



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 21, 2016

Peter Mammis
Friends of Prentzas
38-04 28th Avenue, Suite 1L
Astoria, NY 11103

Dear Peter Mammis:

Please find attached the New York City Campaign Finance Board's ("CFB" or "Board") Final Audit Report for the 2013 campaign of Constantinos Prentzas (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 April 14, 2016 (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	\$18,261
Penalties Assessed	\$11,821
Total Owed	\$30,082

The full amount owed must be paid no later than **August 22, 2016**. Please send a check in the amount of \$30,082, 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 **August 22, 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

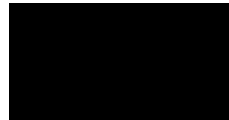
for any future election until the full amount is paid. Further information regarding liability for this debt can be found in the attached Final Board Determination.

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

Sauda S. Chapman
Director of Auditing and Accounting

c: Constantinos Prentzas



Friends of Prentzas
38-04 28th Avenue, Suite 1L
Astoria, NY 11103

Attachments



EC2013 Final Audit Report

Friends of Prentzas

July 2016

Table of Contents

Table of Contents 2

RESULTS IN BRIEF 3

 Disclosure Findings 3

 Contribution Findings..... 3

 Public Matching Funds Findings 4

BACKGROUND 5

SCOPE AND METHODOLOGY 6

AUDIT RESULTS 9

 Disclosure Findings 9

 1. Financial Disclosure Reporting - Discrepancies 9

 2. Failure to File and Late Filings 11

 3. Daily Pre-Election Disclosure – Statements of Contributions/Expenditures 12

 4. Disclosure – Advances 13

 5. Disclosure – Payroll Expenditures 14

 6. Disclosure – Possible Subcontractors 15

 Contribution Findings..... 16

 7. Prohibited Contributions – Corporate/Partnership/LLC 16

 8. Prohibited Contributions – Unregistered Political Committees 19

 9. Prohibited Contributions – Cash Contributions Greater Than \$100 20

 10. Undocumented or Unreported In-Kind Contributions 21

 Public Matching Funds Findings 25

 11. Qualified Expenditure Documentation..... 25

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 Constantinos Prentzas (the "Campaign") indicate findings of non-compliance with the Campaign Finance Act (the "Act") and Board Rules (the "Rules") as detailed below:

Disclosure Findings

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

- The Campaign did not report or inaccurately reported financial transactions to the Board (see Finding #1).
- The Campaign did not file, by the due dates, financial disclosure statements required by the Board (see Finding #2).
- The Campaign did not file the required daily disclosure statements during the two weeks preceding the 2013 primary election (see Finding #3).
- The Campaign did not properly disclose advance purchases (see Finding #4).
- The Campaign did not properly disclose payroll expenditures (see Finding #5).
- The Campaign did not disclose payments made by its vendors to subcontractors (see Finding #6).

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 prohibited sources (see Finding #7).
- The Campaign accepted a contribution from an unregistered political committee (see Finding #8).
- The Campaign accepted a cash contribution greater than \$100 (see Finding #9).
- The Campaign did not disclose in-kind contributions received (see Finding #10).

Public Matching Funds Findings

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

- The Campaign did not document qualified expenditures equal to the amount of public funds it received (see Finding #11).

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: Constantinos Prentzas	Contribution Limit:
ID: 1788	\$2,750
Office Sought: City Council	
District: 22	Expenditure Limit:
	2010–2012: N/A
Committee Name: Friends of Prentzas	2013 Primary: \$168,000
Classification: Participant	
Certification Date: June 10, 2013	
	Public Funds:
Ballot Status: Primary	Received: \$92,400
Primary Election Date: September 10, 2013	Returned: \$0
Party: Democratic	
	Campaign Finance Summary:
	http://bit.ly/1yS5D3M

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. CFB staff recommended that the Board find that the Campaign must repay public funds and committed violations subject to penalty. The Campaign chose not to contest the CFB staff recommendations. 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
Chase	XXXXXX1606	Checking	Jun 2013 – Dec 2013

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

a) The Campaign did not report the transaction listed below that appears on its bank statements:

ACCOUNT #	NAME	CHECK NO./ TRANSACTION	PAID DATE	AMOUNT
XXXXXX1606	Withdrawal	Debit	08/19/13	\$305.00

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

c) A comparison of the Campaign’s submitted bank statements with information reported in the Campaign’s disclosure statements revealed the following overall net discrepancy in reporting:¹

¹ The percentage variance is determined by subtracting the Total Per Bank Statements amount from the Total Reported amount, and then dividing by the Total Reported amount. A positive variance indicates that the Total Reported amount exceeds the Bank Statements amount. A negative variance indicates that the Total Reported amount is less than the Bank Statements amount.

DISBURSEMENTS:

TOTAL REPORTED MONETARY DISBURSEMENTS ²	TOTAL DEBITS PER BANK STATEMENTS	DOLLAR VARIANCE	PERCENT VARIANCE
\$167,284.57	\$159,475.25	\$7,809.32	4.67%

Previously Provided Recommendation

a) The Campaign must amend its disclosure statements to report these transactions. The Campaign must also provide documentation for each transaction. Because bank statements provide limited information about a transaction, the Campaign should review invoices or other records to obtain all of the information necessary to properly report the transaction.

b) For each transaction reported in the Campaign’s disclosure 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.

c) The Campaign must compare information reported on its financial disclosure statements to bank statements and supporting documentation for contributions and expenditures to identify and resolve the listed discrepancy. The Campaign may need to amend its disclosure statements and provide additional bank statements. The individual reporting errors and missing documentation identified in other parts of this finding are the source of some, or all, of the variance cited, and as a result, responses to other parts of this finding will likely affect the cited variance. In responding to other parts of the finding, the Campaign should evaluate whether its response also addresses the overall discrepancy noted above.

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

² Total Reported Monetary Disbursements includes bill payments, transfers-out, loan repayments, returns of public funds, and contribution refunds.

statement numbers for which the Campaign should file amendments. If the Campaign added any new transactions, it must submit an amendment to Disclosure Statement 16.³

Campaign’s Response

a) In response to the Draft Audit Report, the Campaign did not amend its reporting to report the listed transaction or identify which reported transaction(s) is associated with this bank withdrawal.

b) In response to the Draft Audit Report, the Campaign failed to amend its reporting or provide other evidence that the Campaigns’ bank statements contain the listed transactions.

c) In its Draft Audit Report response, the Campaign modified existing transactions and reported new transactions. For these reasons, the variance increased to 4.67%.

In its Notice of Alleged Violations response, the Campaign did not contest this finding or provide additional documentation. The Campaign acknowledged clerical errors and other problems with its filings. It noted that over two years it attempted to clarify and clear up many of those issues.

Board Action

a-b) 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.

c) The Board found the Campaign in violation and assessed \$125 in penalties.

2. Failure to File and Late Filings

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

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

STATEMENT #	DUE DATE	DATE FILED	# DAYS LATE
9	07/15/13	07/16/13	1
10	08/09/13	08/13/13	4

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

Previously Provided Recommendation

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

Campaign’s Response

In response to the Notice of Alleged Violations and Recommended Penalties, the Campaign did not contest this finding and agreed that it filed late disclosure statements.

Board Action

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

3. 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 course of the 14-day pre-election period. These contributions and expenditures must also be reported in the Campaign’s next disclosure statement.

a) The Campaign did not file the required daily disclosure to report the following contribution:

CONTRIBUTION(S)/LOAN(S):			
NAME	STATEMENT/ SCHEDULE/ TRANSACTION	RECEIVED DATE	AMOUNT
Neighborhood Preservation Poli	12/ABC/R0000876	09/03/13	\$2,750

b) The Campaign did not file the required daily disclosures to report the expenditures listed on Exhibit II.

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's Response

a-b) In its Draft Audit Report response, the Campaign provided a narrative describing the circumstances surrounding the 14-day pre-election disclosure period but did not dispute any of the findings.

In its Notice of Alleged Violations response, the Campaign did not contest this finding.

Board Action

a-b) The Board found the Campaign in violation and assessed \$150 in penalties.

4. Disclosure – Advances

For each advance, campaigns are required to report the name and address of the person making the purchase (the advancer), the amount, and the name of the vendor from whom the purchase was made. *See* Admin. Code §§ 3-703(1)(g), 3-708(8); Rule 3-03(c)(3).

The Campaign did not properly report the names of vendors for the transactions listed in Exhibit III.

Previously Provided Recommendation

For each advance purchase listed in Exhibit III, the Campaign must amend its disclosure statements to report the name and address of each vendor from whom the purchase was made. The Campaign must also submit all documentation related to each advance. This may include receipts or invoices for the purchase, evidence of who paid for the initial purchase, and copies of the checks used to reimburse the purchaser.

Campaign's Response

In its Draft Audit Report response, the Campaign provided a narrative stating that all purchases were expenditures advanced by the treasurer, Peter Mammis, and reimbursed by the Campaign. The Campaign also provided receipts and an Advance Repayment Voucher for the three original expenditures, showing that Transaction ID 9/P/R0000234 was for a purchase at the restaurant William Hallet, Transaction ID 9/P/R0000230 was for a purchase at Staples, and Transaction ID 9/P/R0000232 was a purchase at National Wholesale Liquidators. However, the Campaign failed to amend its reporting to disclose the correct vendor information.

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.

5. Disclosure – Payroll Expenditures

Campaigns using a payroll service must separately report the name and amount paid to each employee and the payroll service fees, rather than reporting gross payment(s) made to the payroll service. In addition, upon request, campaigns must provide copies of documentation to verify each of these individual payments. *See* Admin. Code §§ 3-703(1)(d), (g); Rules 3-03(e), 4-01(a) and (d).

The Campaign incorrectly reported the expenditures listed on Exhibit IV to payroll service providers.

Previously Provided Recommendation

The Campaign must amend its disclosure statement(s) to separately report the payments to each individual employee and the service fee(s) (and taxes, if applicable) paid to the payroll service. The Campaign must provide documentation for each payment such as copies of employee contracts, timesheets, payroll service invoices, and other payroll records. The Campaign must also explain why it did not properly disclose the payroll expenditures listed on Exhibit IV.

Campaign's Response

In its Draft Audit Report response, the Campaign submitted a narrative describing its attempts to contact DiBenedetto Inc. via email and certified mail, however the Campaign has not received a reply. The Campaign previously provided a copy of an email and a certified mail receipt demonstrating its attempts to reach DiBenedetto Inc. The Campaign also submitted documentation previously provided, including unitemized invoices from the vendor, timesheets that do not specify whether the individual was paid by the Campaign or the payroll processor, and a contract that does not include all of the invoiced services.

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.

6. 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 vendors listed below received large payments and may have subcontracted goods and services. However, the Campaign did not report subcontractors used by these vendors:

PAYEE	AMOUNT PAID	NOTE
DiBenedetto Inc.	\$33,500.00	(1)
Multi-Media	\$44,455.30	

(1) *See* also Finding #5. If the Campaign paid the vendor less than \$5,000 (excepting payroll wages to individuals), it does not need to report or document subcontracted payments.

Previously Provided Recommendation

The Campaign must contact the vendors, 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

In its Draft Audit Report response, the Campaign submitted a Subcontractor Form from Multi-Media and the vendor listed Progress Printing as a subcontractor for \$19,502 worth of services. However, the Campaign failed to amend its reporting to report this subcontractor.

The Campaign failed to submit a Subcontractor Form from DiBenedetto Inc. The Campaign submitted a narrative describing its attempts to contact DiBenedetto Inc. via email and certified mail, but stated that it has not received a reply. The Campaign previously provided a copy of an email and a certified mail receipt demonstrating its attempts to reach DiBenedetto Inc. but the vendor has not responded.

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

7. Prohibited Contributions – Corporate/Partnership/LLC

Campaigns may not accept, either directly or by transfer, any contribution, loan, guarantee, or other security for a loan from any corporation. This prohibition also applies to contributions received after December 31, 2007 from any partnership, limited liability partnership (LLP), or limited liability company (LLC). *See* New York City Charter §1052(a)(13); Admin. Code §§ 3-703(1)(l), 3-719(d); Rules 1-04(c), (e).

a) Prior to the election, the Campaign accepted contributions from entities listed on the New York State Department of State’s website as corporations, partnerships, and/or LLCs in the following instance. After notification from the CFB, the Campaign refunded the contribution.

PREVIOUSLY REFUNDED CONTRIBUTIONS FROM PROHIBITED SOURCES				
NAME	STATEMENT/ SCHEDULE/ TRANSACTION	RECEIVED DATE	AMOUNT	NOTE
Ladikos, Vasilios	11/ABC/R0000619	08/09/13	\$100.00	(1)

(1) Although the Campaign reported the contribution as shown, the documentation provided indicates that this contribution was from USA Electrical Services Corp.

b) The Campaign accepted contributions from entities listed on the New York State Department of State’s website as corporations, partnerships, and/or LLCs in the instances detailed in Exhibit V.

Previously Provided Recommendation

a) The Campaign previously refunded this prohibited contribution and no further response is necessary at this time. However, the Campaign may still be penalized for accepting this contribution. 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.

b) The Campaign must address each transaction individually:

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

- For outstanding liabilities, the Campaign may provide documentation showing that the debt remains an outstanding liability and that the creditor is attempting to collect the debt. Such documentation may include current invoices, collection notices, and/or letters from creditors that demonstrate a consistent and ongoing collection effort.

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

Campaign's Response

a) In its Draft Audit Report response, the Campaign provided a narrative describing the circumstances surrounding its decision to accept this contribution but did not dispute the finding.

In its Notice of Alleged Violations response, the Campaign did not contest this finding.

b) In response to the Draft Audit Report, the Campaign provided a notarized statement from the owner of TK Management, Tom Kourkoumelis, in which he stated that he intentionally refused to cash the checks for all three transactions and wanted them to be treated as in-kind contributions from himself to the Campaign. However, the payee listed on the uncashed checks and the lessor on the signed lease provided by the Campaign is TK Management and not Mr. Kourkoumelis. Therefore, TK Management did not accept rental payments from either the Campaign or the Candidate and instead provided rent as an in-kind contribution from an impermissible source.

In response to the Notice of Alleged Violations and Recommended Penalties, the Campaign again reiterated both that the uncashed rent payments are an in-kind contribution from the Candidate's friend, Tom Kourkoumelis, instead of a prohibited corporate in-kind from TK Management, and that the Candidate personally paid the vendor the unpaid amount. To support these statements, the Campaign submitted copies of previously provided documents, including the original lease between the Campaign and TK Management, an affidavit from Tom Kourkoumelis stating that he refused to cash the rent checks, and an In-Kind Contribution Form from the Candidate for the rent payments. However, because the Campaign has failed to provide a copy of the cancelled check with which the Candidate paid, it failed to demonstrate that TK Management accepted the Candidate's payment.

Additionally, in its Draft Audit Report response, for the transaction related to an uncleared payment to Ovelia, the Campaign provided a narrative stating that the Candidate paid for this expenditure because the account was closed. However, the Campaign failed to submit documentation to demonstrate that payment had been made, and did not amend its reporting. In response to the Notice of Alleged Violations and Recommended Penalties, the Campaign stated that the Candidate paid this expenditure out of his own personal funds. However, the Campaign failed to provide a cancelled check demonstrating that Ovelia accepted the payment or a letter from the vendor stating that the Campaign or Candidate paid all liabilities in full.

In response to the Draft Audit Report, the Campaign failed to provide an explanation nor did it repay the amount of the discount to the vendor for the discount from The Service (Transaction ID

11/F/R0000332) indicated on the invoice provided. The Campaign additionally reported an outstanding liability to The Service, Transaction ID 11/N/R0000472, which was deleted in its response to the Draft Audit Report. The Campaign deleted the transaction from its reporting without documenting that the Campaign paid the liability nor did it explain the circumstances surrounding this transaction. In response to the Notice of Alleged Violations, the Campaign submitted a previously provided affidavit stating that all expenditures to this vendor were paid with a single check. The Campaign also stated that it should have removed additional transactions, but the Campaign was no longer able to modify its reporting. The Campaign failed to provide a thorough explanation of why the outstanding liability was deleted. The Campaign also failed to provide any documentation from the vendor demonstrating that the Campaign fully paid for all of the services provided to the Campaign.

For the transaction related to Bohemian Hall & Beer Garden, where the vendor provided a discount related to sales tax and DJ expenses, Transaction ID 11/F/R0000712, the Campaign failed to provide an explanation or repay the amount of the discount to the vendor in its response to the Draft Auditor Report. In response to the Notice of Alleged Violations and Recommended Penalties, the Campaign stated that all costs for the event at the venue were covered in the \$650 invoice provided by the Campaign. However, the Campaign failed to address the fact that the line item on the invoice for DJ is not charged or otherwise explained, and that no sales tax or service fee, both of which are listed on the invoice, is charged. The Campaign did not provide documentation from the vendor stating that it had paid in full for DJ services and the sales tax.

In response to the Draft Audit Report, the Campaign failed to report or submit any documentation for expenses associated with an event. The event flyer describes music services provided by Geosound Audio Services Inc. The Campaign provided a contract for one of three bands listed on the flyer, Charetta, listing a price of \$200 for its services. However, the Campaign did not provide any other documentation demonstrating how the service was purchased, or provided, and who paid for it. Additionally, the Campaign did not provide any documentation for the other bands listed on the flyer. In response to the Notice of Alleged Violations and Recommended Penalties, the Campaign did not address this finding.

For the contribution from Queens Medallion Brokerage Corp., the Campaign did not report or submit any documentation for expenses associated with a fundraising event flyer in its response to the Draft Audit Report which suggests that Queens Medallion Brokerage Corp, paid for the costs of the event. The Campaign failed to provide an explanation for the event or to repay the amount of the unreported in-kind. In response to the Notice of Alleged Violations and Recommended Penalties, the Campaign failed to address this finding in its response.

In response to the Draft Audit Report, the Campaign stated two Catseye Printing transactions (Transaction IDs, 10/F/R0000337 and 10/F/R0000338) were duplicates. However, the Campaign failed to amend its reporting to delete the transaction. Regarding all Catseye Printing transactions listed on Exhibit V, the Campaign provided invoices for services provided by the vendor, however, the Campaign failed to explain whether the liabilities were paid and who paid for it. For all findings related to Catseye Printing, the Campaign submitted a previously provided affidavit stating that it paid all expenditures to this vendor with a single check. The Campaign also did not

explain why the Campaign failed to correct its reporting regarding the reporting errors. The Campaign also failed to provide any documentation from the vendor demonstrating that the Campaign fully paid for all expenditures.

In response to the Draft Audit Report, the Campaign failed to provide any documentation demonstrating that the Campaign paid expenditures to Federation of Hellenic Comm. and the National Herold or a written explanation describing how the good or service was purchased, or provided, and who paid for it. In response to the Notice of Alleged Violations and Recommended Penalties, the Campaign stated that the Candidate paid the Federation of Hellenic Comm expenditure out of his own personal funds. However, the Campaign failed to provide a cancelled check demonstrating that the Federation accepted that payment or a letter from the vendor stating that the Campaign or Candidate paid all liabilities in full. Additionally, the Campaign submitted a previously provided copy of the front of a check, #1075, to The National Herold, but failed to provide a copy of the back of the check nor did it provide evidence that the check cleared the bank.. The Campaign failed to provide sufficient documentation demonstrating that the Campaign fully paid for all expenditures.

Board Action

- a) The Board found the Campaign in violation and assessed \$150 in penalties.
- b) The Board found the Campaign in violation and assessed \$10,896 in penalties.

8. 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.nyccfb.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 a contribution from an unregistered political committee in the following instance. After notification from the CFB, the Campaign refunded the contribution, or the political committee registered with the CFB.

CONTRIBUTION FROM AN UNREGISTERED POLITICAL COMMITTEE THAT
SUBSEQUENTLY REGISTERED OR WHOSE CONTRIBUTION WAS REFUNDED

NAME	STATEMENT/ SCHEDULE/ TRANSACTION	RECEIVED DATE	AMOUNT	NOTE
Minor, Frank W	11/ABC/R0000668	08/11/13	\$500.00	(1)

(1) Although the Campaign reported the contribution as shown, the documentation provided indicates that this contribution was from The Friends of Frank Minor.

Previously Provided Recommendation

The Campaign previously resolved this prohibited contribution and no further response is necessary at this time. However, the Campaign may still be penalized for accepting this contribution. 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’s Response

In its Draft Audit Report response, the Campaign provided a narrative describing its acceptance of this contribution but did not dispute the finding.

In its Notice of Alleged Violations response, the Campaign did not contest this finding.

Board Action

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

9. Prohibited Contributions – Cash Contributions Greater Than \$100

Campaigns may not accept cash contributions that total more than \$100 from a single contributor. See New York State Election Law § 14-118(2).

The Campaign reported receiving cash contributions that exceeded \$100 from the following contributor:

NAME	STATEMENT/ SCHEDULE/ TRANSACTION	RECEIVED DATE	AMOUNT	AMOUNT OVER-THE- CASH-LIMIT
Tzortzis, Helen	9/ABC/R0000207	07/08/13	\$100.00	
Tzortzis, Helen	12/ABC/R0000814	08/28/13	\$20.00	\$20.00

Previously Provided Recommendation

The Campaign must refund the portion of the contribution that exceeds \$100 to the contributor by bank or certified check and provide a copy of each refund check, or pay the Public Fund an amount equal to the overage. If the Campaign disagrees with this finding, it must provide an explanation and documentation to demonstrate why the finding is not a violation.

Campaign’s Response

In its Draft Audit Report response, the Campaign provided a copy of a money order dated November 1, 2014, for \$20 the amount of the overage, payable to the CFB. However, the Campaign did not submit the actual money order. The Campaign also failed to explain who provided the funds for this money order, as its bank account was closed.

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.

10. 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).

a) The Campaign initially reported transaction listed below as outstanding liability. However, the Campaign did not report the liability on subsequent statements as still outstanding, nor did the Campaign report payment of the liability. Therefore, the liability listed may have been forgiven or paid by someone other than the Campaign.

NAME	STATEMENT/ SCHEDULE/ TRANSACTION	INVOICE DATE	AMOUNT
THE SERVICE*	11/N/R0000472	07/24/13	\$185.00

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

b) Invoices and other documentation for the expenditures listed in Exhibit VI indicate that the Campaign received a discount in connection with the goods/services being provided.

c) The Campaign reported the expenditures listed on Exhibit VII. However, the reported payments for these expenditures are not present on any of the bank statements provided by the Campaign, nor are they reported as outstanding liabilities. (*See* also Finding #1c.) As a result, the Campaign’s reporting and documentation indicate that a third party paid for these transactions, or that the goods or services were provided by the reported payee for free.

Previously Provided Recommendation

- a) The Campaign must explain the status of each initially reported outstanding liability:
- For remaining outstanding liabilities, the Campaign may provide documentation showing that the debt remains an outstanding liability and that the creditor is attempting to collect the debt. Such documentation may include current invoices, collection notices, and/or letters from creditors that demonstrate a consistent and ongoing collection effort. The Campaign must also submit amendments to its disclosure statement(s) to report the outstanding liability.
 - If the Campaign has paid the liability, amend each disclosure statement to correctly report the bill and the bill payment, and provide documentation for the bill and bill payment.

- If the liability has been forgiven, forgive the bill in C-SMART and amend each disclosure statement. The Campaign must also explain its initial failure to report the in-kind contribution. Any forgiven liabilities are considered in-kind contributions, which could result in other violations if the source was prohibited.

b) The Campaign must provide an explanation for the discount noted in the documentation. If the discount is routinely available to the general public or others, the Campaign must provide written confirmation from the vendor. If the discount is not routinely available to others, the Campaign must report the amount of the discount as an in-kind contribution from the vendor. If the vendor is a prohibited source, the Campaign must pay the amount of the discount to the vendor by bank or certified check and provide the CFB with copies of the refund check or pay the Public Fund an amount equal to the amount of the prohibited contribution.

c) 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's Response

a) In its Draft Audit Report response, the Campaign deleted the outstanding liability to The Service without reporting or documenting payment of the expenditure. The Campaign failed to provide any documentation explaining the status of the expenditure, as either paid, forgiven, or an outstanding liability.

b) In response to the Draft Audit Report, the Campaign failed to provide an explanation nor did it repay the amount of the discount to the vendor for the discount from The Service (Transaction ID 11/F/R0000332) indicated on the invoice provided. The Campaign additionally reported an outstanding liability to The Service, Transaction ID 11/N/R0000472, which was deleted in its response to the Draft Audit Report. The Campaign deleted the transaction from its reporting without documenting that the Campaign paid the liability nor did it explain the circumstances surrounding this transaction.

In response to the Notice of Alleged Violations, the Campaign submitted a previously provided affidavit stating that all expenditures to this vendor were paid with a single check. The Campaign also stated that it should have removed additional transactions, but the Campaign was no longer able to modify its reporting. The Campaign failed to provide a thorough explanation of why the outstanding liability was deleted. The Campaign also failed to provide any documentation from the vendor demonstrating that the Campaign fully paid for all of the services provided to the Campaign.

For the transaction related to Bohemian Hall & Beer Garden, where the vendor provided a discount related to sales tax and DJ expenses, Transaction ID 11/F/R0000712, the Campaign failed to provide an explanation or repay the amount of the discount to the vendor in its response to the Draft Auditor Report. In response to the Notice of Alleged Violations and Recommended Penalties, the Campaign stated that all costs for the event at the venue were covered in the \$650 invoice provided by the Campaign. However, the Campaign failed to address the fact that the line item on the invoice for DJ is not charged or otherwise explained, and that no sales tax or service fee, both of which are listed on the invoice, is charged. The Campaign did not provide documentation from the vendor stating that it had paid in full for DJ services and the sales tax.

In response to the Draft Audit Report, the Campaign failed to report or submit any documentation for expenses associated with an event. The event flyer describes music services provided by Geosound Audio Services Inc. The Campaign provided a contract for one of three bands listed on the flyer, Charetta, listing a price of \$200 for its services. However, the Campaign did not provide any other documentation demonstrating how the service was purchased, or provided, and who paid for it. Additionally, the Campaign did not provide any documentation for the other bands listed on the flyer. In response to the Notice of Alleged Violations and Recommended Penalties, the Campaign did not address this finding.

For the unreported in-kind contribution from Queens Medallion Brokerage Corp, the Campaign failed to provide an explanation for a fundraising event flyer, which indicates that the listed company paid for the costs of the event, or to repay the amount of the unreported in-kind.

c) In response to the Draft Audit Report, the Campaign provided a notarized statement from the owner of TK Management, Tom Kourkouvelis, in which he stated that he intentionally refused to cash the checks for all three transactions and wanted them to be treated as in-kind contributions from himself to the Campaign. However, the payee listed on the uncashed checks and the lessor on the signed lease provided by the Campaign is TK Management and not Mr. Kourkouvelis. Therefore, TK Management did not accept rental payments from either the Campaign or the Candidate and instead provided rent as an in-kind contribution from an impermissible source.

In response to the Notice of Alleged Violations and Recommended Penalties, the Campaign again reiterated both that the uncashed rent payments are an in-kind contribution from the Candidate's friend, Tom Kourkouvelis, instead of a prohibited corporate in-kind from TK Management, and that the Candidate personally paid the vendor the unpaid amount. To support these statements, the Campaign submitted copies of previously provided documents, including the original lease between the Campaign and TK Management, an affidavit from Tom Kourkouvelis stating that he refused to cash the rent checks, and an In-Kind Contribution Form from the Candidate for the rent payments. However, because the Campaign has failed to provide a copy of the cancelled check with which the Candidate paid, it failed to demonstrate that TK Management accepted the Candidate's payment.

For the transaction related to an uncleared payment to Ovelia, Transaction ID 16/F/R0001044, the Campaign stated in a narrative that the Candidate paid for this expenditure because the account

was closed. However, the Campaign submitted no documentation and did not amend its reporting to substantiate this claim.

For all other transactions that are the result of uncleared transactions, excluding the TK Management and Ovelia transactions, the Campaign failed to provide any documentation demonstrating that the Campaign had paid this liability or a written explanation describing how the good or service was purchased, or provided, and who paid for it.

Board Action

a) 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.

a) The Board has taken no further action on this matter other than to make this a part of the Candidate's record with the Board. *See also Finding #7 b).*

b) The Board has taken no further action on this matter other than to make this a part of the Candidate's record with the Board. *See also Finding #7 b).*

Public Matching Funds Findings

11. Qualified Expenditure Documentation

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

Campaigns are required to obtain and maintain contemporaneous records that enable the CFB to verify that expenditures were qualified. *See Admin. Code § 3-703(1)(d), (g); Rule 4-01.* These records may include cancelled checks (front and back) and bills for goods or services. Bills must include the date the vendor was hired or the date the goods or services were received, the vendor's name and address, a detailed description of the goods or services, and the amount.

The Rules provide guidance for situations where contemporaneous records are either missing or incomplete. *See Rule 4-01(a).* First, a campaign must attempt to obtain a duplicate or more complete record from the vendor. If that is not possible, a campaign may modify an existing record or create a new record which must clearly identify the record as modified or recreated. In

addition, any modified or recreated record must be accompanied by a notarized statement explaining the reason for and circumstances surrounding the record. The statement must be from a campaign representative who has firsthand knowledge of the recreated document and must explain why the original document is not available or insufficient. Upon review of the non-contemporaneous record and statement, the CFB may still find the records are not sufficient to adequately document the transaction.

The Campaign received \$92,400 in public funds for the 2013 elections. Previously, CFB staff requested documentation to demonstrate that public funds were used for qualified expenditures. Based on all the records submitted, the Campaign has provided sufficient documentation for \$74,138.48 in qualified expenditures.

If the Campaign does not document an additional \$18,261 as qualified, the Campaign must repay this amount to the Public Fund.

Previously Provided Recommendation

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

The list of transactions is sorted by amount, starting with the largest expenditures (disbursements followed by outstanding liabilities and advances greater than \$250, if applicable). If a transaction has more than one code, the Campaign must address all codes before that expenditure may be considered qualified. The Campaign must provide explanations and/or documentation where requested (copies of bills, detailed invoices, consulting agreements, work contracts, credit card statements, cancelled checks, etc., or recreated/modified records along with the required statements, as instructed above). In some cases, the Campaign may find it useful to supplement an invoice or other documentation already provided with evidence of work performed and/or a more detailed description of tasks performed or products received. In addition, the Campaign may need to submit amended disclosure statements to correct errors in its reporting of expenditures.

The Campaign must return a copy of the Qualified Expenditure Sample (included in the Draft Audit Report) with its response. All documents submitted to the CFB must be labeled with the corresponding Transaction IDs.

Campaign’s Response

In response to the Draft Audit Report, the Campaign provided a variety of invoices, narratives, and bank records. However, the Campaign decreased, but did not resolve, its qualified expenditure deficit.

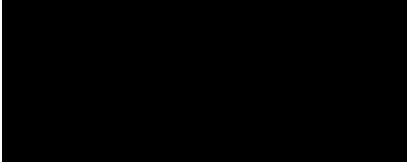
In its Post-Election Repayment Notice response, the Campaign failed to provide new documentation or narrative responses to its Expenditure Sample Report. The qualified expenditure deficit remained unchanged.

Board Action

The Board determined that the Campaign must repay \$18,261 to the Public Fund (\$92,400.00 in public funds received less \$74,138.48 in documented qualified expenditures).

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 21, 2016

Staff: Hannah Golden

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

Candidate: Prentzas, Constantinos (ID:1788-P)**Office:** 5 (City Council)**Election:** 2013

1. Opening cash balance (All committees)		\$0.00
2. Total itemized monetary contributions (Sch ABC)		\$67,995.00
3. Total unitemized monetary contributions		\$0.00
4. Total in-kind contributions (Sch D)		\$5,430.00
5. Total unitemized in-kind contributions		\$0.00
6. Total other receipts (Sch E - excluding CFB payments)		\$0.00
7. Total unitemized other receipts		\$0.00
8. Total itemized expenditures (Sch F)		\$162,099.57
Expenditure payments	\$161,065.37	
Advance repayments	\$1,034.20	
9. Total unitemized expenditures		\$0.00
10. Total transfers-In (Sch G)		\$0.00
Type 1	\$0.00	
Type 2a	\$0.00	
Type 2b	\$0.00	
11. Total transfers-out (Sch H)		\$0.00
Type 1	\$0.00	
Type 2a	\$0.00	
Type 2b	\$0.00	
12. Total loans received (Sch I)		\$0.00
13. Total loan repayments (Sch J)		\$0.00
14. Total loans forgiven (Sch K)		\$0.00
15. Total liabilities forgiven (Sch K)		\$0.00
16. Total expenditures refunded (Sch L)		\$0.00
17. Total receipts adjustment (Sch M - excluding CFB repayments)		\$5,185.00
18. Total outstanding liabilities (Sch N - last statement submitted)		\$0.00
Outstanding Bills	\$0.00	
Outstanding Advances	\$0.00	
19. Total advanced amount (Sch X)		\$0.00
20. Net public fund payments from CFB		\$92,400.00
Total public funds payment	\$92,400.00	
Total public funds returned	\$0.00	
21. Total Valid Matchable Claims		\$18,615.00
22. Total Invalid Matchable Claims		\$1,065.00
23. Total Amount of Penalties Assessed		\$11,821.00
24. Total Amount of Penalty Payments		\$0.00
25. Total Amount of Penalties Withheld		\$0.00

Exhibit I
Friends of Prentzas
Uncleared Transactions
 (see Finding #1b)

Transaction ID	Payee	Account	Check No./ Transaction	Date	Amount
R0000336	CATSEYE PRINTING	1606	1043	07/25/13	\$72.13
R0000337	CATSEYE PRINTING	1606	1043	07/20/13	\$572.95
R0000338	CATSEYE PRINTING	1606	1043	07/20/13	\$572.95
R0000339	CATSEYE PRINTING	1606	1043	07/20/13	\$397.39
R0000675	HATZISTEFANIDIS, KOSTAS	1606	9875605894	08/17/13	\$175.00
R0000676	SFERRAZZA, ANGELO	1606	9875605892	07/26/13	\$10.00
R0000677	SFERRAZZA, ROSA	1606	9875605893	07/26/13	\$10.00
R0000678	SFERRAZZA, ROSANNA	1606	9875605896	07/26/13	\$10.00
R0000713	THE NATIONAL HEROLD	1606	1075	08/23/13	\$824.00
R0000714	THE SERVICE	1606	1074	08/23/13	\$275.00
R0000715	LADIKOS, VASILIOS	1606	1082	08/26/13	\$100.00
R0000962	TK Managment	1606	1126	09/13/13	\$1,200.00
R0000963	TK Managment	1606	1127	09/13/13	\$1,200.00
R0000964	TK Managment	1606	1128	09/13/13	\$1,200.00
R0000989	LYNCH, JIM	1606	1130	09/13/13	\$195.00
R0001042	Federation of Hellenic Comm.	1606	Debit	12/06/13	\$100.00
R0001044	OVELIA	1606	Debit	12/06/13	\$1,200.00
Total					<u>\$8,114.42</u>

Exhibit II
Friends of Prentzas
Daily Pre-Election Disclosure - Expenditures
(see Finding #3)

Name	Statement/ Schedule/ Transaction ID	Incurred/ Received/ Paid Date	Amount	Notes
DiBenedetto Inc.	12/F/R0000990	08/27/13	\$8,000.00	(1)
DiBenedetto Inc.	12/F/R0000991	08/27/13	\$4,000.00	(1)
DiBenedetto Inc.	12/F/R0000992	09/06/13	\$5,000.00	(1)
DiBenedetto Inc.	12/F/R0000993	09/09/13	\$14,000.00	(1)
MULTI-MEDIA	16/F/R0001016	08/30/13	\$1,449.46	
MULTI-MEDIA	16/F/R0001018	08/30/13	\$2,004.64	
MULTI-MEDIA	16/F/R0001020	08/30/13	\$473.81	
MULTI-MEDIA	16/F/R0001022	08/30/13	\$2,004.64	
MULTI-MEDIA	16/F/R0001024	08/28/13	\$8,604.30	

Notes:

(1) These expenditures were disclosed in a daily pre-election disclosure statement submitted after the election.

Exhibit III
Friends of Prentzas
Disclosure - Advances
(see Finding #4)

New York City Campaign Finance Board
 Campaign Finance Information System
 Transaction Report for Advance Purchases (P)
 Sorted by Name

Candidate: Prentzas, Constantinos (ID:1788-P)

Office: 5 (City Council)

Election: 2013

Advancer Name: MAMMIS, PETER (ID:229)

Advancer Address: 38-04 28TH AVENUE Astoria, NY 11103

Vendor Name	Vendor Address	Comm Id	Statement	Reference Number	Purchase Date	Purpose Code	Reason	Instrument Code	Amount
MAMMIS, PETER	38-04 28TH AVENUE Astoria, NY 11103	H	9(07/15/2013)	R0000234	06/10/2013	OTHER	DINNER	Credit Card	\$84.92
MAMMIS, PETER	38-04 28TH AVENUE Astoria, NY 11103	H	9(07/15/2013)	R0000232	06/12/2013	OFFCE	SUPPLIES	Credit Card	\$136.40
MAMMIS, PETER	38-04 28TH AVENUE Astoria, NY 11103	H	9(07/15/2013)	R0000230	06/12/2013	OFFCE	SUPPLIES	Credit Card	\$812.88
Total:									\$1,034.20

Exhibit IV
Friends of Prentzas
Unitemized Payroll Expenditures
(see Finding #5)

Name	Statement/ Schedule/ Transaction ID	Invoice Date	Paid Date	Amount
DiBenedetto Inc.	12/F/R0000990	08/27/13	08/27/13	\$8,000.00
DiBenedetto Inc.	12/F/R0000991	08/27/13	08/27/13	\$4,000.00
DiBenedetto Inc.	12/F/R0000992	08/31/13	09/06/13	\$5,000.00
DiBenedetto Inc.	12/F/R0000993	09/05/13	09/09/13	\$14,000.00
DiBenedetto Inc.	12/F/R0000994	09/12/13	09/12/13	\$2,500.00
Total				<u>\$33,500.00</u>

Exhibit V
Friends of Prentzas
Corporate Contributions
(see Finding #7)

Name	Description	Invoice Date	Paid Date	Amount	Notes
TK Managment	12/F/R0000962	06/10/13	09/13/13	\$1,200.00	(4)
CATSEYE PRINTING	10/F/R0000339	06/27/13	07/20/13	\$397.39	
Federation of Hellenic Comm.	16/F/R0001042	06/27/13	12/06/13	\$100.00	
CATSEYE PRINTING	10/F/R0000337	07/03/13	07/20/13	\$572.95	
CATSEYE PRINTING	10/F/R0000338	07/03/13	07/20/13	\$572.95	
TK Managment	12/F/R0000963	07/10/13	09/13/13	\$1,200.00	(4)
THE SERVICE	10/F/R0000332	07/17/13	07/20/13	\$90.00	(1)
THE SERVICE	11/N/R0000472	07/24/13	N/A	\$185.00	
CATSEYE PRINTING	10/F/R0000336	07/25/13	07/25/13	\$72.13	
THE NATIONAL HEROLD	11/F/R0000713	07/31/13	08/23/13	\$824.00	
TK Managment	12/F/R0000964	08/10/13	09/13/13	\$1,200.00	(4)
THE SERVICE	11/F/R0000714	08/14/13	08/23/13	\$275.00	
BOHEMIAN HALL & BEER GARDEN	11/F/R0000712	08/23/13	08/23/13	\$57.69	(2)
OVELIA	16/F/R0001044	09/10/13	12/06/13	\$1,200.00	
Geosound Audio Services, Inc.	Unreported	N/A	N/A	Unknown	(3)
Queens Medallion Brokerage Corp	Unreported	N/A	N/A	Unknown	

Notes:

- (1) The amount listed is the discounted amount from the original reported amount, \$185, which is the amount of the in-kind contribution.
- (2) The amount listed is the 8.875% sales tax that was not charged on the invoice provided by the Campaign.
- (3) The Campaign submitted documentation stating that three bands were provided by the listed contributor for this unreported contribution. The Campaign also provided documentation stating that the cost of one of the three bands, Charetta, was \$200. The cost associated with the remaining two bands is unknown.
- (4) On January 15, 2014, the Campaign contacted the CFB for guidance because it discovered that TK Management did not cash its checks. After CFB staff explained the Campaign's options, the Candidate paid the liability from his personal account. The Campaign submitted the front of a personal check from the Candidate as proof of payment and amended its reporting to disclose the in-kind contributions.

Exhibit VIa
Friends of Prentzas
Unreported In-Kind Contributions
(see Finding #10b)

Name	Statement/ Schedule/ Transaction ID	Invoice Date	Paid Date	Reported Amount	Discount Amount	Notes
THE SERVICE	10/F/R0000332	07/17/13	07/20/13	\$185.00	\$90.00	(1)
BOHEMIAN HALL & BEER GARDEN	11/F/R0000712	08/23/13	08/23/13	\$650.00	\$57.69	(2)
Geosound Audio Services, Inc.	Unreported	N/A	N/A	Unknown	Unknown	(3)
Queens Medallion Brokerage Corp	Unreported	N/A	N/A	Unknown	Unknown	(4)

Notes:

- (1) According to documentation provided, the price listed on the invoice has been discounted; see Exhibit VIb. This may also be a prohibited corporate contribution. Also see Finding #7b.
- (2) According to documentation provided, the price listed on the invoice has been discounted. There is no listed price for a DJ and no sales tax has been charged; see Exhibit VIc. This may also be a prohibited corporate contribution. Also see Finding #7b.
- (3) The documentation supplied indicates that Geosound Audio Services, Inc. provided music for which the Campaign did not report an expenditure; see Exhibit VI d. This may also be a prohibited corporate contribution. Also see Finding #7b.
- (4) According to documentation provided, a third-party paid for the costs of a fundraising event; see Exhibit VIe. This may also be a prohibited corporate contribution. Also see Finding #7b.

Exhibit VIb
Friends of Prentzas
Unreported In-Kind Contributions
(see Finding #10b)

298

Advertiser FRIENDS FOR PRENTZAS
 Address 32-14 30 AVENUE
ASTORIA, N.Y 11102
 Contact: _____

Invoice# 1706
 Queens Gazette Zone 1 Zone 2 Zone 3
 Pennysaver Dollarsaver Other
 Issue Date: 7/17/13
 Date Due _____ **UPON RECEIPT**
 Date Billed: 7/17/13

AD SIZE: 1/2 PAGE

paid 7/20/13

IF PAYMENT HAS BEEN SUBMITTED PLEASE DISREGARD THIS NOTICE. PAY BY INVOICE. NO STATEMENT WILL BE SENT.

Service Advertising Group
Gazette
 42-16 34th Avenue, Long Island City, NY 11101

Pennysaver
DOLLARSAVER

Please make checks payable to: **THE SERVICE**
 (718) 361-6161

THIS INVOICE \$ ~~275.00~~ / 185

 Please remit 1 copy with payment

Exhibit VIc
Friends of Prentzas
Unreported In-Kind Contributions
(see Finding #10b)

Bohemian Hall & Beer Garden
 29-19 24th Avenue, Astoria, NY 11102
 718.274.4925 Fax 718.728.9278
events@bohemiandhall.com

TRANS# 712
 Bill # 711

Client Name Kosta Kantzoglou - Fundraiser
 Address _____
 City _____ State _____ ZIP _____
 Phone _____
 Email [REDACTED]
 Deposit Fee _____
 Function Type _____
 Function Date _____ Start Time _____ 5pm _____ End Time _____
 Guest Count _____

Event Information:
 Date 08.28.13
 Day Weds
 Arrival Time _____
 Guest _____
 Room _____
 Open Bar Start _____
 Food Served _____
 Open Bar End _____

Special Note:

Qty	Description	Unit Price	TOTAL
1	Events Fee	50.00	50.00
2	Beer Kegs DJ	300.00	600.00
			-
			-
	Total		\$ 650.00
	Food	-	-
		-	-
		-	-
		-	-
	Food Subtotal		\$ -
			\$ -
	Beverage Subtotal	-	-
		-	-
		-	-
	Beverage Subtotal		\$ -
			\$ -
	Total Food & Beverage SubTotal		\$ -
	Sales Tax 8.875% (Food & Beverage)	8.875%	-
	Service Charge 18% (Food & Beverage)	18.00%	-
	Grand Total		\$ 650.00
	Total Balance Due		\$ 650.00
	Office Use---		

Deposit Payment	Other
Paid By _____	
Print Name _____	
Signature _____	
Date _____	

Exhibit VIId
Friends of Prentzas
Unreported In-Kind Contributions
(see Finding #10b)

FRIENDS OF PRENTZAS

FUNDRAISER



TERRY



CHARETTA



MARLAIN

LIVE BANDS

TERRY:
Jazz Trio

Check them out on
[FACEBOOK.COM/
TERRY.VAKIRTZOGLOU](https://www.facebook.com/TERRY.VAKIRTZOGLOU)

CHARETTA:

A female-fronted alternative rock band from New York City. "It sounds like Alanis Morissette punching Chevelle in the face." For fans of Breaking Benjamin, RED, Evanescence, and Seether.

MARLAIN:

Acoustic Sounds with **THEMI KYRIAZIS** on guitar
WWW.MARLAINANGEL.COM

BOHEMIAN HALL BEER GARDEN



Gus Prentzas
Democrat
for City Council

29-19 24th Avenue
Astoria, NY 11102

RECOMMENDED
CONTRIBUTION \$20 +++
PERSONAL CHECKS ONLY
PAYABLE TO:

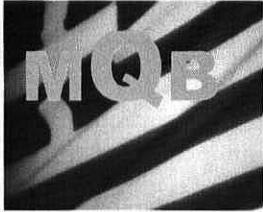
FRIENDS OF PRENTZAS
TIME: 7:00PM
WEDNESDAY, AUG. 28, 2013

Music Provided By:
Geosound Audio Services

HOSTED BY:

KOSTAS KANTZOGLU
ARI REGLAS
FRANK ARGABASGIO
JOHANNA ZAMORA
GEORGE RIVERA
TYRONE GARDNER
KELLYANN PATRICIA
MARTHA KIAMOS

To reserve tickets Call Ari @ 718.219.1747
Like us on FACEBOOK @ facebook.com/PrentzasNYC
FOLLOW us on Twitter @PrentzasNYC



**We cordially invite you to a Fundraiser for our
dear friend and fellow Greek:**

**Constantinos Prentzas
Friday- August 09, 2013
4:00 P.M
21-03 44th Avenue
2nd Floor – L.I.C NY 11101**

SHOW YOUR SUPPORT!

**Please RSVP as soon as Possible
Kindly make check payable to “Friends of Prentzas”
You may contact THEONE at 718-784-9292 x 103
TSYMEONIDES@qmbrokerage.com**

Hors d'oeuvres and cocktails will be served

Exhibit VIe
Friends of Prentzas
Unreported In-Kind Contributions
(see Finding #10b)



**We cordially invite you to a Fundraiser for our
dear friend and fellow Greek:**

**Constantinos Prentzas
Friday- August 09, 2013
4:00 P.M
21-03 44th Avenue
2nd Floor – L.I.C NY 11101**

SHOW YOUR SUPPORT!

**Please RSVP as soon as Possible
Kindly make check payable to “Friends of Prentzas”
You may contact THEONE at 718-784-9292 x 103
TSYMEONIDES@qmbrokerage.com**

Hors d'oeuvres and cocktails will be served

Exhibit VII
Friends of Prentzas
Unreported In-Kind Contributions
(see Finding #10c)

Name	Description	Invoice Date	Paid Date	Amount	Notes
TK Managment	12/F/R0000962	06/10/13	09/13/13	\$1,200.00	(1)
CATSEYE PRINTING	10/F/R0000339	06/27/13	07/20/13	\$397.39	(2)
Federation of Hellenic Comm.	16/F/R0001042	06/27/13	12/06/13	\$100.00	(2)
CATSEYE PRINTING	10/F/R0000337	07/03/13	07/20/13	\$572.95	(2)
CATSEYE PRINTING	10/F/R0000338	07/03/13	07/20/13	\$572.95	(2)
TK Managment	12/F/R0000963	07/10/13	09/13/13	\$1,200.00	(1)
CATSEYE PRINTING	10/F/R0000336	07/25/13	07/25/13	\$72.13	(2)
THE NATIONAL HEROLD	11/F/R0000713	07/31/13	08/23/13	\$824.00	(2)
TK Managment	12/F/R0000964	08/10/13	09/13/13	\$1,200.00	(1)
THE SERVICE	11/F/R0000714	08/14/13	08/23/13	\$275.00	(1)
OVELIA	16/F/R0001044	09/10/13	12/06/13	\$1,200.00	(1)

Notes:

- (1) On January 15, 2014, the Campaign contacted the CFB regarding the uncleared checks to TK Management. The Campaign stated that it would amend its reporting to reflect that the candidate personally paid the outstanding amount as an in-kind contribution. The Campaign submitted an In-Kind Contribution Form and an image of the front of checks from the candidate's personal bank account to TK Management. However, the Campaign must also submit a complete copy of the cancelled check, front and back. This may also be a prohibited corporate contribution. *See* Finding #7b.
- (2) This may also be a prohibited corporate contribution. *See* Finding #7b.