	1

Previously Provided Recommendation

The Campaign may explain the lateness of the statement listed above. The Campaign may also provide documentation to support its explanation.

Campaign’s Response

The Campaign did not contest this finding.

Board Action

The Board found the Campaign in violation and assessed \$50 in penalties.

Contribution Findings

3. Prohibited Contributions – Corporate/Partnership/LLC

Campaigns may not accept, either directly or by transfer, any contribution, loan, guarantee, or other security for a loan from any corporation. This prohibition also applies to contributions

received after December 31, 2007 from any partnership, limited liability partnership (LLP), or limited liability company (LLC). *See* New York City Charter §1052(a)(13); Admin. Code §§ 3-703(1)(l), 3-719(d); Rules 1-04(c), (e).

The Campaign accepted a contribution from an entity listed on the New York State Department of State’s website as a corporation, partnership, and/or LLC in the following instance:

CONTRIBUTIONS FROM PROHIBITED SOURCES				
NAME	STATEMENT/ SCHEDULE/ TRANSACTION	RECEIVED DATE	AMOUNT	NOTE
Surrey Co-op Apartments Inc.	N/A	N/A	\$919.50	(1)

(1) The Campaign entered into a “Community Room License Agreement” with Surrey Co-op Apartments Inc., an entity listed on the New York State Department of State’s website as a corporation, partnership, and/or LLC. *See* Exhibit I. The agreement stated that the cost of rent, including a “License Fee” for August 3, 2013, through November 7, 2013, would be \$3,919.50. The Campaign paid \$3,000 of the total amount (Transaction IDs 10/F/R0000486 and 15/F/R0000740), resulting in an unreported in-kind contribution of \$919.50. *See* also Finding #4.

Previously Provided Recommendation

The Campaign must address this transaction:

- The Campaign must refund the prohibited contribution by bank or certified check, and provide the CFB with a copy of the refund check, or pay the Public Fund an amount equal to the contribution.
- Alternatively, the Campaign may provide documentation or evidence showing that the contribution was not from a prohibited entity.

Even if the prohibited contribution is refunded, accepting a prohibited contribution may result in a finding of violation and the assessment of a penalty.

Campaign’s Response

In its response to the Draft Audit Report, the Campaign stated that it did not have a copy of the rental agreement with Surrey Co-op Apartments on file to review, but expected to receive one within a week of November 17, 2014. The Treasurer’s only explanation was that “to my understanding the rent was lowered because [the] office was vacated earlier than lease or we moved in later.” The Campaign did not provide any further documentation. *See* also Finding #4.

Board Action

The Board found the Campaign in violation and assessed \$1,169 in penalties.

4. Undocumented or Unreported In-Kind Contributions

In-kind contributions are goods or services provided to a campaign free of charge, paid by a third party, or provided at a discount not available to others. The amount of the in-kind contribution is the difference between the fair market value of the goods or services and the amount the Campaign paid. Liabilities for goods and services for the Campaign which are forgiven, in whole or part, are also in-kind contributions. In addition, liabilities for goods and services outstanding beyond 90 days are in-kind contributions unless the vendor has made commercially reasonable attempts to collect. An in-kind contribution is both a contribution and expenditure subject to both the contribution and expenditure limits. Volunteer services are not in-kind contributions. In-kind contributions are subject to contribution source restrictions. *See* Admin. Code § 3-702(8); Rules 1-02 and 1-04(g). Campaigns may not accept contributions from any corporation, partnership, limited liability partnership (LLP), or limited liability company (LLC). *See* Admin. Code § 3-703(1)(l).

Campaigns are required to report all in-kind contributions they receive. *See* Admin. Code § 3-703(6); Rule 3-03. In addition, campaigns are required to maintain and provide the CFB documentation demonstrating the fair market value of each in-kind contribution. *See* Admin. Code §§ 3-703(1)(d), (g); Rules 1-04(g)(2) and 4-01(c).

Documentation for the expenditures listed below indicate that the Campaign received a discount in connection with the goods/services being provided.

NAME	STATEMENT/ SCHEDULE/ TRANSACTION	INVOICE DATE	AMOUNT	DISCOUNTED AMOUNT	NOTE:
*Surrey Co-op Apartments Inc	N/A	08/03/13	\$3,919.50	\$919.50	(1)

*This may also be a prohibited corporate contribution. *See* Admin. Code §§ 3-703(1)(l), 3-719(2)(b); Rule 1-04(e). *See* also Finding #3 and Exhibit I.

(1) The license agreement between Surrey Cooperative Apartments, Inc. and Andy King 2013 set total rent at \$3,919.50 for 08/03/13 through 11/07/13. The Campaign paid \$3,000.00—Transaction IDs 10/F/R0000486 and 15/F/R0000740—resulting in a corporate in-kind contribution of \$919.50.

Previously Provided Recommendation

The Campaign must provide an explanation for the discount noted in the documentation. If the discount is routinely available to the general public or others, the Campaign must provide written confirmation from the vendor. If the discount is not routinely available to others, the Campaign must report the amount of the discount as an in-kind contribution from the vendor and submit an amendment to Statement 16. If the vendor is a prohibited source, the Campaign must pay the amount of the discount to the vendor 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 prohibited contribution.

Campaign's Response

In its response to the Draft Audit Report, the Campaign stated that it did not have a copy of the rental agreement with Surrey Co-op Apartments on file to review, but expected to receive one within a week of November 17, 2014. The Treasurer's only explanation was that "to my understanding the rent was lowered because [the] office was vacated earlier than lease or we moved in later." The Campaign did not provide any further documentation.

Board Action

The Board has taken no further action on this matter other than to make this a part of the Candidate's record with the Board. *See* also Finding #3.

5. Possible Unreported Intermediaries

Campaigns are required to report all contributions delivered or solicited by an intermediary. Intermediaries are people who solicit or deliver contributions to campaigns. *See* Admin. Code §§ 3-702(12), 3-703(6) and Rules 3-03(c)(1) and (7). Campaigns are required to provide a signed intermediary affirmation statement for each intermediary containing the intermediary's name, residential address, employer and business address, names of the contributors, the amounts contributed and specific affirmation statements. *See* Rule 4-01(b)(5).

The Campaign did not report intermediaries for contributions shown on the attached Exhibit II, which appear, from the information reported, to have been intermediated. The CFB previously notified the Campaign on August 16, 2013, but the Campaign did not respond.

Previously Provided Recommendation

The Campaign must describe how the contributions listed were solicited and/or delivered. If they were solicited and/or delivered by an intermediary, the Campaign must amend its disclosure statement(s) to reflect this information and provide an intermediary affirmation statement for each previously unreported intermediary.

Campaign's Response

In response to the Draft Audit Report, the Treasurer stated that the Campaign did not use intermediaries and "all contributions were dropped off [at the] candidates [*sic*] home and /or campaign office, and given in person to the candidate, campaign manager, myself or other staff." However, the Treasurer did not address the specific transactions cited or explain why the

Campaign received numerous contributions on the same date from individuals with the same employer.

Board Action

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

Expenditure Findings

6. Undocumented/Unreported Joint Expenditures

Campaigns are permitted to engage in joint campaign activities, provided that the benefit each candidate derives from the joint activity is proportionally equivalent to the expenditure. *See* Admin. Code § 3-715; Rule 1-04(p).

Upon request from the CFB, a campaign is required to provide copies of checks, bills, or other documentation to verify contributions, expenditures, or other transactions reported in disclosure statements. *See* Admin. Code §§ 3-703(1)(d), (g); Rule 4-01.

The Campaign failed to adequately document the methodology for these joint expenditures:

NAME	STATEMENT/ SCHEDULE/ TRANSACTION	INVOICE DATE	PAID DATE	PAID AMOUNT	TOTAL AMOUNT	NOTE
JLC Printing & Graphics	16/F/R0000788	11/01/13	11/29/13	\$164.10	\$820.50	(1)
Century Direct	12/F/R0000588	06/19/13	09/06/13	\$2,275.80	Unknown	(2)

(1) The invoice indicates that the following five campaigns—Andy King 2013, Stringer 2013, New Yorkers for De Blasio, Friends of Armando Montano, and Letitia James 2013—were billed equally for 10,000 palm cards featuring six candidates: Andy King, Scott Stringer, Bill de Blasio, Armando Montano, Letitia James, and Ruben Diaz, Jr. However, the literature features the Candidate more prominently than the other five candidates. *See* Exhibit III. Further, the invoice does not include charges to People for Diaz for its inclusion in this literature, and features Armando Montano on only one side.

(2) The invoice does not explain the methodology for the cost allocation (“proportional share”). *See* Exhibit IV.

Previously Provided Recommendation

The Campaign must provide a methodology for the cost allocations of each campaign’s share and indicate whether the other campaigns have paid for their shares of the expenditures. The Campaign must provide supporting documentation for its responses.

Campaign's Response

In its response to the Draft Audit Report, the Campaign contended that the palm card associated with the JLC Printing & Graphics invoice in question is incorrect, but it did not provide documentation with its response that supports this claim. The Campaign stated that it was awaiting documentation from the vendor and, once the documentation arrived, would amend its reporting; however, the Campaign did not do so. The Campaign explained that costs were split evenly between all candidates, but did not explain why such an allocation was appropriate given the format of the card. The Campaign also stated that it requested a new invoice from the vendor that lists Ruben Diaz Jr., but it did not confirm that the vendor billed People for Diaz.

In its response to the Draft Audit Report, the Campaign stated that it requested documentation from Century Direct, and plans to provide it to the CFB. The Campaign did not include this documentation with its response.

Board Action

The Board found the Campaign in violation and assessed \$200 in penalties.

7. Expenditures – Not In Furtherance of the Campaign

Campaigns may only spend campaign funds for items that further the candidate's election. Campaigns must keep detailed records to demonstrate that campaign funds were used only for those purposes. *See* Admin. Code §§ 3-703(1)(d), (g); Rule 4-01. The law gives examples of the types of expenditures that are presumed to be campaign-related, although in certain circumstances expenditures of the types listed as appropriate may be questioned. Among the relevant factors are: the quality of the documentation submitted; the timing and necessity of the expenditure; the amount of the expenditure and/or all expenditures of a specific type in relation to the Campaign's total expenditures; and whether the expenditure is duplicative of other spending. The law also prohibits the conversion of campaign funds to personal use which is unrelated to a political campaign, and provides examples of expenditures that are not in furtherance of a campaign. *See* New York State Election Law §14-130; Admin. Code §§ 3-702(21), 3-703, and 3-710(2)(c); Rules 1-03(a), and 5-03(e), and Advisory Opinion No. 2007-3 (March 7, 2007). Expenditures not demonstrated to be in furtherance of the candidate's election are considered "non-campaign related."

The Campaign reported the expenditures listed on Exhibits V and VI which—based on the reporting and/or documentation—are non-campaign related.

Previously Provided Recommendation

The Campaign must explain how each expenditure listed is in furtherance of the Campaign, and provide supporting documentation. The explanation and documentation may include details of how, when, where, and by whom a good was used. For services, the documentation and explanation may include work product and/or additional details regarding how, when, where, and by whom the service was provided; and how the service was necessary. The Campaign must review the questioned transactions. Expenditures that are not in furtherance of the Campaign may increase the amount of public funds that must be repaid.

Campaign's Response

In its response to the Draft Audit Report, the Campaign stated that expenditures paid to Verizon (see Exhibit V) were for a campaign-related phone line established in the Candidate's home, active from the Campaign's inception at the end of 2012 through its duration. However, information provided by the Campaign indicates that it also paid for another Campaign-related phone line, which was billed to the Campaign's office address. The Campaign did not provide information or supporting documentation (1) distinguishing the Candidate's personal home phone expenses from Campaign phone expenses associated with the same address; (2) explaining why the Campaign needed to maintain the phone line located at the Candidate's home after the Campaign office opened with a separate phone line and (3) indicating why the Campaign continued to pay for the Verizon phone service through at least May 2014, six months after the election. As a result, these expenditures are considered to be for personal use.

In its response to the Draft Audit Report, the Campaign submitted a one-page contract dated August 21, 2014, signed by the Candidate and Ms. Shillingford-King, the candidate's spouse, which summarized her duties as "overseeing the campaign office" and to "manage and supervise entire campaign operations." (See Exhibit VII.) The Campaign did not provide any of the other information requested by Board staff. Given the date of the contract, nearly one year after the first payment made to Ms. Shillingford-King (see Exhibit V), the Campaign's failure to provide the information and documentation requested by the Board staff and the close connection between the Candidate and Ms. Shillingford-King, the Campaign funds used to pay Ms. Shillingford-King are considered to be for a personal use.

The Campaign failed to provide documentation requested by the CFB in the Draft Audit Report for expenditures to American Airlines, Surrey Co-Op Apartments, WVIP Radio, Delta New York, and Nick Lugo (see Exhibit VI). The Campaign explained for each, "this is not a CFB qualified campaign expense, but it is a campaign expense paid with non-public funds, filed with the State BOE." However, for Campaigns that have accepted public funds, all expenditures are deemed to either have been made with public funds, or represent money that could have been spent for goods or services that were purchased with public funds, unless all public funds are repaid. Similar to the manner in which all expenditures are considered for the purpose of the qualified expenditure review, all expenditures are also subject to review for campaign-

relatedness. In light of the Campaign's failure to provide an explanation or adequate documentation, these expenditures are considered to be non-campaign related.

The Board staff sent the Campaign a letter dated August 13, 2014, requesting detailed information about the \$1,000 payment made to Rosetta Archible (Transaction ID 12/F/R0000618). The Board staff requested the information again in the Draft Audit Report. The Campaign submitted a copy of a payment check with two endorsement signatures, one of which appears to be that of Ms. Shillingford-King. The CFB requested detailed information from the Campaign, including whether Ms. Shillingford-King endorsed the check and, if so, (1) why she did so; (2) who deposited the check and into what account the check was deposited; (3) whether Ms. Archible, received the full amount of funds and from whom and (4) whether Ms. Archible was paid in cash and if so, how that cash was obtained. If Ms. Shillingford-King did not endorse the check, the Board staff asked the Campaign to explain why what appears to be her signature is on the endorsement portion of the check. *See* Exhibit VIII.

The Campaign did not respond to this letter and failed to demonstrate that the payment was campaign-related.

Board Action

The Board found the Campaign in violation and assessed \$11,367 in penalties. This amount consists of \$1,367 in penalties for non-campaign related expenditures and \$10,000¹ in penalties for expenditures converted to a personal use.

8. Expenditures – Improper Post-Election

After the election, campaigns may only make disbursements for the preceding election, or for limited, routine activities of nominal cost associated with winding up a campaign and responding to the post-election audit. Campaigns have the burden of demonstrating that post-election expenditures were for the preceding election or the limited and routine activities described in the law. *See* Admin. Code § 3-710(2)(c); Rule 5-03(e)(2).

Each expenditure in Exhibit IX is an improper post-election expenditure due to the timing, amount and/or purpose reported by the Campaign.

Previously Provided Recommendation

The Campaign must explain how each expenditure was for the preceding election, or was a routine and nominal expenditure associated with winding up the Campaign, and must provide supporting documentation, including itemized receipts and a list of travelers. Expenditures that

¹ This penalty is capped at \$10,000 by statute. Without the penalty cap, this penalty would be \$15,853, which represents the amount of the transactions (\$10,568.70) plus 50% (\$5,284.35).

are not proper post-election expenditures may increase the amount of public funds that must be repaid.

Campaign's Response

In its response to the Draft Audit Report, the Campaign did not address how these accommodations for a political conference were reasonable post-election expenditures involved with winding up the Campaign. The Campaign stated "this is not a CFB qualified expense but is a campaign expense paid with non-public funds, filed with the NY State BOE." However, for Campaigns that have accepted public funds, all expenditures are deemed to either have been made with public funds, or represent money that could have been spent for goods or services that were purchased with public funds, unless all public funds are repaid. Similar to the manner in which all expenditures are considered for the purpose of the qualified expenditure review, all expenditures are also subject to review for campaign-relatedness. Additionally, the Campaign provided bank statements in response to the Draft Audit Report that document another \$3,533.54 in post-election expenditure payments. These additional expenditures were included in the Campaign's Notice of Alleged Violations, Recommended Penalties, and Recommended Public Funds Repayment. The Campaign did not respond to this notice and these expenditures have been deemed improper. *See* Exhibit IX.

Board Action

The Board found the Campaign in violation and assessed \$1,811 in penalties.

Public Matching Funds Findings

9. Qualified Expenditure Documentation

Public funds may only be used for "qualified" expenditures by a candidate's principal committee to further the candidate's nomination or election during the calendar year in which the election is held. Expenditures that are not considered qualified include, but are not limited to, undocumented or unreported expenditures, payments to the candidate or the candidate's relatives, payments in cash, contributions to other candidates, gifts, expenditures for petition defense or litigation, and advances except individual purchases of more than \$250. *See* Admin. Code § 3-704; Rule 1-08(g). Participants must return public funds, or may be limited in the amount of public funds they are eligible to receive post-election if they have not documented sufficient qualified expenditures. *See* Admin. Code § 3-710(2)(b); Rule 5-03(d).

Campaigns are required to obtain and maintain contemporaneous records that enable the CFB to verify that expenditures were qualified. *See* Admin. Code § 3-703(1)(d), (g); Rule 4-01. These records may include cancelled checks (front and back) and bills for goods or services. Bills must

include the date the vendor was hired or the date the goods or services were received, the vendor's name and address, a detailed description of the goods or services, and the amount.

The Rules provide guidance for situations where contemporaneous records are either missing or incomplete. *See* Rule 4-01(a). First, a campaign must attempt to obtain a duplicate or more complete record from the vendor. If that is not possible, a campaign may modify an existing record or create a new record which must clearly identify the record as modified or recreated. In addition, any modified or recreated record must be accompanied by a notarized statement explaining the reason for and circumstances surrounding the record. The statement must be from a campaign representative who has firsthand knowledge of the recreated document and must explain why the original document is not available or insufficient. Upon review of the non-contemporaneous record and statement, the CFB may still find the records are not sufficient to adequately document the transaction.

The Campaign received \$37,979.00 in public funds for the 2013 elections. Previously, CFB staff requested documentation to demonstrate that public funds were used for qualified expenditures. Based on all the records submitted, the Campaign has provided sufficient documentation for \$10,967.95 in qualified expenditures. Qualified expenditures are marked with a "Q" on the Qualified Expenditure Sample (included in the Draft Audit Report). For all other listed expenditures, the Campaign either:

- did not provide all of the necessary documentation to show the expenditure is qualified,
- provided documentation that requires further clarification, or
- provided documentation that shows the expenditure is not qualified.

If the Campaign does not document an additional \$26,971.05 as qualified, the Campaign must repay this amount to the Public Fund. However, based on other reviews, the Campaign has an additional repayment obligation (see Finding #10).

Previously Provided Recommendation

Any transaction marked with a "Q" is considered a qualified expenditure and no additional documentation or information is required. Transactions marked "NQ" cannot be qualified, for reasons such as a payment to a family member or a payment made in cash, and additional documentation will not make them qualified. If the Campaign disagrees, it must provide an explanation and documentation. All other transactions are marked with a code that explains what is missing or inadequate. The Code Key is located at the end of the list.

The list of transactions is sorted by amount, starting with the largest expenditures (disbursements followed by outstanding liabilities and advances greater than \$250, if applicable). If a transaction has more than one code, the Campaign must address all codes before that expenditure may be considered qualified. The Campaign must provide explanations and/or documentation where requested (copies of bills, detailed invoices, consulting agreements, work contracts, credit card

statements, cancelled checks, etc., or recreated/modified records along with the required statements, as instructed above). In some cases, the Campaign may find it useful to supplement an invoice or other documentation already provided with evidence of work performed and/or a more detailed description of tasks performed or products received. In addition, the Campaign may need to submit amended disclosure statements to correct errors in its reporting of expenditures.

The Campaign must return a copy of the Qualified Expenditure Sample with its response. All documents submitted to the CFB must be labeled with the corresponding Transaction IDs.

Campaign's Response

In its response to the Draft Audit Report, the Campaign provided a copy of its Qualified Expenditure Exhibit with annotations indicating that more information would be forthcoming. However, the Campaign did not provide any of the documentation requested such as detailed consultant agreements, invoices, and employee timesheets. The Campaign must repay \$26,971.05 to the Public Fund. Further, the amount of expenditures the Campaign qualified decreased from the amount listed in the Draft Audit Report due to transactions which were determined to be converted to personal use (see Finding #7).

Board Action

The Board determined that the Campaign must repay \$26,971.05 to the Public Fund (\$37,939.00 in public funds received less \$10,967.95 in documented qualified expenditures). The Committee is responsible for repaying \$26,971.05 in public funds, and the Candidate is jointly and severally responsible for repaying \$15,371.05 of this amount.

10. Return of Final Bank Balance

Campaigns are required to return excess public funds after the election. *See* Admin. Code § 3-710(2)(c); Rule 5-03(e). Public funds are only intended to be used for campaign expenditures, and not every campaign will use all of the public funds it received. This may occur when additional contributions were received or a campaign spent less than anticipated. To ensure that excess public funds are not wasted, until excess public funds have been repaid the only disbursements allowed are those for the preceding election and routine post-election expenditures. Routine post-election expenditures are those involving nominal cost associated with winding up a campaign and responding to the post-election audit. *See* Rule 5-03(e)(2)(i), (ii).

In response to the Draft Audit Report, the Campaign documented that the remaining balance in the Campaign's bank account was \$799.47, according to the Campaign's October 31, 2014, bank statement. Further, the Campaign made \$10,568.70 in expenditures for personal use, which was added to the final bank balance. *See* also Finding #7 and Exhibit V. Based on the activity reported by the Campaign and additional information obtained and reviewed in the course of this audit,

including campaign-related liabilities timely reported by the Campaign, the Campaign must return \$11,368.17 to the Public Fund as its final bank balance. However, based on other reviews, the Campaign has an additional repayment obligation (see Finding #9).

CATEGORY	AMOUNT
October 31, 2014 Statement for Account XXXXX4699	\$799.47
Campaign Funds Converted to Personal Use	\$10,568.70
Total	\$ 11,368.17

Previously Provided Recommendation

The Campaign must respond to all findings in this Draft Audit Report, including providing additional bank statements if requested. The Campaign must repay the final bank balance above with a check payable to the “New York City Election Campaign Finance Fund.” If the Campaign disagrees with the amount, it must provide documentation and explanation to show why the amount is not correct. The Campaign may reduce the amount it must return to the Public Fund by proving that outstanding loans or outstanding liabilities timely reported on Statement 16 and not previously documented are still outstanding.

Campaign’s Response

In response to the Draft Audit Report, the Campaign provided documentation which demonstrated that its bank balance was \$799.47 as of October 31, 2014. Due to additional information provided by the Campaign, \$10,568.70 is considered to have been converted to personal use (see Finding #7).

Board Action

The Board determined that the Campaign must repay \$11,368.17 to the Public Fund.

Other Findings

11. Commingling of Funds

All campaign receipts must be deposited into an account listed on the candidate’s Certification and receipts accepted for one election may not be commingled with receipts accepted for any other election. *See* Admin. Code §§ 3-702(2), (7), 3-703(1)(e) and Rules 1-03(a)(2) and 2-06(b).

Expenditures are presumed to be made for the first election following the day they are made, with the exception of state or local election expenditures made before the first January 12 following

the election, or federal election expenditures made before the first January 1 following the election. *See* Rule 1-08(c)(1) and (3).

a) The Committee to Elect Andy King—the committee of Andrew King for the 2012A Special Election—made 16 expenditures (totaling \$1,882.35) between January 12, 2013, and November 5, 2013, which, based on their timing and nature, appear to have been in furtherance of the 2013 Campaign. *See* Exhibit X.

b) The Campaign documented contributions, dated March 2013 and payable to Andy King 2013 which were not reported. (*See* Exhibit XI.) There is also no indication or documentation suggesting that they were deposited in the Campaign’s account. However, on May 13, 2013, a \$10,250 deposit was made into the account of the Committee to Elect Andy King, the committee for the 2012A special election. Because the 2012A committee did not make its required July 15, 2013, filing with the New York State Board of Elections, it is not possible to identify the contributions associated with that deposit.

Previously Provided Recommendation

a) The Campaign must provide documentation and an explanation for each listed transaction. If the Campaign disagrees with this finding, it must demonstrate that commingling did not occur.

b) The Campaign must document each of the transactions comprising the \$10,250 deposit to the 2012A committee account. This documentation must consist of copies of contribution checks, contribution cards, etc., and any associated deposit slips. If the contributions from Organization of Staff Analysts and Related Titles and RPAC of New York State (see Exhibit XI) were not part of the above deposit, the Campaign must document into which account it deposited these receipts. If the Campaign did not deposit these receipts, it must explain its failure to timely deposit receipts and provide statements from the contributors that these checks were not cashed.

Campaign’s Response

The Campaign stated that the 2012A Committee expenditures were not related to the 2013 Campaign. However, it did not provide documentation or explanation for the transactions.

Board Action

The Board found the Campaign in violation and assessed \$1,500 in penalties.

12. Failure to Respond Timely

Campaigns are required to respond timely to requests from the CFB. *See* Admin. Code § 3-703(1)(d); Rules 1-09, 4-01.

The Campaign failed to submit, by the due date, a response to the following:

REQUEST	DUE DATE	NOTE
Request for Information - August 13, 2014	08/22/14	(1)

(1) *See* Exhibit XII.

Previously Provided Recommendation

The Campaign may provide a written explanation for its failure to respond, accompanied by documentation, such as a certified mail receipt, or other relevant documentation. The Campaign must also provide its response to the August 13, 2014, Request for Information with its response to this Draft Audit Report.

Campaign's Response

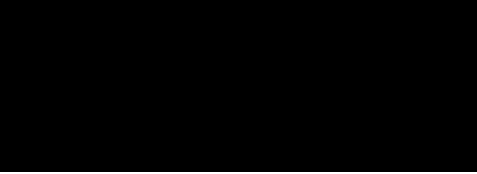
The Campaign did not respond to this finding.

Board Action

The Board found the Campaign in violation and assessed \$751 in penalties.

We performed this audit in accordance with the audit responsibilities of the CFB as set forth in Admin. Code § 3-710. We limited our review to the areas specified in this report's audit scope.

Respectfully submitted,



Jonnathon Kline, CFE

Director of Auditing and Accounting

signature on original

Date: December 15, 2015

Staff: Hannah Golden

Sonia M. Simões

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

Candidate: King, Andrew (ID:1185-P)**Office:** 5 (City Council)**Election:** 2013

1. Opening cash balance (All committees)		\$0.00
2. Total itemized monetary contributions (Sch ABC)		\$42,300.00
3. Total unitemized monetary contributions		\$0.00
4. Total in-kind contributions (Sch D)		\$0.00
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)		\$75,161.10
Expenditure payments	\$75,161.10	
Advance repayments	\$0.00	
9. Total unitemized expenditures		\$0.00
10. Total transfers-In (Sch G)		\$0.00
Type 1	\$0.00	
Type 2a	\$0.00	
Type 2b	\$0.00	
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)		\$0.00
13. Total loan repayments (Sch J)		\$0.00
14. Total loans forgiven (Sch K)		\$0.00
15. Total liabilities forgiven (Sch K)		\$0.00
16. Total expenditures refunded (Sch L)		\$0.00
17. Total receipts adjustment (Sch M - excluding CFB repayments)		\$250.00
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		\$37,939.00
Total public funds payment	\$37,939.00	
Total public funds returned	\$0.00	
21. Total Valid Matchable Claims		\$6,626.00
22. Total Invalid Matchable Claims		\$1,419.00
23. Total Amount of Penalties Assessed		\$16,848.00
24. Total Amount of Penalty Payments		\$0.00
25. Total Amount of Penalties Withheld		\$0.00

Exhibit I
Andy King 2013
Prohibited Contributions-Corporate
Surrey Co-op Apartments Inc.
(see Findings #3 and #4)

COMMUNITY ROOM LICENSE AGREEMENT

This License Agreement is made as of August 3, 2013, by and between SURREY COOPERATIVE APARTMENTS, INC. (hereinafter, "Licensor"), having an address at 836 Tilden Street, Bronx, New York 10467 and ANDY KING 2013 (hereinafter, "Licensee"), having an address at [REDACTED]

WITNESSETH:

WHEREAS, Licensee is ANDY KING 2013; and

WHEREAS, Licensee desires to use and occupy Surrey's Community Room Space at Surrey Cooperative Apartments, Inc., located at 836 Tilden Street, Bronx, New York 10467 (hereinafter "Licensed Premises"); and

WHEREAS, Licensee has been granted permission to use Surrey's Community Room Space for its campaign activities; and

WHEREAS, Licensee acknowledges that it has no right to use or occupy the Licensed Premises and has requested that Licensor grant it permission to use and occupy same for the period from August 3, 2013 through November 7, 2013 (the "License Period"); and

WHEREAS, Licensee has stated herein that it shall not occupy Surrey's Community Room Space with more than seventy-five (75) persons at any time during the hours of usage.

WHEREAS, Licensor is willing to allow Licensee to use and occupy the Licensed Premises for the License Period on the terms, covenants and conditions hereinafter set forth:

NOW THEREFORE, in consideration of the sum of \$3,600.00, which sum is NON-REFUNDABLE paid by Licensee to Licensor, and the License Agreements herein contained, Licensor and Licensee covenant and agrees as follows:

1. Subject to and in accordance with the terms and conditions of this License Agreement, Licensor hereby grants to Licensee, and Licensee hereby accepts from Licensor, a License to use and occupy the Licensed Premises during License Period for the lawful campaign activities of Licensee and for no other purpose. Said license shall be for a period as stated herein, not to exceed three months. This License is from 9:00a.m. on August 3, 2013 to 12:00a.m. on November 7, 2013. Notwithstanding the foregoing, Licensee reserves the right to terminate this License if Licensee violates the terms of this License Agreement at Licensee's own cost and expense.

8-9-13

2. Prior to the execution of this **License Agreement**, **Licensee** is to provide **Licensor** with evidence of **INSURANCE** in the form of a Certificate of Insurance Listing Surrey Cooperative Apartment, Inc. and Samuel Realty, LLC as loss payee's, holding the Owner and its Agent harmless against any and all losses pertaining to same.

3. During the entire License Period, the **Licensee** shall, at its own cost and expense maintain in full force and effect the **INSURANCE** that is required to hold harmless **Surrey Cooperative Apartments, Inc., and Samuel Realty, LLC** against any and all loss that might occur.

4. **Licensee** shall pay to **Licensor** as a fee for the License hereby granted, the sum of \$3,600.00 ("License Fee") plus applicable sales tax of 8.875% for a total of \$3,919.50. Said fee shall be payable at on or before November 7, 2013. **Licensee's** failure to pay the License Fee and/or applicable sales tax may subject the **Licensee** to being terminated from **Licensor's** premises at **Licensee's** cost and expense.

5. **Licensee** hereby agrees that time shall be of the essence with respect to its obligations to vacate and surrender possession of the Licensed Premises upon the expiration of the License Period. **Licensee** and **Licensor** shall have the right to cancel this **License Agreement** at any time prior to the end of the License Period on five (5) days prior written notice to the other party.

6. This **License Agreement** does not and shall not be deemed to constitute a lease or a conveyance of the Licensed Premises by **Licensor** to **Licensee** or to confer upon **Licensee** any right, title, estate or interest in the Licensed Premises. This **License Agreement** grants to **Licensee** a personal privilege to use and occupy the Licensed Premises for the License Period on the terms and conditions set forth herein.

7. **Licensee** shall not assign transfer or otherwise encumber this **License Agreement**, or the License hereby granted, nor shall **Licensee** permit or suffer any other person or entity to use or occupy the Licensed Premises.

8. The **Licensee** shall take any and all precautions necessary for the safety of persons and property on and about the Licensed Premises.

9. **Licensee** shall indemnify and hold harmless **Licensor** and its agents against and from:

- (i) any and all claims against **Licensor** of whatever nature arising from any act, omission or negligence of **Licensee**, his/her contractors, licensees, agents, servants, employees, invitees or visitors;

(ii) all claims against **Licensor** arising from any accident, injury or damage whatsoever caused to any person or to the property of any person and occurring during the term of this License in or about the Licensed Premises;

(iii) all claims against **Licensor** arising from any accident, injury or damage occurring in or about the Licensed Premises where such accident, injury or damage results or is claimed to have resulted from any act or omission of **Licensee** or **Licensee's** agents, employees, invitees, or visitors; and

(iv) any breach, violation or non-performance of any covenant, condition or terms in this **License Agreement** set forth and contained on the part of the **Licensee** to be fulfilled, kept, observed and performed. This indemnity and hold harmless shall include indemnity from and against any and all liability, fines, suits, demands, costs and expenses of any kind or nature incurred or in connection with any such claim or proceeding brought thereon, and the defense thereof.

10. During the License Period, **Licensee** shall abide by all of the requirements of the **Surrey Cooperative Apartments, Inc.** and shall not violate any of the provisions of the **By-Laws or Rules and Regulations** affecting the **Cooperative** with respect to the use and occupancy of **Surrey's Community Room Space** and the common areas of the **Cooperative**. **Licensee** shall keep the Licensed Premises in as good repair and condition as the same are on the date of the commencement of the License Period, reasonable wear and tear excepted.

11. It is understood that **Licensee** assumes all risk of loss or damage to all materials, equipment and appliances except as heretofore provided. It is further expressly understood and agreed that **Licensor** shall not be required to furnish or supply security at anytime during the License Period. **Licensee** shall effectively secure and protect the area of the **COMMUNITY ROOM SPACE** and shall bare full and sole responsibility and liability for any loss or damage to **Licensor's** property of any kind and from any cause whatsoever which may occur at any time during the License Period.

12. **Licensor** will not in any manner be responsible or liable for any loss or damage which may occur to **Licensee** or to any part of the Licensed Premises, or for any materials, apparatus, machinery, tools, equipment and any other property which may be employed or placed upon **Surrey's** property by the **Licensee**, except as herein provided.

13. **Licensee** shall not install or maintain any signs (other than safety signs), in or about the Licensed Premises on or about **Owner's** property except by written permission of **Licensor**.

14. **Licensee** represents that it has made a thorough inspection of the Licensed Premises and agrees to take the same in its condition "as is", as of the commencement date of the License Period and **Licensor** shall have no obligation to alter, improve or otherwise prepare the Licensed Premises for **Licensee's** use and occupancy. **Licensee** shall not make any alterations to the Licensed Premises. **Licensee** shall not use any other space owned by **Licensor** without the prior written approval of **Licensor** in each instance.

15. **Licensee** represents and warrants that it has not dealt with any broker/agent in the negotiation of this **License Agreement** except **Samuel Realty, LLC, located at 2610 Frederick Douglass Boulevard, New York 10030**, and does hereby agree to indemnify and hold **Licensor** harmless from any claim of or liability to any other broker/agent, and all expenses related thereto (including counsel fees and disbursements), by reason of the execution and delivery of this **License Agreement**. In the event any claim shall be made by any broker who shall claim to have negotiated this **License Agreement** on behalf of **Licensee** or to have introduced **Licensee** to the Licensed Premises or **Licensor**, **Licensee** shall have the right to defend any such action by counsel to be selected by **Licensee** and approved by **Licensor**, which approval shall not be unreasonable withheld, and **Licensee** shall be responsible for all counsel fees incurred in such action.

16. **Licensee** shall be responsible for the installation and removal of all telephone lines and telephone equipment installed in the Licensed Premises by **Licensee** and for payment for the service associated with the telephones and internet service. Notwithstanding the foregoing, the video screen to be installed by **Licensee** shall remain in the Licensed Premises upon the expiration of this **License Agreement** and shall become **Licensor's** property upon conclusion of the License Period.

17. If, and to the extent that any provisions of this **License Agreement** shall be unlawful or contrary to public policy, the same shall not be deemed to invalidate or otherwise affect the other provisions thereof.

18. **Licensee** has deposited the sum of \$ 1,200.00 **DOLLARS NON-REFUNDABLE** as a **Usage Charge**.

19. This **License Agreement** cannot be changed, modified or discharged in whole or in part except in writing by all parties.

IN WITNESS WHEREOF, Licensor and Licensee have duly executed this License Agreement as of the date hereinafter set forth.

SURREY COOPERATIVE APARTMENTS, INC.

LICENSOR:



Signature

CYNTHIA RICHARDSON

Print Name

Title: PRESIDENT - Bd. of Dir.

COMMITTEE TO ELECT ANDY KING

LICENSEE:



Signature

Neva Shillingford-King

Print Name

Title: Campaign Manager

8-9-13

Exhibit II
Andy King 2013
Possible Unreported Intermediaries
(see Finding #5)

Employer Name: Williamsbridge ECEC
 Date Received: 07/11/2013

Election: 2013
Candidate: King, Andrew (ID:1185-P)
Office: 5 (City Council)

Contributor Name	Employer Address	Date Received	Intermediary Number	Stmt/Sch/Ref	Amount	Provide Your Response Here
<u>Employer Name: Williamsbridge ECEC</u>						
Hernandez, Frances	670-680 East 219th Street	07/11/2013		9/ABC/R0000410	\$11.00	
Moore, Trena	670-680 East 219th Street	07/11/2013		9/ABC/R0000388	\$5.00	
<u>Employer Name: Williamsbridge NAACP</u>						
Garcia, Ana	780 East 219th Street	07/08/2013		9/ABC/R0000312	\$10.00	
McNair, Dewitt	670-680 East 219th Street	07/08/2013		9/ABC/R0000382	\$5.00	
Campbell, Carole	670-680 East 219th Street	07/11/2013		9/ABC/R0000318	\$10.00	
Carty, Rosemarie	670-680 East 219th Street	07/11/2013		9/ABC/R0000386	\$5.00	
Davis, Phillip	670-680 East 219th Street	07/11/2013		9/ABC/R0000378	\$5.00	
Davis, Roberta	670-680 East 219th Street	07/11/2013		9/ABC/R0000390	\$5.00	
Dewitt, Cheryl	670-680 East 219th Street	07/11/2013		9/ABC/R0000300	\$75.00	
Eziako, Cynthia	670-680 East 219th Street	07/11/2013		9/ABC/R0000384	\$5.00	
Gough, Yolando	670-680 East 219th Street	07/11/2013		9/ABC/R0000380	\$5.00	
Richards, Thelma	670-680 East 219th Street	07/11/2013		9/ABC/R0000320	\$10.00	
Valentin, Raisa N	670-680 East 219th Street	07/11/2013		9/ABC/R0000314	\$10.00	
Total:					\$161.00	

Exhibit III

Andy King 2013

**Undocumented Allocation Methodology –JLC Printing and Graphics
(see Finding #6)**

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NYCFCB 2014-12-06

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NEW YORK CITY COUNCIL MEMBER

Andy King

THANK YOU



NOVEMBER 5TH 2013














VOTE DEMOCRATS

				
Bill de Blasio for Mayor	Letitia James for Public Advocate	Scott Stringer for Comptroller	Ruben Diaz Jr. for Borough President	Andy King for City Council

787

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OFFICIAL BALLOT FOR THE GENERAL ELECTION - City of New York - County of Bronx November 5, 2013		
Papeleta Oficial para la Eleccion General Ciudad de Nueva York-Condado de Bronx 5 de Noviembre del 2013 Vea las Instrucciones Adjuntas		
	Democratic	Working Families
Mayor Alcalde	 BILL DE BLASIO <small>Democratic</small>	 BILL DE BLASIO <small>Working Families</small>
Public Advocate Defensor Publico	 LETITIA JAMES <small>Democratic</small>	 LETITIA JAMES <small>Working Families</small>
Comptroller Contralor	 SCOTT M. STRINGER <small>Democratic</small>	 SCOTT M. STRINGER <small>Working Families</small>
Justices of the Supreme Court Jueces de la Corte Suprema		
Judge of the Civil Court-County Juez de la Corte Civil-Condado		
Borough President Presidente del Distrito Municipal	 RUBEN DIAZ JR. <small>Democratic</small>	 RUBEN DIAZ JR. <small>Working Families</small>
Council Member Miembro del Consejo	 ANDY L. KING <small>Democratic</small>	 ANDY L. KING <small>Working Families</small>
Judge of the Civil Court Juez de la Corte Civil	 ARMANDO MONTANO <small>Democratic</small>	

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JLC Printing & Graphics INC.
 (718)701-0462
 693 Rhinelander Ave
 Bronx, NY 10462

51787

Invoice

Date	Invoice #
11/1/2013	01262

Bill To
Andy King

Ship To

P.O. Number	Terms	Rep	Ship	Via	F.O.B	Project
	Due on receipt		11/2/2013			

Quantity	Item Code	Description	Price Each	Amount
10,000	10KPCUV1	10,000 Full Color Postcards 4.4 (Size: 4x12)(Name: Palm Card)	0.07536	753.621
		Stringer 2013 \$164.10		
		New Yorkers for DeBlasio \$164.10		
		Friends of Armando Montano \$164.10		
		Andy King 2013 \$164.10		
		Latitia James 2013 \$164.10		
		Total \$820.50		
		Sales Tax	8.875%	66.88

Thank you for your business.	Total	8820.50
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Exhibit IV
Andy King 2013
Undocumented Allocation Methodology – Century Direct
(see Finding #6)

NYCCFB 2014-07-30

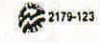


11 / 537

CENTURY DIRECT™

30-30 47th Avenue
Long Island City, NY 11101-3415
212.763.0600
718.349.9528 Fax
www.centurydirect.net

INVOICE



ORDERED BY Committee to Elect Andy King

INVOICE NO.	CUSTOMER ORDER NO.	DATE
1122		6-19-13

Your proportional share of the 2013 Bronx Democratic County Designating petitions

NET INVOICE	2,090.39
SALES TAX	185.51
INVOICE TOTAL	2,275.80

Please remit payment to: Century Direct

Mail / FedEx /UPS your payment to: Century Direct
Att: Jayne Goldberg
30-30 47th Avenue
Long Island City, NY 11101

Century Direct thanks you for your business and hopes you feel justified in recommending its service to others.

Exhibit V
Andy King 2013
Conversion to Personal Use
(Finding #7)

Name	Statement/ Schedule/ Transaction ID	Purpose Code/ Check Memo	Invoice Date	Paid Date	Amount
Verizon	7/F/R0000063	OFFCE	02/25/13	02/25/13	\$410.00
Verizon	8/F/R0000148	OFFCE	04/19/13	04/19/13	\$678.32
Verizon	10/F/R0000471	OFFCE	07/10/13	07/10/13	\$202.66
Verizon	10/F/R0000422	OFFCE	07/12/13	07/12/13	\$498.00
Verizon	11/F/R0000539	OFFCE	08/10/13	08/10/13	\$241.03
Verizon	13/F/R0000702	OFFCE	09/28/13	09/28/13	\$240.70
Verizon	14/F/R0000724	OFFCE	10/21/13	10/21/13	\$240.86
Verizon	XXXX4699-Jan 2014 statement	"7185155464597230"	N/A	1/24/2014	\$417.68
Verizon	XXXX4699-May 2014 statement	"Campaign Phone"	N/A	5/21/2014	\$639.45
Shillingford-King, Neva	15/F/R0000784	WAGES	08/21/13	11/05/13	\$3,000.00
Shillingford-King, Neva	14/F/R0000738	WAGES	10/04/13	10/04/13	\$4,000.00
Total					<u>\$10,568.70</u>

Exhibit VI
Andy King 2013
Non-Campaign Related Expenditures
(Finding #7)

Name	Statement/ Schedule/ Transaction ID	Purpose Code/Check Memo	Invoice Date	Paid Date	Amount
American Airlines	9/F/R0000430	OTHER	06/17/13	06/17/13	\$1,310.60 (1)
Surrey Co-Op Apartments Inc	10/F/R0000474	OTHER	07/27/13	07/27/13	\$800.00 (2)
WVIP Radio Station	10/F/R0000489	RADIO	08/04/13	08/04/13	\$500.00 (3)
Archible, Rosetta	12/F/R0000618	CONSL	08/28/13	09/05/13	\$1,000.00 (4)
Delta New York	14/F/R0000716	OTHER	10/04/13	10/04/13	\$409.65 (5)
Delta New York	14/F/R0000718	OTHER	10/04/13	10/04/13	\$409.65 (5)
Delta New York	14/F/R0000720	OTHER	10/04/13	10/04/13	\$440.65 (5)
Delta New York	14/F/R0000722	OTHER	10/04/13	10/04/13	\$440.65 (5)
Lugo, Nick	14/F/R0000711	OTHER	10/04/13	10/04/13	\$160.00 (5)
Total					<u>\$5,471.20</u>

Notes:

- (1) During the Campaign's site visit, the Candidate stated that the Campaign paid to bring an actor to a graduation ceremony in the Bronx. The Campaign did not explain how this expenditure was campaign related.
- (2) The documentation provided by the Campaign indicates that this expenditure was for 20 tickets to a "Jazz under the Stars" benefit. The Campaign did not explain how this purchase was campaign related or provide a list of the Campaign's attendees.
- (3) During the Campaign's site visit, the Campaign indicated that this was a contribution to the station. The Campaign did not explain how this contribution was campaign related.
- (4) The Campaign failed to respond to the August 13, 2014, letter from CFB, requesting information on the \$1,000 payment to Rosetta Archible that appears that appears to bear two endorsement signatures, including that of Neva Shillingford-King, the Campaign's manager. See Exhibit VIII.
- (5) The timing and nature of these expenditures suggest that they are for travel activities that occurred post-election and, thus, were not in furtherance of the 2013 campaign. The Campaign did not provide documentation for these expenditures, or a narrative explanation detailing who traveled, to where, and how it was related to the furtherance of the Campaign.

Exhibit VII

Andy King 2013

Campaign Funds Converted to Personal Use –Neva Shillingford-King

(see Finding #7)

General Contract

NYCCFB NDU-17-2814

This Contract is made on 8/21/14, between Andy King 2013,
Party One, of _____, City of BRONX,
State of New York, and Neva Shillingford King,
Party Two, of _____, City of Bronx,
State of New York.

For valuable consideration, the parties agree to the following:

Party One agrees to:

Party One (Andy King 2013) agrees to pay Party two (Neva Shillingford-King) an amount of 7,000 for services as Campaign Manager. Aug 2013 to Jan 2014.

Party Two ^{Party two} agrees to: will manage and supervise entire **campaign operations** (Field director, treasurer, volunteers, etc.)

In Addition the campaign manager is responsible for overseeing the campaign office.

Any additional terms:

No modification of this Contract will be effective unless it is in writing and is signed by both parties. This Contract binds and benefits both parties and any successors and assigns. Time is of the essence of this Contract. This document, including any attachments, is the entire agreement between the parties. This Contract is governed by the laws of the State of New York.

Dated: 8/21/14

[Redacted Signature]

Signature of Party One

Andy King
Name of Party One

[Redacted Signature]

Signature of Party Two

N. Shillingford King
Name of Party Two

Exhibit VIII
Andy King 2013
Non-Campaign Related Expenditures –Rosetta Archible
(see Finding #7)

General Contract

(617)

This Contract is made on August 28th 2013, between Andy King 2013
 Party One, of Council District 12, the Bronx City of New York,
 State of New York, and Rosetta Archible,
 Party Two, of Boston SECOR Houses, City of New York,
 State of New York.

For valuable consideration, the parties agree to the following:

Party One agrees to: enlist Ms. Archible to help in
Campaign assignments. Especially
on Primary Day - Tuesday September 10th 2013

Party Two agrees to:

Participate & provide services & campaigning
on behalf of Andy King 2013 - Candidate
Andy King - 12th Council District

Amount \$1000.00

No modification of this Contract will be effective unless it is in writing and is signed by both parties. This Contract binds and benefits both parties and any successors and assigns. Time is of the essence of this Contract. This document, including any attachments, is the entire agreement between the parties. This Contract is governed by the laws of the State of New York.

Dated: August 28th 2013

[Redacted Signature]

Signature of Party One

Andy King 2013

Name of Party One

[Redacted Signature]

Signature of Party Two

Name of Party Two

Y
C
C
F
B

2
0
1
4
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0
2
-
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6



Current Date: January 22, 2014
Account Number: 21014699
Capture Date: September 06, 2013
Item Number:
Posted Date: September 06, 2013
Posted Item Number: 616747
Amount: 1,000.00
Record Type: Debit

ANDY KING 2013
952 EAST 218 STREET
BRONX NY 10469

617

ANDY KING 2013 952 E 218TH STREET BRONX, NY 10469		124
PAY TO THE ORDER OF <u>Rosetta Archibole</u>		DATE <u>September 5 2013</u>
<u>One thousand only</u>		\$ <u>1,000.00</u>
AMALGAMATED BANK 2067 Bartow Avenue Bronx, NY 10475		DOLLARS
FOR <u>Campaign Work / Gotu Boston 2013</u>		

Ms. Shillingford - King

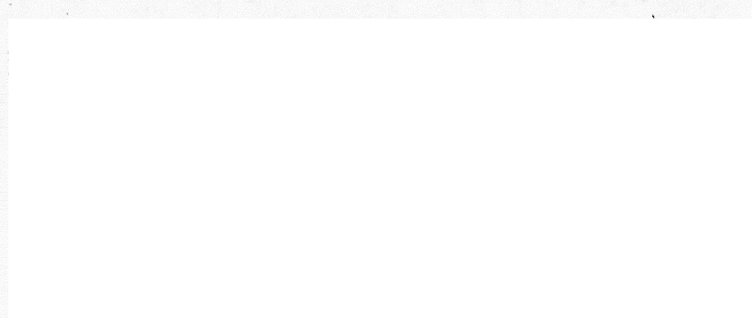


Exhibit IX
Andy King 2013
Improper Post-Election Expenditures
(Finding #8)

Name	Statement/ Schedule/ Transaction ID	Purpose Code/Check Memo	Invoice Date	Paid Date	Amount
Intercontinental Hotel Pr	15/F/R0000774	OTHER	11/13/13	11/13/13	\$1,791.14
Intercontinental Hotel Pr	15/F/R0000776	OTHER	11/13/13	11/13/13	\$1,922.67
Staples	XXXXX4699-Jan 2014 statement	OTHER	N/A	01/13/14	\$532.44
SEIC-CC, LLC	XXXXX4699-May 2014 statement	"Robo-Call"	N/A	05/19/14	\$1,001.10
Rain Inc	XXXXX4699-May 2014 statement	"Donation-Gala FY13"	N/A	05/27/14	\$1,500.00
WVIP	XXXXX4699-May 2014 statement	"Donation"	N/A	05/28/14	\$500.00
Total					<u>\$7,247.35</u>

Exhibit X
Andy King 2013
Commingleing of Funds
(Finding #11a)

Payee	Acct Number	Check No./Transaction	Date	Amount
AT&T	XXXXXX3511	Debit	01/14/13	\$ 168.13
YouSendIt	XXXXXX3511	Debit	02/04/13	\$ 14.99
YouSendIt	XXXXXX3511	Debit	03/04/13	\$ 14.99
YouSendIt	XXXXXX3511	Debit	04/08/13	\$ 14.99
AT&T	XXXXXX3511	Debit	04/26/13	\$ 400.00
YouSendIt	XXXXXX3511	Debit	05/02/13	\$ 14.99
Transfirst	XXXXXX3511	Debit	05/17/13	\$ 23.81
AT&T	XXXXXX3511	Debit	05/20/13	\$ 400.00
City News	XXXXXX3511	189	05/31/13	\$ 511.00
YouSendIt	XXXXXX3511	Debit	06/03/13	\$ 14.99
AT&T	XXXXXX3511	Debit	06/06/13	\$ 219.55
YouSendIt	XXXXXX3511	Debit	07/02/13	\$ 14.99
YouSendIt	XXXXXX3511	Debit	08/02/13	\$ 14.99
YouSendIt	XXXXXX3511	Debit	09/03/13	\$ 14.99
Yahoo Flickr Pro	XXXXXX3511	Debit	09/03/13	\$ 24.95
YouSendIt	XXXXXX3511	Debit	10/02/13	\$ 14.99
Total				\$1,882.35

Exhibit XI
Andy King 2013
Commingling of Funds-Unreported Contributions
(see Finding #11b)

WILSON, ELSE, MOSKOWITZ,
EDELMAN & DICKER LLP
POLITICAL ACTION COMMITTEE ACCOUNT
877 BROADWAY
ALBANY, NY 12207

4034

1-148/210 28

EAB
90 PARK AVE., NEW YORK, NY 10016

PAY Two hundred fifty + 00/100

TO THE
ORDER OF

Andy King 2013
21 Riverdale Avenue
White Plains, NY 10607

DATE	CHECK NO.	AMOUNT	
3/11/13	4034	DOLLARS 250	CENTS 00

DOLLARS



ORGANIZATION OF STAFF ANALYSTS
AND RELATED TITLES
220 E. 23RD STREET, SUITE 707
NEW YORK, NY 10010

JPMORGAN CHASE BANK
NEW YORK CITY, NY
1-2210

1121

3/4/2013
\$**500.00

Pay to the Order of
ANDY KING 2013
Five Hundred and 00/100*****

memo I TICKET FOR 3/11/13

Security features included. Details on back.

18 JULY 18 2013

REC'D JUL 18 2013

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NYC CFB JUL 18 2013

CASH ONLY IF ALL CheckLock™ SECURITY FEATURES LISTED ON BACK INDICATE NO TAMPERING OR COPYING

RPAC OF NEW YORK STATE
130 WASHINGTON AVE
ALBANY, NY 12210-2220
518-463-0300

RBS CITIZENS, NA
28-1310/213

3/12/2013

PAY TO THE ORDER OF **Andy King 2013**

\$ **150.00**

One Hundred Fifty and 00/100



Andy King 2013
21 Riverdale Avenue
White Plains NY 10607

MEMO



RPAC OF NEW YORK STATE

Andy King 2013

Date 3/12/2013 Type Bill Reference

Original Amt. 150.00

Balance Due 150.00

3/12/2013 / Discount

Check Amount

Payment 150.00
150.00

103

*march 14th event
Christina Taylor attended*

Checking-Citizens Ba

150.00

Exhibit XII
Andy King 2013
Failure to Respond Timely
(see Finding #12)



New York City Campaign Finance Board
 100 Church Street, 12th Floor, New York, NY 10007
 212.409.1800 | www.nycffb.info

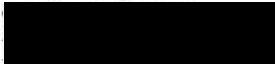
Rose Gill Hearn
 Chair

Art Chang
 Richard J. Davis
 Courtney C. Hall
 Mark S. Piazza
 Members

Amy M. Loprest
 Executive Director

Sue Ellen Dodell
 General Counsel

By C-Access
 August 13, 2014

William Rivera
 Andy King 2013


Dear Mr. Rivera:

Based on a review by the New York City Campaign Finance Board (the “CFB”) of documentation submitted by the 2013 campaign of Andrew King (the “Campaign”), you must address the items listed below. The Campaign’s response must be received no later than **August 22, 2014**.

The Campaign submitted a copy of a payment check that appears to bear two endorsement signatures, including that of Neva Shillingford-King, the Campaign’s manager.

<u>Payee</u>	<u>Reference No.</u>	<u>Date</u>	<u>Amount</u>
Rosetta Archible	R0000618	9/5/13	\$1,000

- I. Did Ms. Shillingford-King endorse the checks?
 - a. If so:
 - i. Explain why she did so.
 - ii. State who deposited the check and into what account the check was deposited.
 - iii. State whether the payee received the full amount of funds written on the check, and from who.
 - iv. State whether the payment was made in cash and if so, how that cash was obtained.
 - b. If not, explain why what appears to be Ms. Shillingford-King’s signature is on the endorsement section on the back of the checks.

Again, the requested information and documentation must be received no later than **August 22, 2014**. In addition to being mailed or hand delivered, the response may be submitted via fax to 212-409-1705, or via email to fpardo@nycffb.info if scanned as an attachment. Please contact me at 212-409-1851 if you have any questions regarding this letter. Thank you for your cooperation in this matter.

Sincerely,



Francisco A. Pardo
 Complaints & Investigations Analyst

signature on original