



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

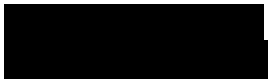
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Via C-Access
January 7, 2016

Gilles G. Gade
Chaim Deutsch 2013



Dear Gilles Gade:

Please find attached the New York City Campaign Finance Board's ("CFB" or "Board") Final Audit Report for the 2013 campaign of Chaim M. Deutsch (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 June 11, 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 attached Final Board Determination, the Campaign must repay its final bank balance of \$2,553.29.

The full amount owed must be paid no later than **February 8, 2016**. Please send a check in the amount of \$2,553.29, 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 **February 8, 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.

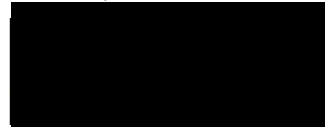
The Campaign may challenge a public funds determination in a petition for Board reconsideration within thirty days of the date of the Final Audit Report as set forth in Board Rule 5-02(a). However, the Board will not consider the petition unless the Campaign submits new information

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,



signature on original

Jonnathon Kline, CFE
Director of Auditing and Accounting

c: Chaim M. Deutsch



Chaim Deutsch 2013



Attachments



EC2013 Final Audit Report

Chaim Deutsch 2013

January 2016

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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 Chaim M. Deutsch (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 file the required daily disclosure statements during the two weeks preceding the 2013 primary election (see Finding #1).
- The Campaign did not disclose payments made by a vendor to subcontractors (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 did not report that contributions were received through intermediaries and did not provide intermediary affirmation statements for contributions received through an intermediary (see Finding #3).

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 provide requested documentation related to reported expenditures (see Finding #4).

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 is required to return its final bank balance (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: Chaim M. Deutsch | Contribution Limit: |
| ID: 1743 | \$2,750 |
| Office Sought: City Council | |
| District: 48 | Expenditure Limit: |
| | 2010–2012: N/A |
| Committee Name: Chaim Deutsch 2013 | 2013 Primary: \$168,000 |
| Classification: Participant | 2013 General: \$168,000 |
| Certification Date: May 23, 2013 | |
| | Public Funds: |
| Ballot Status: Primary, General | Received: \$184,800 |
| Primary Election Date: September 10, 2013 | Returned: \$0 |
| General Election Date: November 5, 2013 | |
| Party: Democratic | Campaign Finance Summary: |
| | http://bit.ly/UnzlxT |

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.

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 obligation to repay public funds, 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, CFB staff determined that the total recommended penalties for the Campaign's violations did not exceed \$500, and as a result the staff did not recommend enforcement action to the Board other than the repayment of public funds. The Campaign chose to contest the CFB staff recommendations. The Board's determinations 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. Daily Pre-Election Disclosure – Statements of Contributions/Expenditures

During the 14 days preceding an election, if a candidate: (1) accepts a loan, contribution, or contributions from a single source in excess of \$1,000; or (2) makes aggregate expenditures to a single vendor in excess of \$20,000, the candidate shall report such contributions, loans, and expenditures to the Board in a disclosure, received by the Board within 24 hours of the reportable transaction. *See* Rule 3-02(e). This includes additional payments of any amount to vendors who have received aggregate payments in excess of \$20,000 during the 14-day pre-election period. These contributions and expenditures must also be reported in the Campaign’s next disclosure statement.

The Campaign did not file the required daily disclosure to report the following transaction:

EXPENDITURE:

| NAME | STATEMENT/ SCHEDULE/ TRANSACTION | DATE INCURRED | AMOUNT | NOTE |
|----------------------------|--|------------------|------------|------|
| Mercury Public Affairs LLC | 13/F/R0000824 | 09/09/13 | \$8,377.60 | (1) |

(1) In the 14 days prior to the primary election, the Campaign incurred \$47,125.19 in aggregate expenditures to Mercury Public Affairs LLC.

Previously Provided Recommendation

If the Campaign believes it filed the required daily disclosure timely, as part of its response it must submit the C-SMART disclosure statement confirmation email as proof of the submission. The Campaign may provide an explanation if it believes that its failure to file the daily disclosure is not a violation, but it cannot file daily pre-election disclosures now.

Campaign’s Response

The Campaign submitted a narrative stating that it received inaccurate guidance from CFB staff in regards to the reporting requirements for pre-election disclosures but it did not dispute the nature of the finding. The Campaign received guidance on correctly filing daily disclosure statements when it attended training at the CFB on July 10, 2013 and did not subsequently contact the CFB regarding daily disclosure requirements.

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. Disclosure – Possible Subcontractors

Subcontractors are vendors that a campaign's vendor hires to supply goods/services. If a vendor hired by a campaign pays a subcontractor more than \$5,000, the campaign must report the vendor, the name and address of the subcontractor, the amounts paid to the subcontractor, and the purpose of the subcontracted goods/services. *See* Rule 3-03(e)(3).

The vendor listed below received large payments and may have subcontracted goods and services. However, the Campaign did not report subcontractors used by this vendor:

| PAYEE | AMOUNT PAID |
|----------------------------|--------------|
| Mercury Public Affairs LLC | \$232,498.83 |

Previously Provided Recommendation

The Campaign must contact the vendor, who must verify whether subcontractors were used. The Campaign may provide the vendor with a copy of the Subcontractor Form (available on the CFB website at http://www.nyccfb.info/PDF/forms/subcontractor_disclosure_form.pdf) for this purpose, and submit the completed form with the Campaign's response. In addition, if subcontractors were used and paid more than \$5,000, the Campaign must amend its disclosure statements to report subcontractor information. If the vendor does not complete the Subcontractor Form, the Campaign should submit documentation of its attempts to obtain this information, including copies of certified mail receipts and the letters sent to the vendors.

Campaign's Response

The Campaign responded to the Draft Audit Report by submitting a Subcontractor Form from Mercury Public Affairs LLC, which stated that the vendor subcontracted to Harty Press/Harty Integrated Solution and Qualls Benson. Mercury Public Affairs LLC did not specify the amount subcontracted, so the Campaign was unable to report the subcontracted transactions.

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.

Contribution Findings

3. Intermediary Statements

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); 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 transactions listed in the Campaign's reporting as intermediated do not match the transactions listed on the intermediary statements, as shown in Exhibit Ia and Exhibit Ib.

Previously Provided Recommendation

The Campaign must explain why the contributions reported as intermediated differ from those listed on the intermediary statement provided. The Campaign must obtain updated intermediary statements signed by the intermediary with the appropriate transactions listed, or amend its reporting to match the intermediary statements, as appropriate.

Campaign's Response

In response to the Draft Audit Report, the Campaign failed to report or provide completed intermediary statements for contributions which documentation or reporting have indicated are intermediated.

In response to the Notice of Alleged Violations, the Campaign again failed to provide any new documentation in response to the findings listed on Exhibit Ia. The Campaign resubmitted a list of contributions reported as intermediated by Howard Schwartz; however, the list is unsigned.

Also in response to the Notice of Alleged Violations, the Campaign noted its oversight in not reporting the intermediaries listed in Exhibit Ib.

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

4. Expenditure Documentation

Campaigns are required to provide copies of checks, bills, or other documentation to verify all transactions reported in their disclosure statements. *See* Admin. Code §§ 3-703(1)(d), (g); Rule 4-01.

The Campaign must provide supporting documentation or an explanation for the reported transactions listed below:

| NAME | TRANSACTION TYPE | STATEMENT/ SCHEDULE/ TRANSACTION | PAID/ REFUNDED DATE | AMOUNT | NOTE: |
|------------------------|--------------------|--|---------------------------|----------|-------|
| Planet Cell of NY Inc. | Expenditure Refund | 11/L/R0000687 | 08/06/13 | \$205.19 | (1) |

(1) The Campaign must provide documentation demonstrating that this expenditure refund occurred, and explain the basis for the refund. The Campaign provided a revised invoice from the vendor, but failed to explain why there was a \$10 reduction in price per unit on the Samsung Keystone II. If the Campaign documents this refund and fails to provide an explanation, it may be considered a prohibited in-kind corporate contribution.

Previously Provided Recommendation

The Campaign must submit documentation, or explanations as indicated, for each listed transaction.

Campaign's Response

In its response to the Draft Audit Report, the Campaign provided a narrative explanation for the differences in the amount per phone on two different versions of the invoice for Transaction ID 11/L/R0000687. The Campaign stated that, based on research, it convinced the vendor to agree to a lower price per phone than the initial price. The Campaign reported that change in price as an expenditure refund. However, the Campaign received more useable phone minutes instead of a monetary refund for the difference between the initial and final price. The Campaign then deleted the previously reported expenditure refund, because the vendor did not directly refund an amount back to the Campaign's bank account. The Campaign failed to provide any documentation from the vendor substantiating the nature and quantity of phone minutes received in place of a refund.

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

5. 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).

The remaining balance in the Campaign's bank account was \$1,432.58, according to the Campaign's December 31, 2013 bank statement. Based on the activity reported by the Campaign and additional information obtained and reviewed in the course of this audit, the Campaign must return \$2,553.29 to the Public Fund as its final bank balance.

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 its response to the Draft Audit Report, the Campaign documented that its bank account balance was \$153.29 as of October 31, 2014.

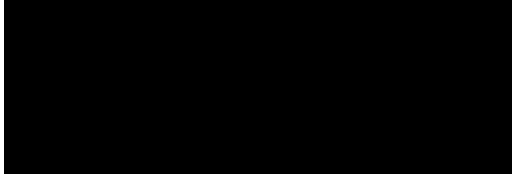
In its Post-Election Repayment Notice response, the Campaign provided bank statements through March 31, 2015. These statements show that the current balance is \$2,553.29. The Campaign also provided an official check dated April 29, 2015 for \$750.00 to Pitta Bishop Del Giorno & Giblin LLC, for documented outstanding liabilities that were not reported to the CFB. However, because the Campaign did not provide a bank statement documenting that the amount was drawn on the Campaign account, it was not deducted from the repayment obligation.

Board Action

The Board determined that the Campaign must repay \$2,553.29 to the Public Fund.

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,



signature on original

Jonnathon Kline, CFE

Director of Auditing and Accounting

Date: January 7, 2016

Staff: Hannah Golden

Christopher Cruzcosa, CFE

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

Candidate: Deutsch, Chaim M (ID:1743-P)**Office:** 5 (City Council)**Election:** 2013

| | | |
|--|--------------|--------------|
| 1. Opening cash balance (All committees) | | \$0.00 |
| 2. Total itemized monetary contributions (Sch ABC) | | \$152,982.00 |
| 3. Total unitemized monetary contributions | | \$0.00 |
| 4. Total in-kind contributions (Sch D) | | \$164.54 |
| 5. Total unitemized in-kind contributions | | \$0.00 |
| 6. Total other receipts (Sch E - excluding CFB payments) | | \$20.00 |
| 7. Total unitemized other receipts | | \$0.00 |
| 8. Total itemized expenditures (Sch F) | | \$330,509.78 |
| Expenditure payments | \$330,183.08 | |
| Advance repayments | \$326.70 | |
| 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) | | \$20.00 |
| 17. Total receipts adjustment (Sch M - excluding CFB repayments) | | \$5,914.64 |
| 18. Total outstanding liabilities (Sch N - last statement submitted) | | \$2,697.00 |
| Outstanding Bills | \$2,697.00 | |
| Outstanding Advances | \$0.00 | |
| 19. Total advanced amount (Sch X) | | \$0.00 |
| 20. Net public fund payments from CFB | | \$184,800.00 |
| Total public funds payment | \$184,800.00 | |
| Total public funds returned | \$0.00 | |
| 21. Total Valid Matchable Claims | | \$34,032.00 |
| 22. Total Invalid Matchable Claims | | \$1,585.00 |
| 23. Total Amount of Penalties Assessed | | N/A |
| 24. Total Amount of Penalty Payments | | \$0.00 |
| 25. Total Amount of Penalties Withheld | | \$0.00 |

Exhibit Ia
Chaim Deutsch 2013
Transactions Reported As Intermediated That Do Not Appear On An Intermediary Statement
(see Finding #3)

| Intermediary ID | Intermediary Name | Statement/ Schedule/ Transaction ID | Contributor Name | Amount |
|----------------------------|--------------------------|--|-------------------------|-----------------------|
| 9 | Schwartz, Harold | 8/ABC/R0000357 | Schwartz, Judah | \$10.00 |
| 9 | Schwartz, Harold | 8/ABC/R0000355 | Simha, Aharon | \$10.00 |
| 9 | Schwartz, Harold | 8/ABC/R0000353 | Schlachter, Harry | \$10.00 |
| 9 | Schwartz, Harold | 8/ABC/R0000351 | Fertig, Harvey | \$10.00 |
| 9 | Schwartz, Harold | 8/ABC/R0000341 | Sodden, Shlomo | \$10.00 |
| 9 | Schwartz, Harold | 8/ABC/R0000333 | Sobo, Dani | \$10.00 |
| 9 | Schwartz, Harold | 8/ABC/R0000339 | Unger, Steven | \$10.00 |
| 9 | Schwartz, Harold | 8/ABC/R0000337 | Oshry, Dov | \$10.00 |
| 9 | Schwartz, Harold | 8/ABC/R0000335 | Stern, Sidney | \$10.00 |
| Total | | | | <u>\$90.00</u> |

Exhibit Ib
Chaim Deutsch 2013
Transactions Appearing On An Intermediary Statement That Were Not Reported As Intermediated
(see Finding #3)

| Intermediary ID | Intermediary Name | Statement/ Schedule/ Transaction ID | Contributor Name | Amount |
|----------------------------|--------------------------|--|-------------------------|------------------------|
| 3 | Awad, Rafet | 8/ABC/R0000576 | Shacalo, Judy | \$500.00 |
| 7 | Scharf, Charles | 14/ABC/R0000991 | Fradman, Mariana | \$100.00 |
| Total | | | | <u>\$600.00</u> |