



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

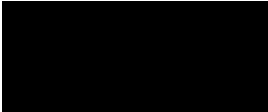
Art Chang
 Richard J. Davis
 Mark S. Piazza
 Naomi B. Zauderer
 Members

Amy M. Loprest
 Executive Director

Sue Ellen Dodell
 General Counsel

Via C-Access
 July 6, 2016

Aimee Davis



Dear Aimee Davis:

Please find attached the New York City Campaign Finance Board’s (“CFB” or “Board”) Final Audit Report for the 2013 campaign of Carlos Menchaca (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 December 17, 2015 (attached). The report concludes that the Campaign did not fully demonstrate compliance with the requirements of the Campaign Finance Act (the “Act”) and Board Rules (the “Rules”).

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

CATEGORY	AMOUNT
Public Funds Repayment	\$18,063.91
Penalties Assessed	\$2,313.00
Total Owed	\$20,376.91

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. We look forward to receiving a timely response to this report. Please call the Audit Unit at 212-409-1800 with any questions regarding specific findings in the report.

Sincerely,



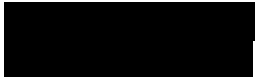
Signature on original

Sauda S. Chapman
Director of Auditing and Accounting

c: Carlos Menchaca



Carlos for Council



Attachments



EC2013 Final Audit Report

Carlos for Council

July 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 Carlos Menchaca (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 the required daily disclosure statements during the two weeks preceding the 2013 primary election (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 contributions from unregistered political committees (see Finding #3).
- The Campaign did not disclose in-kind contributions received. (see Finding #4).

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 #5).
- The Campaign must provide requested documentation related to reported expenditures (see Finding #6).

- The Campaign exceeded the \$168,000 expenditure limit for the primary election (see Finding #7).
- The Campaign commingled 2013 election cycle receipts and expenditures with receipts and expenditures from another entity (see Finding #8).

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: Carlos R. Menchaca	Contribution Limit:
ID: 1694	\$2,750
Office Sought: City Council	
District: 38	Expenditure Limit:
	2010–2012: N/A
Committee Name: Carlos for Council	2013 Primary: \$168,000
Classification: Participant	2013 General: \$168,000
Certification Date: June 04, 2013	
	Public Funds:
Ballot Status: Primary, General	Received: \$115,500
Primary Election Date: September 10, 2013	Returned: \$18,063.00
General Election Date: November 5, 2013	
Party: Democratic, Working Families	Campaign Finance Summary:
	http://bit.ly/1rkNnNO

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 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 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. 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
TD Bank	XXXXXX9865	Checking	Jan 2013 – Dec 2014
American Express	XXXXXX2375	Merchant	Feb 2013 – Mar 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.

a) The Campaign must provide the bank statements listed below:

BANK	ACCOUNT #	STATEMENT PERIOD
American Express	XXXXXX2375	Mar 10, 2014 - Present
Authorize.net/Cybersource	XXXXXX5612	Inception - Present

b) The Campaign did not report the transactions listed on Exhibit I that appear on its bank statements.¹

c) The Campaign reported the transactions listed on Exhibit II that do not appear on its bank statements.

¹ Specific unreported transactions listed on Exhibit I were added to the Campaign’s primary election expenditure limit calculation (see Finding #7a and Exhibit V).

d) The Campaign did not properly report the transactions listed below²:

NAME	CHECK NO./ TRANSACTION	STATEMENT/ SCHEDULE/ TRANSACTION	PAID DATE	REPORTED AMOUNT	ACTUAL AMOUNT	DIFFERENCE
Google	Debit	9/F/R0001054	05/15/13	\$12.83	\$2.83	(\$10.00)
Soriano, Aaron	10049	13/F/R0001700	09/06/13	\$446.26	\$466.26	\$20.00
Delgado, Matthew	1071	12/F/R0001524	09/10/13	\$380.00	\$90.00	(\$290.00)

e) The Campaign reported duplicate transactions as listed below:

NAME	CHECK NO./ TRANSACTION	STATEMENT/ SCHEDULE/ TRANSACTION	PAID DATE	AMOUNT	DUPLICATE REPORTED AMOUNT
U.S. Post Office	Debit	10/F/R0001309	07/30/13	\$11.50	
United States Post Service	Debit	10/F/R0001385	07/30/13		\$11.50

f) A review of the Campaign’s merchant account statements revealed the following discrepancy:³

TOTAL REPORTED CREDIT CARD RECEIPTS	TOTAL CREDIT CARD RECEIPTS PER STATEMENTS	DOLLAR VARIANCE	PERCENT VARIANCE
\$50,805.16	\$1,988.00	\$48,807.16	67.52%

See also Finding #1a) above.

Previously Provided Recommendation

- a) The Campaign must provide all pages of the requested bank statements.
- b) The Campaign must amend its disclosure statements to report these transactions. The Campaign must also provide documentation for each transaction. Because bank statements

² The amount of the underreported transaction listed in the table was added to the Campaign’s expenditure limit calculation (see Finding #7c and Exhibit Vc).

³ 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 Receipts Per Statements. A negative variance indicates that the Total Reported Credit Card Receipts is less than the Total Credit Card Receipts Per 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.

c) For each transaction reported in the Campaign's disclosure statements 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.

d) For inaccurately reported transactions, the Campaign must amend its disclosure statements to accurately report the transactions.

e) 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.

f) 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 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 16.⁴

⁴ If the Campaign amends its reporting with the CFB, it must also submit amendments to the New York State Board of Elections.

Campaign Response

a) In response to the Draft Audit Report, the Campaign provided bank statements from January 2013 through December 2014 for its TD Bank checking account ending in 9865. The Campaign also provided a merchant account reconciliation report for the months of February 2013 through September 2013 for its American Express merchant account ending in 2375. The failed to provide statements from its American Express merchant account from March 2014 through present. For its Authroirze.net/Cybersource merchant account ending 5612, the provided Excel files in lieu of the statements, which are not accepted.

In response to the Notice of Alleged Violations and Recommended Penalties, the Campaign submitted a document that suggests there was no activity in the TD account. However, the document does not provide sufficient evidence of the period to which it is related. The Campaign also stated, “No remedy suggested by CFB, and we accept the penalty.”

With regard to the American Express account, the Campaign stated that it provided an email communication dated July 17, 2015 from American Express, which indicated the merchant account had no activity from March 2014 through present. This email communication between the Campaign and American Express was not provided with the Campaign’s response. However, the Campaign did provide a document dated August 17 2015, which appeared to show online search results for the American Express account. It is not clear whether the document is an official copy provided by American Express, and the document does not list dates for the search criteria. A typed note was added, which states, “American Express period summary March 2014-August 2015.” The Campaign also stated “No remedy suggested by CFB, and we accept the penalty.”

With regard to the Cybersource account, the Campaign stated that the account was closed in July 2014, and that Cybersource did not provide statements. The Campaign did not support its claim with any documentation from the merchant.

b) In response to the Draft Audit Report, the Campaign amended its disclosure statements to report several transactions. However, there were still several expenditures which remained unreported.

In response to the Notice of Alleged Violations and Recommended Penalties, the Campaign stated, “No remedy suggested by CFB, and we accept the \$100 penalty.”

c) In response to the Draft Audit Report, the Campaign submitted additional bank statements for its TD Bank checking account, which resulted in several additional unreported transactions.

d) The Campaign did not amend its disclosure statements to correctly report these transactions in its response to the Draft Audit Report.

e) The Campaign did not amend its disclosure statements to delete the duplicate transaction in its response to the Draft Audit Report.

f) The Campaign did not submit any of the requested merchant account statements with its response to the Draft Audit Report.

Board Action

a) The Board found the Campaign in violation and assessed \$500 in penalties.

b) The Board found the Campaign in violation and assessed \$100 in penalties.

c - f) 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. 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 disclosures to report the following transactions:

CONTRIBUTION:

NAME	STATEMENT/ SCHEDULE/ TRANSACTION	RECEIVED DATE	AMOUNT
UB of C and J of A	12/ABC/R0001600	09/09/13	\$2,500.00

EXPENDITURES:

NAME	STATEMENT/ SCHEDULE/ TRANSACTION	DATE INCURRED	AMOUNT
Red Horse Strategies	12/F/R0001444	08/29/13	\$10,287.56
Red Horse Strategies	12/F/R0001470	09/04/13	\$19,924.35
Red Horse Strategies	13/F/R0001548	09/08/13	\$2,891.94

Previously Provided Recommendation

If the Campaign believes it filed the required daily disclosures 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 disclosures is not a violation, but it cannot file daily pre-election disclosures now.

Campaign Response

In response to the Draft Audit Report, the Campaign acknowledged that it did not file pre-election disclosures each day per CFB requirements. The Campaign stated that they attempted to file pre elections disclosures and believed that they were in compliance.

In response to the Notice of Alleged Violations and Recommended Penalties, the Campaign provided copies of email confirmations of their pre-election disclosure deliveries dated November 4 and November 5, 2013 and stated, “We did collect receipts for pre-election disclosures on November 4th and 5th 2013. Though the receipts do not list what transactions were covered. Some invoices dated near Election Day may not have been processed in C-Smart until later that month.” However, the Campaign’s statement and documentation provided are in reference to the pre-election disclosure submission for the General Election. The Campaign did not provide a response for the Primary Election transactions that were cited in the Notice of Alleged Violations and Recommended Penalties.

Board Action

The Board found the Campaign in violation and assessed \$100 in penalties.

Contribution Findings

3. Prohibited Contributions – Unregistered Political Committees

Participating campaigns may not, either directly or by transfer, accept any contribution, loan, guarantee, or other security for a loan from any political committee, unless it is registered with the CFB, or registers within ten days of receipt of the contribution. *See Admin. Code §§ 3-703(1)(k), 3-707; Rule 1-04(d).*

A list of registered political committees can be viewed on the CFB’s website, www.nycffb.info. Political committees are often required to register with governmental agencies other than the CFB; however, registering with those agencies does not register them with the CFB.

Prior to the election, the Campaign accepted contributions from unregistered political committees in the following instances. After notification from the CFB, the Campaign refunded the contributions, or the political committee registered with the CFB.

CONTRIBUTIONS FROM UNREGISTERED POLITICAL COMMITTEES THAT SUBSEQUENTLY REGISTERED OR WHOSE CONTRIBUTIONS WERE REFUNDED

NAME	STATEMENT/ SCHEDULE/ TRANSACTION	RECEIVED DATE	AMOUNT
New Kings Democrats	9/ABC/R0001106	05/20/13	\$500.00
Empire State Pride Agenda	12/ABC/R0001468	09/06/13	\$1,500.00

Previously Provided Recommendation

The Campaign previously resolved these prohibited contributions and no further response is necessary at this time. However, the Campaign may still be penalized for accepting these contributions. If the Campaign disagrees with this finding, it must provide an explanation and documentation to demonstrate that its acceptance of the contribution was not a violation.

Campaign Response

In response to the Draft Audit Report, the Campaign acknowledged that it did in fact receive contributions from two PAC’s that failed to register. The Campaign refunded their contributions with certified bank checks.

In response to the Notice of Alleged Violations and Recommended Penalties, the Campaign stated, “Though contributions from New Kings Democrats and Empire State Pride Agenda were deposited with the assurance from each group that they were registered, our campaign did diligently follow CFB procedures once we discovered they were not properly registered PAC’s.” The Campaign did refund the contributions in a timely manner; however, prohibited contributions returned after CFB notice are still subject to penalty.

Board Action

The Board found the Campaign in violation and assessed \$250 in penalties.

4. 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 Campaign reported the following expenditure. However, the reported payments for this expenditure is not present on any of the bank statements provided by the Campaign, nor is it reported as an outstanding liability. (*See* also Finding #1c.) As a result, the Campaign’s reporting and documentation indicate that a third party paid for this transaction, or that the goods or services were provided by the reported payee for free:

NAME	REPORTED CHECK NO./ TRANSACTION	STATEMENT/ SCHEDULE/ TRANSACTION	PAID DATE	AMOUNT
New York State Democratic Comm	1011*	8/F/R0000657	04/26/13	\$1,254.77

* This check #1011 did not appear on any of the Campaign’s bank statements. *See Finding #1c.*

Previously Provided Recommendation

For each transaction, the Campaign must provide a written explanation describing how the good or service was purchased, or provided, and who paid for it. If the Campaign paid the expenditure, it 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. If the reported payee donated the goods or services, or they were purchased or donated by a third party, the Campaign must submit an in-kind contribution form completed by the contributor, and report the item as an in-kind contribution by submitting an amendment to Statement 16. (*See also Finding #1c.*)

Campaign Response

In response to the Draft Audit Report, the Campaign stated “This was for purchase of the campaign VAN (voter info) database for canvassing and mail list generation. Per contract and a one-time licensing fee for access to voter history data.”

In response to the Notice of Alleged Violations and Recommended Penalties, the Campaign stated, “Our committee did in fact receive the use of the online VAN database,” and “Therefore we do accept the \$100 CFB penalty but seek guidance on how best to resolve this if payment is required and our bank account is closed.”

Board Action

The Board found the Campaign in violation and assessed \$100 in penalties.

Expenditure Findings

5. 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).

a) Each expenditure listed on Exhibit III 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.

b) In response to the Notice of Alleged Violations and Recommended Penalties, the Campaign submitted a check for \$18,063.00, which is \$799.53 less than was indicated in the December 2014 bank statement. The Campaign stated that the difference in amounts is due to several expenditures, which include bank fees, maintaining Gmail email accounts, and maintaining its subscription to Nationbuilder. With the exception of bank fees, these expenses are not considered routine activities with winding up the campaign. The Campaign also stated that a significant portion of the variance in its final bank balance was due to it maintaining its subscription to Nationbuilder for its “Carlos 2017” committee, thereby commingling 2013 election cycle receipts with receipts from a future election (see also Finding #8).

Previously Provided Recommendation

a) 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.

b) This finding was identified as a result of the Campaign’s response to the Notice of Alleged Violations and Recommended Penalties dated August 18, 2015.

Campaign Response

a) In response to the Draft Audit Report, the Campaign stated that the expenditures listed were either routine and recurring services that were used during their campaign. The Campaign did not demonstrate the expenditures were routine activities involved with winding up the Campaign.

In response to the Notice of Alleged Violations and Recommended Penalties, the Campaign stated that several of the transactions were recurring billing amounts for “open active accounts for payroll, credit cards, Web presence and email communication in the period post-election and continuing during the early phases of the audit process.” Additionally, the Campaign stated that it did not receive guidance on when these accounts should be closed. The Campaign further states, “transaction #16/F/R0001722, Luevanos, dated November 6, 2013 and for \$1,500, normal pay periods under contract for our Campaign Manager were always for the prior pay period and those dates are prior November 4, 2013 election date.” The contract provided by the Campaign indicates that the individual should have been paid through September 10, 2013. The Campaign did not provide an updated agreement or evidence that the Campaign Manager worked through the general election.

b) This finding was identified as a result of the Campaign's response to the Notice of Alleged Violations and Recommended Penalties dated August 18, 2015.

Board Action

a) The Board found the Campaign in violation and assessed \$851 in penalties.

b) The Board has taken no further action other than to make this a part of the candidate's record with the Board.

6. 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 on Exhibit IV.

Previously Provided Recommendation

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

Campaign Response

In response to the Draft Audit Report, the Campaign amended its disclosure statements to report ADP Payroll Processing expenditures. However, it did not provide any documentation related to the expenditures as requested.

In response to the Taxi Service expenditure of \$220.00, the Campaign asserted that "Taxi Service (Brooklyn) TID 1061 was for taxi travel by the candidate from Brooklyn to Long Island for a conference to secure a union endorsement. Receipts attached. And see TID 1064." The receipt provided by the Campaign did not include information such as the name of the taxi service, the date the service was provided, the destination, distance travelled or the rate based on the amount of the expenditure, the receipt was insufficiently detailed.

With regard to the expenditure refund from Haydee Vargas, the Campaign stated that the refund represented the return of the security that was paid for the space rented by the Campaign. The Campaign did not submit a copy of the front and back of the check as requested in its Draft Audit Report.

Lastly, the Campaign explained that “AIA wireless is the retail phone vendor from whom we bought cell phones and wireless services. The phones are still in our possession, we would like to donate the 12 of them to out [sic] new committee or a charity if CFB allows.” However, the Campaign did not submit backup documentation for the transaction, such as a receipt, nor did it provide a narrative describing who used the phones, or a description of the disposition of the phones.

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.

7. Expenditures – Exceeding the Legal Limit

Campaign Finance Program participants must abide by strict limits on the amount of money their campaigns spend. An expenditure is considered made when the good and/or service is received, used or rendered regardless of when the payment is made. The following types of expenditures are exempt and do not count toward the expenditure limit:

- Challenging or defending the validity of petitions or canvassing and re-canvassing election results
- Preparing for an appearance before the Board
- Limited expenses to prepare for the post-election audit

See Admin. Code §§ 3-706, 3-703(1)(i), 3-711(2)(a); Rules 1-08(b), (d), and (l).

Based on its reporting and documentation, the Campaign exceeded the primary election expenditure limit. *See* the details of the expenditure limit calculation at Exhibit V. The following adjustments were made to the expenditure limit calculation:

- a) Expenditures reported during the general election were attributed to the primary election, see Exhibit Va.
- b) Unreported expenditures were attributed to the primary election, see Exhibit Vb.
- c) Expenditures misreported by the Campaign were attributed to the primary election, see Exhibit Vc.

Previously Provided Recommendation

If the Campaign disagrees with the expenditure limit calculation, it must address the specific line items of the calculation as described below:

- a) If the Campaign disagrees with the attribution of expenditures in the exhibit, for each transaction it must provide a detailed explanation of when the good and/or service was received, used, or rendered and provide supporting documentation. The Campaign must address each line of the calculation in dispute.
- b) The Campaign must amend its disclosure statements to report these unreported transactions and must provide documentation for each transaction (see also Finding #1b).
- c) The Campaign must amend its disclosure statements to accurately report the transactions (see also Finding #1d).

Campaign Response

In response to the Draft Audit Report the Campaign stated that it “would like [to] review pending re-stated submissions.” No other documentation or explanation was provided.

In response to the Notice of Alleged Violations and Recommended Penalties, the Campaign requested that the expenditure to World Trade Office Solutions on October 2, 2013 of \$137.18, be split between the General and the Primary expenditure limits. However, the Campaign failed to provide an invoice or receipt itemizing the charges that were incurred during the month of September made to World Trade Office Solutions.

Board Action

The Board found the Campaign in violation and assessed \$412 in penalties.

8. 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* Rules 1-03(a)(2) and 2-06(b).

In response to the Notice of Alleged Violations, the Campaign stated that a significant portion of the variance in its final bank balance was due to it maintaining its subscription to Nationbuilder for its “Carlos 2017” committee, thereby apparently commingling 2013 election cycle receipts with receipts from a future election.

Previously Provided Recommendation

This finding was identified as a result of the Campaign's response to the Notice of Alleged Violations and Recommended Penalties dated August 18, 2015.

Campaign Response

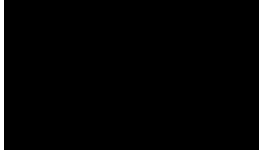
This finding was identified as a result of the Campaign's response to the Notice of Alleged Violations and Recommended Penalties dated August 18, 2015.

Board Action

The Board has taken no further action 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,



Signature on original

Sauda S. Chapman

Director of Auditing and Accounting

Date: July 6, 2016

Staff: Melody Lee

Michael Iacono

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

Candidate: Menchaca, Carlos (ID:1694-P)**Office:** 5 (City Council)**Election:** 2013

1. Opening cash balance (All committees)		\$0.00
2. Total itemized monetary contributions (Sch ABC)		\$99,941.16
3. Total unitemized monetary contributions		\$0.00
4. Total in-kind contributions (Sch D)		\$13.90
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)		\$175,962.19
Expenditure payments	\$173,687.75	
Advance repayments	\$2,274.44	
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)		\$13.90
16. Total expenditures refunded (Sch L)		\$2,000.00
17. Total receipts adjustment (Sch M - excluding CFB repayments)		\$3,200.00
18. Total outstanding liabilities (Sch N - last statement submitted)		\$16,706.00
Outstanding Bills	\$16,706.00	
Outstanding Advances	\$0.00	
19. Total advanced amount (Sch X)		\$0.00
20. Net public fund payments from CFB		\$97,437.00
Total public funds payment	\$115,500.00	
Total public funds returned	(\$18,063.00)	
21. Total Valid Matchable Claims		\$25,926.00
22. Total Invalid Matchable Claims		\$2,978.00
23. Total Amount of Penalties Assessed		\$2,313.00
24. Total Amount of Penalty Payments		\$0.00
25. Total Amount of Penalties Withheld		\$0.00

Exhibit I
Carlos for Council
Unreported Transactions
(see Finding #1b)

Payee	Check No./ Transaction	Date	Amount
AMEX Merchant Services	Debit	03/04/13	\$15.26
AMEX Merchant Services	Debit	03/05/13	\$8.55
AMEX Merchant Services	Debit	03/08/13	\$18.39
AMEX Merchant Services	Debit	03/09/13	\$7.38
AMEX Merchant Services	Debit	03/11/13	\$37.53
AMEX Merchant Services	Debit	03/12/13	\$18.09
AMEX Merchant Services	Debit	03/13/13	\$15.15
AMEX Merchant Services	Debit	03/14/13	\$48.09
AMEX Merchant Services	Debit	03/15/13	\$113.05
AMEX Merchant Services	Debit	03/16/13	\$11.02
Cybersource	Debit	03/21/13	\$151.76
AuthNet Gateway	Debit	04/02/13	\$73.70
Cybersource	Debit	04/02/13	\$99.08
7th Ave-Park Slope	Debit	04/08/13	\$99.89
Withdrawal	Debit	04/23/13	\$16.00
Google	Debit	04/25/13	\$10.00
AMEX Merchant Services	Debit	04/26/13	\$7.38
AMEX Merchant Services	Debit	04/29/13	\$5.16
Nationbuilder	Debit	04/29/13	\$29.00
AMEX Merchant Services	Debit	05/03/13	\$8.97
AMEX Merchant Services	Debit	05/06/13	\$16.35
AMEX Merchant Services	Debit	05/14/13	\$5.02
AMEX Merchant Services	Debit	05/16/13	\$12.31
AMEX Merchant Services	Debit	05/18/13	\$5.21
AMEX Merchant Services	Debit	05/27/13	\$12.01
AMEX Merchant Services	Debit	06/01/13	\$7.38
Inner Fence	Debit	06/03/13	\$9.00
Staples	Debit	06/12/13	\$59.86
Staples	Debit	06/13/13	\$51.63
Staples	Debit	06/26/13	\$40.63
Check	1023	07/01/13	\$112.00
AMEX Merchant Services	Debit	07/12/13	\$10.57
AMEX Merchant Services	Debit	07/18/13	\$7.38
Check	1025	07/24/13	\$73.59
Check	1026	07/25/13	\$104.08
Check	1030	07/26/13	\$112.00
Google	Debit	08/07/13	\$35.00
USPS	Debit	08/09/13	\$115.00
AMEX Merchant Services	Debit	08/10/13	\$6.08

Exhibit I
Carlos for Council
Unreported Transactions
(see Finding #1b)

Payee	Check No./ Transaction	Date	Amount
Check	1039	08/12/13	\$124.00
Staples	Debit	08/14/13	\$76.16
TD Bank	Debit	08/15/13	\$15.00
BillMatrix	Debit	08/19/13	\$128.00
BillMatrix	Debit	08/19/13	\$103.00
BillMatrix	Debit	08/19/13	\$78.00
Staples	Debit	08/26/13	\$116.39
Con Ed of NY	Debit	08/28/13	\$188.36
Nationbuilder	Debit	08/29/13	\$29.00
TD Bank	Debit	08/30/13	\$8.00
USPS	Debit	08/30/13	\$429.00
Staples	Debit	09/03/13	\$77.38
Staples	Debit	09/03/13	\$32.60
USPS	Debit	09/03/13	\$46.00
USPS	Debit	09/03/13	\$46.00
USPS	Debit	09/03/13	\$46.00
USPS	Debit	09/03/13	\$46.00
USPS	Debit	09/03/13	\$46.00
Staples	Debit	09/05/13	\$15.78
Staples	Debit	09/05/13	\$137.15
Wire Transfer Fee	Debit	09/06/13	\$15.00
AMEX Merchant Services	Debit	09/07/13	\$6.95
Check	1052	09/09/13	\$44.04
Google	Debit	09/09/13	\$35.00
Key Food	Debit	09/09/13	\$73.85
Key Food	Debit	09/09/13	\$13.27
Key Food	Debit	09/09/13	\$13.27
Staples	Debit	09/09/13	\$64.00
Hess	Debit	09/10/13	\$30.00
Staples	Debit	09/11/13	\$61.90
Check	1078	09/12/13	\$380.00
Dunkin Donuts	Debit	09/12/13	\$30.59
BillMatrix	Debit	09/13/13	\$125.00
BillMatrix	Debit	09/13/13	\$100.00
AMEX Merchant Services	Debit	09/16/13	\$16.20
BillMatrix	Debit	09/16/13	\$75.00
Maxemail	Debit	09/24/13	\$9.95
Check	10053	09/25/13	\$119.46
Check	10060	09/25/13	\$204.65

Exhibit I
Carlos for Council
Unreported Transactions
(see Finding #1b)

Payee	Check No./ Transaction	Date	Amount
Google	Debit	09/26/13	\$26.83
Verizon Wireless	Debit	09/27/13	\$232.91
Google	Debit	09/30/13	\$10.00
Nationbuilder	Debit	09/30/13	\$29.00
Check	10052	10/01/13	\$237.34
Verizon	Debit	10/01/13	\$87.23
Total			\$5,417.81

Exhibit II
Carlos for Council
Uncleared Transactions
(see Finding #1c)

Transaction ID	Payee	Check No./ Transaction	Date	Amount	Notes
R0001790	AMEX Merchant Services	Debit	03/05/13	\$ 7.95	
R0001792	AMEX Merchant Services	Debit	03/06/13	\$ 7.95	
R0001794	AMEX Merchant Services	Debit	03/07/13	\$ 7.95	
R0001798	AMEX Merchant Services	Debit	03/08/13	\$ 7.95	
R0001797	AMEX Merchant Services	Debit	03/09/13	\$ 7.95	
R0001801	AMEX Merchant Services	Debit	03/11/13	\$ 7.95	
R0001802	AMEX Merchant Services	Debit	03/12/13	\$ 7.95	
R0001804	AMEX Merchant Services	Debit	03/13/13	\$ 7.95	
R0001806	AMEX Merchant Services	Debit	03/14/13	\$ 7.95	
R0001808	AMEX Merchant Services	Debit	03/15/13	\$ 7.95	
R0001810	AMEX Merchant Services	Debit	03/16/13	\$ 7.95	
R0001812	AMEX Merchant Services	Debit	03/18/13	\$ 7.95	
R0001818	AMEX Merchant Services	Debit	04/23/13	\$ 7.95	
R0000657	New York State Democratic Comm	1011	04/26/13	\$ 1,254.77	(1)
R0001826	AMEX Merchant Services	Debit	05/03/13	\$ 7.95	
R0001828	AMEX Merchant Services	Debit	05/04/13	\$ 7.95	
R0001840	AMEX Merchant Services	Debit	05/06/13	\$ 7.95	
R0001831	AMEX Merchant Services	Debit	05/07/13	\$ 7.95	
R0001835	AMEX Merchant Services	Debit	05/11/13	\$ 7.95	
R0001837	AMEX Merchant Services	Debit	05/13/13	\$ 7.95	
R0001839	AMEX Merchant Services	Debit	05/14/13	\$ 7.95	
R0001842	AMEX Merchant Services	Debit	05/15/13	\$ 7.95	
R0001844	AMEX Merchant Services	Debit	05/16/13	\$ 7.95	
R0001852	AMEX Merchant Services	Debit	05/27/13	\$ 7.95	
R0001854	AMEX Merchant Services	Debit	05/28/13	\$ 7.95	
R0001858	AMEX Merchant Services	Debit	06/03/13	\$ 7.95	
R0001864	AMEX Merchant Services	Debit	06/04/13	\$ 7.95	
R0001863	AMEX Merchant Services	Debit	06/11/13	\$ 7.95	
R0001402	Boyle, Sarah	1040	08/10/13	\$ 4.21	
R0001403	Boyle, Sarah	1040	08/10/13	\$ 7.60	
Total				<u>\$1,481.23</u>	

Notes:

(1) See also Finding #4.

Exhibit III
Carlos for Council
Improper Post-Election Expenditures
(see Finding #5)

Name	Statement/ Schedule/ Transaction ID	Invoice Date	Paid Date	Amount
Luevanos, Ivan	16/F/R0001772	11/06/13	11/06/13	\$1,500.00
NationBuilder (3DNA)	16/F/R0001974	12/30/13	12/30/13	\$29.00
ADP Payroll Processing	16/F/R0001919	01/03/14	01/03/14	\$33.28
Cybersource	16/F/R0001979	01/03/14	01/03/14	\$39.95
Google	16/F/R0002005	01/03/14	01/03/14	\$10.00
InnerFence Inc.	16/F/R0001981	01/03/14	01/03/14	\$9.00
Authorize.net	16/F/R0001883	01/04/14	01/04/14	\$40.00
NYC Dept Sanitation	16/F/R0001985	01/08/14	01/08/14	\$377.00
NYC Dept Sanitation	16/F/R0001987	01/08/14	01/08/14	\$302.00
Verizon Wireless	16/F/R0001989	01/09/14	01/09/14	\$113.78
GoDaddy	January Statement 2014	N/A	01/13/14	\$15.17
ADP	January Statement 2014	N/A	01/21/14	\$210.00
ADP	January Statement 2014	N/A	01/29/14	\$143.51
Nationbuilder	January Statement 2014	N/A	01/29/14	\$29.00
ADP	January Statement 2014	N/A	01/31/14	\$33.28
Innerfence	February Statement 2014	N/A	02/03/14	\$9.00
AuthNet Gateway	February Statement 2014	N/A	02/04/14	\$40.00
Cybersource	February Statement 2014	N/A	02/04/14	\$34.95
Google	February Statement 2014	N/A	02/07/14	\$10.00
Verizon	February Statement 2014	N/A	02/11/14	\$113.88
Verizon	BOE Reporting	N/A	02/28/14	\$113.38
Authorize.net	BOE Reporting	N/A	03/04/14	\$40.00
Authorize.net	BOE Reporting	N/A	04/02/14	\$40.00
Authorize.net	BOE Reporting	N/A	05/02/14	\$40.00
Authorize.net	BOE Reporting	N/A	06/03/14	\$40.00
Authorize.net	BOE Reporting	N/A	07/02/14	\$40.00
Total				<u>\$3,406.18</u>

Exhibit IV
Carlos for Council
Expenditure Documentation Request
(see Finding #6)

Name	Statement/ Schedule/ Transaction ID	Incurred/ Received/ Paid Date	Amount
Taxi Service (Brooklyn)	9/P/R0001061	05/16/13	\$220.00
A1A Wireless of NY Corp	10/P/R0001409	07/17/13	\$1,200.00
ADP Payroll Processing	16/F/R0001897	08/16/13	\$796.90
ADP Payroll Processing	16/F/R0001899	08/30/13	\$970.73
ADP Payroll Processing	16/F/R0001903	08/30/13	\$41.80
ADP Payroll Processing	16/F/R0001902	09/06/13	\$45.93
ADP Payroll Processing	16/F/R0001905	09/09/13	\$1,740.59
ADP Payroll Processing	16/F/R0001907	09/13/13	\$406.43
Vargas, Haydee	13/L/R0001722	09/15/13	-\$2,000.00
ADP Payroll Processing	16/F/R0001909	09/17/13	\$84.55
ADP Payroll Processing	16/F/R0001911	09/20/13	\$100.10
ADP Payroll Processing	16/F/R0001913	09/15/13	\$1,223.54
ADP Payroll Processing	16/F/R0001915	10/25/13	\$25.00
ADP Payroll Processing	16/F/R0001917	12/06/13	\$33.28
ADP Payroll Processing	16/F/R0001919	01/03/14	\$33.28

New York City Campaign Finance Board
 Campaign Finance Information System
 Exhibit V
 Carlos for Council
 Primary Election Expenditure Limit Calculation
 (see Finding #7)

Election: 2013
Candidate: Menchaca, Carlos (ID:1694-P)
Office: 5 (City Council)

	<u>2010-2012</u>	<u>2013</u>
Total Reported Primary Expenditures:	\$0.00	\$158,316.16
Less Claimed Exempt Expenditures:	(\$0.00)	(\$0.00)
Audit Adjustments:		
General Elect Expenditures Attributable to Primary Election (see Exhibit Va)	\$0.00	\$6,358.25
Expenditures: Unreported (see Exhibit Vb)	\$0.00	\$4,018.43
Expenditures: Misreported (see Exhibit Vc)	\$0.00	(\$280.00)
Less Prior Year Expenditure Limits	(\$45,000.00)	
Prior Year Amounts Over the Limit	\$0.00	\$0.00
		<hr/>
	Adjusted Expenditures	\$168,412.84
	Less Current Year Expenditure Limit	(\$168,000.00)
		<hr/>
	Cumulative Amount Over the Limit	<u>\$412.84</u>

Exhibit Va
Carlos for Council
General Election Expenditures Attributable to the Primary
(see Finding #7a)

Name	Statement/ Schedule/ Transaction ID	Purpose Code	Invoice Date	Paid Date	Amount	Notes
Reyes, Quinton A	13/F/R0001707	WAGES	09/13/13	09/13/13	\$133.28	
Soriano, Aaron	13/F/R0001709	WAGES	09/13/13	09/13/13	\$466.26	
Ye, Dennis	13/F/R0001711	WAGES	09/13/13	09/13/13	\$149.82	
Yip, Long	13/F/R0001731	WAGES	09/13/13	09/13/13	\$149.55	
Santiago, Jahlean K	13/F/R0001740	WAGES	09/13/13	09/13/13	\$133.28	
ADP Payroll Processing	16/F/R0001907	OTHER	09/13/13	09/13/13	\$406.43	
Espinoza, Jessica	13/F/R0001742	WAGES	09/17/13	09/17/13	\$110.22	
ADP Payroll Processing	16/F/R0001909	OTHER	09/17/13	09/17/13	\$84.55	
Luevanos, Ivan	16/F/R0001768	WAGES	09/17/13	09/17/13	\$933.33	(1)
NY Prints LLC	13/F/R0001544	LITER	09/11/13	09/20/13	\$544.38	
NY Prints LLC	13/F/R0001546	LITER	09/11/13	09/20/13	\$544.38	
Red Horse Strategies	13/F/R0001550	CONSL	09/12/13	09/20/13	\$2,300.00	
ADP Payroll Processing	16/F/R0001911	OTHER	09/20/13	09/20/13	\$100.10	
World Trade Office Solutions	14/F/R0001751	OFFCE	10/02/13	10/02/13	\$137.18	
Authorize.net	16/F/R0001877	OTHER	10/02/13	10/02/13	\$45.35	
InnerFence Inc.	16/F/R0001925	FUNDR	10/02/13	10/02/13	\$9.00	
Cybersource	16/F/R0001977	OTHER	10/02/13	10/02/13	\$51.14	
Salamanca, Javier	14/F/R0001754	WAGES	10/01/13	10/08/13	\$60.00	
Total					<u>\$6,358.25</u>	

Notes:

(1) Based on the contract provided by the Campaign, \$933.33 of the \$2,800.00 expenditure has been allocated to the primary expenditure calculation.

Exhibit Vb
Carlos for Council
Unreported Expenditures in Primary Election
(see Finding #7b)

Payee/Description	Check No./ Transaction	Date	Amount
Cybersource	Debit	03/21/13	\$151.76
Cybersource	Debit	04/02/13	\$99.08
AuthNet Gateway	Debit	04/02/13	\$73.70
7th Ave-Park Slope	Debit	04/08/13	\$99.89
Withdrawal	Debit	04/23/13	\$16.00
Google	Debit	04/25/13	\$10.00
Nationbuilder	Debit	04/29/13	\$29.00
Inner Fence	Debit	06/03/13	\$9.00
Staples	Debit	06/12/13	\$59.86
Staples	Debit	06/13/13	\$51.63
Staples	Debit	06/26/13	\$40.63
Check	1023	07/01/13	\$112.00
Check	1025	07/24/13	\$73.59
Check	1026	07/25/13	\$104.08
Check	1030	07/26/13	\$112.00
Google	Debit	08/07/13	\$35.00
USPS	Debit	08/09/13	\$115.00
Check	1039	08/12/13	\$124.00
Staples	Debit	08/14/13	\$76.16
TD Bank	Debit	08/15/13	\$15.00
BillMatrix	Debit	08/19/13	\$128.00
BillMatrix	Debit	08/19/13	\$103.00
BillMatrix	Debit	08/19/13	\$78.00
Staples	Debit	08/26/13	\$116.39
Con Ed of NY	Debit	08/28/13	\$188.36
Nationbuilder	Debit	08/29/13	\$29.00
USPS	Debit	08/30/13	\$429.00
TD Bank	Debit	08/30/13	\$8.00
Staples	Debit	09/03/13	\$77.38
USPS	Debit	09/03/13	\$46.00
USPS	Debit	09/03/13	\$46.00
USPS	Debit	09/03/13	\$46.00
USPS	Debit	09/03/13	\$46.00
USPS	Debit	09/03/13	\$46.00
Staples	Debit	09/03/13	\$32.60
USPS	Debit	09/03/13	\$4.60
Staples	Debit	09/05/13	\$15.78
Staples	Debit	09/05/13	\$137.15
Key Foods	Debit	09/05/13	\$3.46
Wire Transfer Fee	Debit	09/06/13	\$15.00
Check	1052	09/09/13	\$44.04
Key Food	Debit	09/09/13	\$73.85
Staples	Debit	09/09/13	\$64.00
Google	Debit	09/09/13	\$35.00
Key Food	Debit	09/09/13	\$13.27
Key Food	Debit	09/09/13	\$13.27

Exhibit Vb
Carlos for Council
Unreported Expenditures in Primary Election
(see Finding #7b)

Payee/Description	Check No./ Transaction	Date	Amount
Hess	Debit	09/10/13	\$30.00
Staples	Debit	09/11/13	\$61.90
Check	1078	09/12/13	\$380.00
BillMatrix	Debit	09/13/13	\$125.00
BillMatrix	Debit	09/13/13	\$100.00
BillMatrix	Debit	09/16/13	\$75.00
Total			<u>\$4,018.43</u>

Exhibit Vc
Carlos for Council
Misreported Transactions Attributable to the Primary Election
(see Finding #7c)

Transaction ID	Payee	Check No.	Date	Amount	Correct Amount	Difference
R0001054	Google	Debit	05/15/13	\$ 12.83	\$ 2.83	\$ (10.00)
R0001700	Soriano, Aaron	10049	09/06/13	\$ 446.26	\$ 466.26	\$ 20.00
R0001524	Delgado, Matthew	1071	09/10/13	\$ 380.00	\$ 90.00	\$ (290.00)
Total						<u>(280.00)</u>