



**New York City Campaign Finance Board**

100 Church Street, 12<sup>th</sup> Floor, New York, NY 10007  
212.409.1800 | www.nycffb.info

Rose Gill Hearn  
Chair

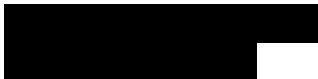
Art Chang  
Richard J. Davis  
Courtney C. Hall  
Mark S. Piazza  
Members

Amy M. Loprest  
Executive Director

Sue Ellen Dodell  
General Counsel

Via C-Access  
December 1, 2015

Anthony K. Adjei  
Friends of Bola Omotosho



Dear Anthony Adjei:

Please find attached the New York City Campaign Finance Board's ("CFB" or "Board") Final Audit Report for the 2013 campaign of Bola Omotosho (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 August 13, 2015 (attached). The report concludes that the Campaign demonstrated substantial compliance with the Campaign Finance Act (the "Act") and the Board Rules (the "Rules"), with exceptions as detailed in the report.

As detailed in the Public Funds notice, the Campaign received a post-election public funds payment of \$1,080.

Previously, the Campaign received a notice that listed the specific outstanding liabilities for which the public funds may be used and explained how to document proper use. Within 60 days of the post-election public funds payment, the Campaign demonstrated to the CFB that the public funds were used to pay those specific outstanding liabilities. *See* Rule 5-01(o).

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. If the Campaign raises additional contributions to pay outstanding liabilities, please note that all 2013 election requirements, including contribution limits, remain in effect. 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](mailto:AuditMail@nyccfb.info) with any questions about the enclosed report.

Sincerely,



Jonnathon Kline, CFE  
Director of Auditing and Accounting

signature on original

c: Bola Omotosho



Attachments



# **EC2013 Final Audit Report**

Friends of Bola Omotosho

December 2015

**Table of Contents**

Table of Contents ..... 2

RESULTS IN BRIEF ..... 3

    Disclosure Findings ..... 3

    Contribution Findings..... 3

    Expenditure Findings..... 3

    Public Matching Funds Findings ..... 3

    Other Findings ..... 4

BACKGROUND ..... 5

SCOPE AND METHODOLOGY ..... 6

AUDIT RESULTS ..... 9

    Disclosure Findings ..... 9

        1. Financial Disclosure Reporting - Discrepancies ..... 9

    Contribution Findings.....13

        2. Undocumented or Unreported In-Kind Contributions .....13

    Expenditure Findings.....14

        3. Expenditures – Improper Post-Election .....14

    Public Matching Funds Findings .....15

        4. Post-Election Public Funds Payment .....15

    Other Findings .....17

        5. Commingling of Funds .....17

## **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 Bola Omotosho (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).

### ***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 did not disclose in-kind contributions received (see Finding #2).

### ***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 made post-election expenditures that are not permissible (see Finding #3).

### ***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 received a post-election public funds payment (see Finding #4).

*Other Findings*

- The Campaign commingled 2013 election cycle receipts and expenditures with receipts and expenditures from another entity (see Finding #5).

**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: Bola Omotosho	Contribution Limit:
ID: 1636	\$2,750
Office Sought: City Council	
District: 16	Expenditure Limit:
	2010–2012: N/A
Committee Name: Friends of Bola Omotosho	2013 Primary: \$168,000
Classification: Participant	2013 General: N/A
Certification Date: May 31, 2013	
	Public Funds:
Ballot Status: Primary	Received: \$37,236
Primary Election Date: September 10, 2013	Returned: \$0
Party: Democratic	Campaign Finance Summary:
	<a href="http://bit.ly/1yS3TaS">http://bit.ly/1yS3TaS</a>

## 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 10% of the dollar amount of its total contributions were in the form of cash contributions, we compared the total cash contributions reported to the total of cash deposits on itemized deposit slips.

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 asked to respond. The Campaign responded and the CFB evaluated any additional information provided by the Campaign. After reviewing the Campaign's response(s), CFB staff determined that the total recommended penalties for the Campaign's alleged violations did not exceed \$500, and as a result the staff chose not to recommend enforcement action to the Board. 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 number of 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
JP Morgan Chase	XXXXXX3160	Checking	Jan 2013 – Oct 2014
Piryx	XXXXXX3620	Merchant	Apr 2013 – Sep 2013

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.

a) The Campaign did not report the following transactions that appear on its bank statements:

ACCOUNT #	NAME	CHECK NO./ TRANSACTION	PAID DATE	AMOUNT
XXXXXX3620	Piryx	Debit	07/31/13	\$5.75
XXXXXX3620	Piryx	Debit	08/09/13	\$5.75
XXXXXX3620	Piryx	Debit	08/14/13	\$14.38
XXXXXX3620	Piryx	Debit	09/05/13	\$28.75
<b>Total</b>				<b>\$54.63</b>

b) The Campaign reported the following transactions that do not appear on its bank statements:

NAME	CHECK NO./ TRANSACTION	STATEMENT/ SCHEDULE/ TRANSACTION	PAID DATE	AMOUNT
CARTER, JOURDAN	3160	9/F/R0000589	06/22/13	\$60.00

c) The Campaign reported duplicate transactions as listed below:

NAME	CHECK No./ TRANSACTION	STATEMENT/ SCHEDULE/ TRANSACTION	PAID DATE	AMOUNT	DUPLICATE REPORTED AMOUNT
STAPLES	Credit	9/L/R0000679	05/06/13	\$102.34	
STAPLES	Credit	16/L/R0001443	05/06/13		\$102.34
JP Morgan Chase	Debit	11/F/R0001100	08/21/13	\$12.00	
JP Morgan Chase	Debit	12/F/R0001373	08/21/13		\$12.00
<b>Total</b>					<b>\$112.34</b>

d) A review of the Campaign’s deposit slips revealed the following discrepancy:<sup>1</sup>

TOTAL REPORTED CASH RECEIPTS	TOTAL CASH PER DEPOSIT SLIPS	DOLLAR VARIANCE	PERCENT VARIANCE
\$5,091.00	\$5,321.00	(\$230.00)	(4.52%)

e) A review of the Campaign’s merchant account statements revealed the following discrepancy:<sup>2</sup>

TOTAL REPORTED CREDIT CARD RECEIPTS	TOTAL CREDIT CARD RECEIPTS PER STATEMENTS	DOLLAR VARIANCE	PERCENT VARIANCE
\$1,450.00	\$2,050.00	(\$600.00)	(41.38%)

<sup>1</sup> The percentage variance is determined by subtracting the Total Cash Per Deposit Slips from the Total Reported Cash Receipts, and then dividing by the Total Reported Cash Receipts. A positive variance indicates that the Total Reported Cash Receipts exceeds the Total Cash Per Deposit Slips. A negative variance indicates that the Total Reported Cash Receipts is less than the Total Cash Per Deposit Slips.

<sup>2</sup>The percentage variance is determined by subtracting the Total Credit Card Receipts Per Statements from the Total Reported Credit Card Receipts, and then dividing by the Total Reported Credit Card Receipts. A positive variance indicates that the Total Reported Credit Card Receipts exceeds the Total Credit Card

### Previously Provided Recommendation

- a) The Campaign must amend its disclosure statements to report these transactions. The Campaign must also provide documentation for each transaction. Because bank statements provide limited information about a transaction, the Campaign should review invoices or other records to obtain all of the information necessary to properly report the transaction.
- b) For each transaction reported in the Campaign's disclosure statement(s) that does not appear on the Campaign's bank statements, the Campaign must provide evidence to show that the transaction cleared the bank (i.e., a copy of the front and back of the check, and the bank statement showing the payment). Alternatively, the Campaign may provide evidence that the transaction was reported in error, or amend the Campaign's disclosure statement to void the check. For each voided check, the Campaign must either issue a replacement check or forgive the expenditure payment. Any forgiven liabilities will be considered in-kind contributions, which could result in contribution limit violations, or be considered contributions from a prohibited source. The Campaign may need to contact the payee to determine why the transaction did not clear.
- c) For duplicate transactions, the Campaign must delete the duplicate transactions in C-SMART and submit amended disclosure statements. If the transactions are not duplicates, the Campaign must explain why the transactions are not duplicates, and provide supporting documentation. The Campaign may also need to amend its disclosure statements if it did not report transactions accurately.
- d) To resolve the listed discrepancies, the Campaign must compare the cash receipts reported in its financial disclosure statements to supporting documentation, including deposit slips, bank statements, and any documentation not previously submitted. The Campaign should also review documentation to ensure that it correctly characterized the instrument type (i.e., Cash, Credit Card, Check, etc.) of each receipt it reported. The Campaign may need to amend its disclosure statements as a result.
- e) To resolve the listed discrepancies, the Campaign must compare the credit card receipts reported in its financial disclosure statements to supporting documentation, including merchant account statements, deposit slips, bank statements, and any documentation not previously submitted. The Campaign should ensure it has disclosed all depository and merchant accounts, and provided all statements from inception through present for those accounts. The Campaign should also review documentation to ensure that it correctly characterized the instrument type (i.e., Cash, Credit Card, Check, etc.) of each receipt it reported. The Campaign may need to amend its disclosure statements as a result.

Please note that any newly entered transactions that occurred during the election cycle (01/12/10—01/11/14) will appear as new transactions in an amendment to Disclosure Statement 16, even if the transaction dates are from earlier periods. Any transactions dated after the election

---

Receipts Per Statements. A negative variance indicates that the Total Reported Credit Card Receipts is less than the Total Credit Card Receipts Per Statements.

cycle will appear in disclosure statements filed with the New York State Board of Elections. 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, the Campaign should run the Modified Statements Report in C-SMART to identify the statements for which the Campaign must submit amendments. The C-SMART draft and final submission screens also display the statement numbers for which the Campaign should file amendments. If the Campaign added any new transactions, it must submit an amendment to Disclosure Statement 16.<sup>3</sup>

### **Campaign's Response**

- a) This finding was identified as a result of the Campaign's response to the Notice of Alleged Violations, dated June 17, 2015.
- b) In response to the Draft Audit Report, the Campaign did not provide evidence that the expenditure, reported as paid to Jourdan Carter in the amount of \$60.00, cleared its bank account.
- c) In response to the Draft Audit Report, the Campaign stated, "The \$12 recorded twice were separate fees which JP Morgan Chase charged us in August 2013. These transactions are not duplicate." While the Campaign's August 2013 bank statement does show two fees charged by JP Morgan Chase Bank, each for \$12.00, on August 21, 2013 and August 30, 2013, the Campaign reported a total of three \$12.00 expenditures to JP Morgan Chase in August of 2013. The Campaign's response to the Draft Audit Report also resulted in an additional duplicate transaction to Staples.
- d) In response to the Draft Audit Report, the Campaign amended its disclosure statements and submitted additional deposit slips; however, these actions did not change the cash variance.

In response to the Notice of Alleged Violations, the Campaign indicated that it did not contest this finding.

- e) In response to the Draft Audit Report, the Campaign amended its disclosure statements. In addition, the Campaign provided documentation from Piryx; however, it did not affect the cited merchant variance.

In response to the Notice of Alleged Violations, the Campaign provided additional documentation from Piryx to document the contributions that it reported; however, the additional documentation revealed that the Campaign had reported fewer credit card contributions than it received.

### **Board Action**

- a-e) 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.

---

<sup>3</sup> If the Campaign amends its reporting with the CFB, it must also submit amendments to the New York State Board of Elections.

*Contribution Findings*

**2. Undocumented or Unreported In-Kind Contributions**

In-kind contributions are goods or services provided to a campaign for free, 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).

The contracts and/or invoices for the payee listed below indicate that the Campaign received a discount in connection with the goods/services being provided.

NAME	CONTRACT/INVOICE AMOUNT	DISCOUNTED AMOUNT	NOTE
Arthur B. Richardson	\$4,750.00	\$450.00	(1)
Indastreetzprinting.net	\$600.00	\$195.00	(2)

(1) The Campaign submitted three fully executed contracts with Arthur B. Richardson. Based on the contracts, the total amount due to Mr. Richardson was \$4,750.00. However, the Campaign only reported five payments totaling \$4,300.00. Therefore \$450.00 (\$4,750.00 - \$4,300.00) remains outstanding. The Campaign must explain why it did not pay Mr. Richardson the full amount detailed in the contracts.

(2) In response to the Draft Audit Report, the Campaign submitted an invoice from this vendor which showed \$195.00 was subtracted from the total amount due.

**Previously Provided Recommendation**

The Campaign must explain why it did not pay the contracted amount for the services provided from the listed vendors.



- If the vendor did not provide all of the contracted services, the Campaign must submit an amendment to the contract signed by both parties which details the amended scope of work.
- If the Campaign has an outstanding liability to the listed vendor, it must submit an amendment to its disclosure statements to report the liability, and provide documentation showing that the debt remains an outstanding liability and that the creditor is attempting to collect the debt. Such documentation may include current invoices, collection notices, and/or letters from creditors that demonstrate a consistent and ongoing collection effort.
- If the listed vendor provided an in-kind contribution or forgave the debt, the Campaign must report an in-kind contribution. In addition, if the in-kind contribution or forgiven debt cause a prohibited contribution (such as an over-the-limit or a corporate contribution), the Campaign must refund the prohibited amount 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.

### **Campaign's Response**

In response to the Draft Audit Report, the Campaign amended its disclosure to report an outstanding liability to Mr. Richardson for \$450.00 and again provided a copy of its contract with Mr. Richardson. However, the Campaign failed to provide documentation showing the vendor's attempt to collect the amount of the outstanding liability.

The finding related to Indastreetzprinting.net was identified as a result of the Campaign's response to the Draft Audit Report, dated November 10, 2014.

### **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.

### ***Expenditure Findings***

#### **3. 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 listed below is an improper post-election expenditure due to the timing, amount and/or purpose reported by the Campaign or identified from a review of Campaign bank statements and/or documentation:

PAYEE	STATEMENT/ SCHEDULE/ TRANSACTION	PURPOSE CODE	INVOICE DATE	DATE PAID	AMOUNT
PERRY’S COFFEE SHOP & BAR	16/F/R0001390	OFFCE	09/23/13	09/23/13	\$12.41
VIP CAFÉ	16/F/R0001392	OFFCE	09/24/13	09/24/13	\$17.40
<b>Total</b>					<b>\$29.81</b>

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

**Campaign’s Response**

The Campaign did not provide supporting documentation and/or explanation to demonstrate that these two transactions totaling \$29.81 were for goods/services rendered before the election in either its response to the Draft Audit Report or its response to the Notice of Alleged Violations.

**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.

*Public Matching Funds Findings*

**4. Post-Election Public Funds Payment**

Upon the satisfactory resolution of all issues in this Draft Audit Report, campaigns may qualify for a payment of public funds to pay remaining outstanding liabilities. The payment, if any, will occur only when the CFB issues the final audit report. *See* Rule 5-01(m). Campaigns will then have 60 days after receipt of the final public funds payment to demonstrate that the public funds were properly used to pay reported and documented outstanding liabilities. *See* Rule 5-01(o).

Attached to the Draft Audit Report was the Detail Payment Report for the Campaign, and the Campaign's Invalid Matching Claims Report. The Detail Payment Report shows the amount of public funds the Campaign may be eligible to receive. This amount may be adjusted up or down, based on the Campaign's response to this Draft Audit Report and the amount of funds remaining in the Campaign's bank account. Post-election payments are limited to the lesser of the following: unpaid valid claims times the matching factor, documented qualified expenditures in excess of the funds already received, or outstanding liabilities reported in the January 15, 2014 filing with the CFB and documented as still outstanding.

### **Previously Provided Recommendation**

To be eligible for a post-election payment, the Campaign must respond on time to the Draft Audit Report and resolve any compliance issues. In addition, the Campaign must provide documentation demonstrating that the outstanding liabilities reported in its January 15, 2014 disclosure statement are still outstanding. This documentation must show an ongoing attempt by the creditor or vendor to collect the outstanding amount and may include invoices, late notices, or other correspondence. Return a copy of the exhibit with the documentation and indicate which items have already been paid or forgiven. Outstanding liabilities listed on the Exhibit are the only liabilities that may be considered for the purpose of a post-election public funds payment.

The Invalid Matching Claims Report gives the details of each contribution considered invalid. The left side of the report shows the data reported by the Campaign for each matching claim and the codes that describe why the claim is invalid. The right side provides space for the Campaign's written response and a check box that describes the action the Campaign is taking to address the invalid claim. Return this report with the response to this Draft Audit Report. To supply additional or modified data, correct the appropriate transactions in C-SMART and amend the appropriate disclosure statements. For transactions on the Invalid Matching Claims Report with more than one invalid code, the Campaign must address all the codes before the CFB will validate the claim. No public funds will be disbursed on invalid claims.

### **Campaign's Response**

The Campaign provided a letter confirming that the vendor still expected to be paid the \$4,000.00 balance on its contract.

### **Board Action**

The Board issued a public funds payment to the Campaign in the amount of \$1,080.

*Other Findings*

**5. 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 purpose. *See* Rules 1-03(a)(2) and 2-06(b).

The Campaign reported the expenditures listed below which—based on the documentation and explanation provided by the Campaign—were withdrawals that were commingled with the Candidate’s personal funds:

NAME	CHECK NO./ TRANSACTION	STATEMENT/ SCHEDULE/ TRANSACTION	PAID DATE	AMOUNT
Omotosho, Bola	Debit	16/F/R0001453	05/24/13	\$500.00
Omotosho, Bola	Debit	16/F/R0001455	05/24/13	\$500.00
Omotosho, Bola	Debit	16/F/R0001457	05/28/13	\$500.00
<b>Total</b>				<b>\$1,500.00</b>

**Previously Provided Recommendation**

This finding was identified as a result of the Campaign’s response to the Draft Audit Report dated November 10, 2014.

**Campaign’s Response**

This finding was identified as a result of the Campaign’s response to the Draft Audit Report dated November 10, 2014.

In response to the Draft Audit Report, the Campaign said that it, “did not utilize Petty Cash system. The ATM withdrawal represented withdrawals that the Candidate inadvertently used the Committee’s debit card, instead of his personal JP Morgan Chase card. Both cards look very much the same in color. During the monthly bank reconciliation, the Treasurer noticed the transactions and notified the Candidate right away. The candidate immediately deposited the funds back into the committee’s bank account.” The Campaign also provided a copy of a check from the candidate used to reimburse the Campaign.

**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.

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 1, 2015

Staff: Melody Lee

Jennifer Jones

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

**Candidate:** Omotosho, Bola (ID:1636-P)**Office:** 5 (City Council)**Election:** 2013

---

1. Opening cash balance (All committees)		\$0.00
2. Total itemized monetary contributions (Sch ABC)		\$25,631.00
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)		\$1,601.68
7. Total unitemized other receipts		\$0.00
8. Total itemized expenditures (Sch F)		\$67,602.59
Expenditure payments	\$67,347.99	
Advance repayments	\$254.60	
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)		\$14,100.00
13. Total loan repayments (Sch J)		\$10,500.00
14. Total loans forgiven (Sch K)		\$0.00
15. Total liabilities forgiven (Sch K)		\$0.00
16. Total expenditures refunded (Sch L)		\$234.67
17. Total receipts adjustment (Sch M - excluding CFB repayments)		\$1,500.00
18. Total outstanding liabilities (Sch N - last statement submitted)		\$11,439.00
Outstanding Bills	\$11,439.00	
Outstanding Advances	\$0.00	
19. Total advanced amount (Sch X)		\$0.00
20. Net public fund payments from CFB		\$37,236.00
Total public funds payment	\$37,236.00	
Total public funds returned	\$0.00	
21. Total Valid Matchable Claims		\$6,206.00
22. Total Invalid Matchable Claims		\$3,245.00
23. Total Amount of Penalties Assessed		N/A
24. Total Amount of Penalty Payments		\$0.00
25. Total Amount of Penalties Withheld		\$0.00