



New York City Campaign Finance Board

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212.409.1800 | www.nycffb.info

Rose Gill Hearn
Chair

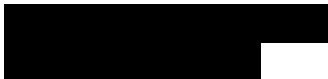
Art Chang
Richard J. Davis
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Members

Amy M. Loprest
Executive Director

Sue Ellen Dodell
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Via C-Access
February 25, 2016

Judith T. Pierce
Friends of Ede Fox



Dear Judith T. Pierce:

Please find attached the New York City Campaign Finance Board's ("CFB" or "Board") Final Audit Report for the 2013 campaign of Ede S. Fox (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 October 8, 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 was assessed penalties totaling \$1,080.

The full amount owed must be paid no later than **March 28, 2016**. Please send a check in the amount of \$1,080, 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 **March 28, 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 January 15, 2014 disclosure statement (#16) was the last disclosure statement the Campaign was required to file with the CFB for the 2013 elections. If the Campaign raises additional contributions to pay outstanding liabilities, please note that all 2013 election requirements,

including contribution limits, remain in effect. The Campaign is required to maintain its records for six years after the election, and the CFB may require the Campaign to demonstrate ongoing compliance. *See* Rules 3-02(b)(3), 4-01(a), and 4-03. In addition, please contact the New York State Board of Elections for information concerning its filing requirements.

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

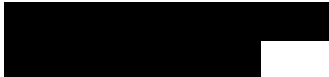
Sincerely,



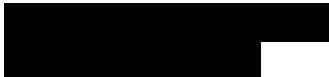
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original

Jonnathon Kline, CFE
Director of Auditing and Accounting

c: Ede S. Fox



Friends of Ede Fox



Attachments



EC2013 Final Audit Report

Friends of Ede Fox

February 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 Ede S. Fox (the "Campaign") indicate findings of non-compliance with the Campaign Finance Act (the "Act") and Board Rules (the "Rules") as detailed below:

Disclosure Findings

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

- The Campaign did not report or inaccurately reported financial transactions to the Board (see Finding #1).
- The Campaign did not file, by the due date, a financial disclosure statement required by the Board (see Finding #2).

Contribution Findings

All campaigns are required to abide by contribution limits and adhere to the ban on contributions from prohibited sources. Further, campaigns are required to properly disclose and document all contributions. Findings in this section relate to the Campaign's failure to comply with the requirements for contributions under the Act and Rules.

- The Campaign accepted aggregate contributions exceeding the \$250 doing business contribution limit for the 2013 election cycle which it failed to refund, or refunded after the deadline (see Finding #3).
- The Campaign did not disclose in-kind contributions received (see Finding #4).
- The Campaign did not provide requested documentation for reported contributions (see Finding #5).

Expenditure Findings

Campaigns participating in the Campaign Finance Program are required to comply with the spending limit. All campaigns are required to properly disclose and document expenditures and disburse funds in accordance with the Act and Rules. Findings in this section relate to the Campaign's failure to comply with the Act and Rules related to its spending.

- The Campaign did not report personal contributions to non-candidate political committees made by the candidate that are attributable to the Campaign (see Finding #6).
- The Campaign did not properly report and/or document its joint expenditures (see Finding #7).
- The Campaign made expenditures that were not in furtherance of the Campaign (see Finding #8).
- The Campaign made post-election expenditures that are not permissible (see Finding #9).

Other Findings

- The Campaign did not respond timely to the Initial Documentation Request (see Finding #10)

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: Ede S. Fox	Contribution Limit:
ID: 1508	\$2,750
Office Sought: City Council	
District: 35	Expenditure Limit:
	2010–2012: \$45,000
Committee Name: Friends of Ede Fox	2013 Primary: \$168,000
Classification: Participant	2013 General: N/A
Certification Date: June 7, 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/1rkJDMw

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. In January of 2013, we requested all bank statements to date from the Campaign and reconciled the activity on the statements provided to the Campaign's reporting. We then provided the results of this preliminary bank reconciliation to the Campaign on April 19, 2013. 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 or not 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 or not funds were spent in furtherance of the Candidate's nomination or election. We also reviewed information from the New York State Board of Elections and the Federal Election Commission to determine if the Candidate had other political committees active during the 2013 election cycle. We determined if the Campaign properly disclosed these committees, and considered all relevant expenditures made by such committees in the assessment of the Campaign's total expenditures.

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

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

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

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

Following an election, campaigns may only make limited winding up expenditures and are not going concerns. Because the activity occurring after the post-election audit is extremely limited, the audit focused on substantive testing of the entire universe of past transactions. The results of the substantive testing served to establish the existence and efficacy of internal controls. The CFB also publishes and provides to all campaigns guidance regarding best practices for internal controls.

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

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

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

The Campaign was provided with a preliminary draft of this audit report and was asked to provide a response to the findings. The Campaign responded, and the CFB evaluated any additional documentation provided and/or amendments to reporting made by the Campaign in response. The Campaign was subsequently informed of its alleged violations, and was asked to respond. The Campaign responded and the CFB evaluated any additional information provided by the Campaign. CFB staff recommended that the Board find that the Campaign 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
TD Bank	XXXXXX8896	Checking	May 2011 – Feb 2014
TD Bank	XXXXXX8865	Merchant	Jun 2012 – Jan 2014
First Data	XXXXXX2884	Merchant	Aug 2013 – Nov 2013
American Express	XXXXXX6234	Merchant	June 2012 – Mar 2013 May 2013 – Aug 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 must provide the merchant statement listed below:

BANK	ACCOUNT #	STATEMENT PERIOD
American Express	XXXXXX6234	Apr 2013 ¹

¹ This finding was mistakenly omitted from the Draft Audit Report dated October 17, 2014. As a result, the Campaign was not previously informed of this issue.

- b) The Campaign did not report the transactions listed on Exhibit I that appear on its bank statements.
- c) The Campaign reported the transactions listed on Exhibit II that do not appear on its bank statements.
- d) The Campaign did not properly report the transactions listed on Exhibit III.
- e) The Campaign reported duplicate transactions as listed on Exhibit IV.

Previously Provided Recommendation

- a) The Campaign must provide all pages of the requested merchant 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 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.

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 16.²

Campaign's Response

- a) The Campaign did not respond to this issue because it was not previously informed of its failure to provide the requested merchant account statement.
- b) In response to the Draft Audit Report, the Campaign amended its disclosure statements to report most of its unreported transactions. However, four transactions remain unreported. The Campaign did not dispute this finding in response to the Notice of Alleged Violations and Recommended Penalties.
- c) In response to the Draft Audit Report, the Campaign amended its disclosure statements and provided explanations addressing nineteen uncleared transactions listed in the Draft Audit Report. The Campaign deleted two reported expenditure payments. In addition, the Campaign reported four new expenditure payments, a payment to Carl Saunders, a petty cash withdrawal, and two expenditure payments to SaveMor Digital Printing that do not appear on its bank statements.
- d) In response to the Draft Audit Report, the Campaign amended its disclosure statements correcting all but one transaction listed in the Draft Audit Report and reported an additional inaccurately reported expenditure.
- e) In response to the Draft Audit Report, the Campaign amended its disclosure statements and deleted all duplicate transactions listed in the report. However, the Campaign added five duplicate transactions.

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.
- b) The Board found the Campaign in violation and, in combination, with Findings #4a, 4c, and 6, assessed \$74 in penalties.
- c) 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.
- d) 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 If the Campaign amends its reporting with the CFB, it must also submit amendments to the New York State Board of Elections.

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

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), 3-708(8); Rules 1-09(a), 3-02.

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

STATEMENT #	DUE DATE	DATE FILED	# DAYS LATE
11	08/30/2013	09/03/13	4

Previously Provided Recommendation

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

Campaign's Response

In response to the Draft Audit Report, the Campaign stated, "that the lateness of Statement 11 was not an intentional failure to file but an honest mistake by inexperienced campaign workers who did not know how to work with the computerized CFB system or campaigns in general..." However, campaigns are required to file complete and timely disclosure statements on scheduled dates. The Campaign did not dispute this finding in response to the Notice of Alleged Violations and Recommended Penalties.

Board Action

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

Contribution Findings

3. Prohibited Contributions – Contributions Over The Doing Business Limit

Campaigns may not accept contributions from individuals who have business dealings with the city in excess of the applicable doing business contribution limit for the entire election cycle. *See*

Admin. Code §§ 3-703(1-a), (1-b), 3-719(2); Rules 1-04 (c)(l), (h). Individuals considered to have business dealings with the city are listed in the “Doing Business Database.” Upon notification by the CFB, the Campaign was given 20 days in which to issue a refund to the contributor without a violation or penalty.

The Campaign did not refund contributions within the 20 day deadline in the instances detailed in Exhibit V.

Previously Provided Recommendation

The Campaign did not issue the refund of the over-the-limit amount within the required 20 days of receiving notification from the CFB.

- If the Campaign believes that the contributor was incorrectly included on the notification, the Campaign must provide documentation demonstrating that the contributor is not the individual listed in the Doing Business Database.
- If the Campaign believes that the contributor was incorrectly included in the Doing Business Database on the date of the contribution, the contributor can apply to be removed from the Database retroactive to the date of the contribution. The CFB does not maintain the Doing Business Database. The contributor and/or entity with which s/he is associated must contact the Mayor’s Office of Contract Services—which maintains the Doing Business Database—to request removal, and the Campaign must notify the CFB that the individual has filed for removal. The CFB will rely on the updated Doing Business Database to determine whether the individual was doing business as of the date of the contribution.

Campaign’s Response

In response to the Draft Audit Report, the Campaign stated that it failed to promptly refund the over-the-limit portion of the doing business contribution due to an oversight by the Campaign due to excessive activities of the Campaign. The Campaign did not dispute this finding in response to the Notice of Alleged Violations and Recommended Penalties.

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).

a) Invoices, contracts and other documentation for the expenditures documented in Exhibits VIa and VIb indicate that the Campaign received a discount in connection with the goods/services being provided. *See* also Finding #7.

b) Documentation obtained by the CFB indicates that one or more expenditures were made to advance the election of the Candidate. However, the Campaign did not report the expenditure.

DESCRIPTION OF ITEM	EXHIBIT #
Campaign Literature: “Ede Fox will be a Councilmember/stand up for us”	VIIa
Campaign Literature: “Endorsed by: NYT, etc./Vote for the team...stand”	VIIb

c) The Campaign reported the expenditures listed on Exhibit VIIc. 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 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.

b) The Campaign must provide a written explanation describing how the good or service was purchased or provided. If the purchase was previously reported, the Campaign must identify the relevant Transaction ID(s) of the purchase. If the Campaign purchased the goods or services listed, it must provide invoices, contracts, and any other documentation related to the purchase. If a third party purchased or donated the good or service, the Campaign must submit an in-kind contribution form completed by the contributor. If not previously reported, the Campaign must enter the bill and bill payment or in-kind contribution in C-SMART and submit an amendment to Statement 16.

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) The Campaign responded to the Draft Audit Report and stated that, "The Fox Campaign agreed to the 50/50 split because this was a fair division of the value of the card. James gained more value by appearing on the Fox card than Fox gained from her presence on the card so paying for 50% of the card when she physically appeared on only 25% was deemed fair by both parties." However, the Campaign did not explain why it believed that a candidate for citywide office, who represented the district at the time, would obtain a greater proportion of the benefit of appearing on a card with a city council candidate. As a result, because Letitia James appeared on the 25% of the card, the portion of the payment in excess of 25% of the joint expenditure is considered an in-kind contribution from the James campaign. The Campaign did not dispute this finding in response to the Notice of Alleged Violations and Recommended Penalties.

b) In response to the Draft Audit Report, the Campaign did not respond to the pieces of literature labeled "Ede Fox will be a Councilmember/stand up for us" or "Endorsed by: NYT, etc./Vote for the team...stand." The Campaign did not dispute this finding in response to the Notice of Alleged Violations and Recommended Penalties.

c) In response to the Draft Audit Report, the Campaign amended its disclosure statements and deleted two reported expenditure payments to Liza Philidor for which timesheets were submitted and stated that Ms. Philidor "refused to cash and destroyed [the] check." Although Liza Philidor did not accept payment for services rendered, the services were provided with an understanding that she would be paid; therefore, the unpaid services are considered in-kind contributions.

The Campaign also reported two new expenditure payments to SaveMor Digital Printing that do not appear on its bank statements. Because the reported expenditure payments do not appear on the Campaign's bank statements and evidence of alternative methods of payment for the goods or

services was not provided, payment of the goods/services is considered in-kind contribution from a third party. The Campaign did not dispute this finding in response to the Notice of Alleged Violations and Recommended Penalties.

Board Action

- a) The Board found the Campaign in violation and in combination with Findings #1b, 1c, 4c, and 6 assessed \$74 in penalties.
- b) The Board found the Campaign in violation and assessed \$200 in penalties.
- c) The Board found the Campaign in violation and assessed \$100 in penalties.³

5. Undocumented Transactions

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); and Rule 4-01.

The Campaign must provide supporting documentation for the reported transactions listed in Exhibit VIII.

Previously Provided Recommendation

The Campaign must submit documentation for each transaction listed above.

Campaign's Response

In response to the Draft Audit Report, the Campaign provided loan checks, repayment checks and loan agreements for four of six transactions listed in the exhibit included in the Draft Audit Report. The Campaign failed to document a \$100 loan and its repayment. The Campaign stated that it could not find the loan repayment documentation and that it therefore accepted the transaction as a monetary contribution, and that it amended its disclosure statements to change the transaction to a monetary contribution (see Transaction ID 16/ABC/R0003504). The Campaign did not dispute this finding in response to the Notice of Alleged Violations and Recommended Penalties.

Board Action

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

³ This penalty is for the SaveMor expenditure payments. The deleted Liza Philador expenditure payments are penalized under Finding #1b.

Expenditure Findings

6. Candidate Personal Contributions

Campaigns are required to report the candidate's personal contributions of \$99 or more to political committees that support candidates in New York City and throughout New York State (except political committees of other candidates). Such contributions are presumptively campaign expenditures, unless the candidate rebuts the presumption. *See* CFB Final Determination No. 2009-1.

Contributions reported to the New York State Board of Elections and the Federal Election Commission by the recipients indicate that the Candidate made contributions that the Campaign should have reported as Candidate Personal Contributions. See Exhibit IX. These transactions also count toward the Campaign's expenditure limit, and have been deducted from the Campaign's matching claims pursuant to Rule 5-01(n).

Previously Provided Recommendation If the Campaign believes that it is not required to disclose the contributions listed on Exhibit IX, it must provide an explanation and supporting documentation to demonstrate that:

- The Candidate has a prior personal relationship with the recipient political committee as described in CFB Final Determination No. 2009-1.
- The Candidate has a lengthy history of contributing to the entity at a similar or greater financial level.
- The transaction was a purchase of a good or service rather than a contribution.

If the Campaign cannot provide evidence of any of the scenarios listed above, it must enter the contributions listed on Exhibit IX in C-SMART as Candidate Personal Contributions and submit amendments to its disclosure statements to report the transactions.

Campaign's Response

The Campaign responded to the Draft Audit Report with a narrative describing a history of volunteer and professional work, by the Candidate, for campaigns and organizations with connections to the Working Families Party, Inc. However, there is no record of personal contributions to the Working Families Party prior to the 2013 election cycle. The Campaign did not dispute this finding in response to the Notice of Alleged Violations and Recommended Penalties.

Board Action

The Board found the Campaign in violation and in combination with Findings #1b, 1c, 4a, and 4c assessed \$74 in penalties.

7. Undocumented/Unreported Joint Expenditures

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

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

The Campaign submitted documentation for the purchase of 25,000 2-sided palm cards with the 2013 campaign of Letitia James. Per the invoice, the Campaign paid \$2,937.58, the full printing cost for the palm cards (see Exhibit VIa). In addition, the invoice issued by the Campaign to Letitia James 2013 included a \$250.00 design fee; thus, the total cost of the palm cards was \$3,187.58 (\$2,937.58 + \$250.00). The Campaign billed Letitia James 2013 for \$1,718.79 or 50% of the printing cost, plus the \$250.00 design fee (see Exhibit VIb). However, Ede Fox appears on 75% of the palm card and Letitia James appears on 25% of the palm card. Twenty-five percent of the total cost equals \$796.90 (\$3,187.58 x 25%). Therefore, the Letitia James 2013 campaign overpaid its portion of the joint palm cards by \$921.90 (\$1,718.79 – \$796.90).

Previously Provided Recommendation

The Campaign must explain its methodology for the cost allocations of each campaign's share because it appears to have underpaid its share based on the documentation and information provided. In addition, the Campaign must provide an allocation methodology for the design fee appearing on the invoice. The Campaign must provide supporting documentation for its response.

Campaign's Response

The Campaign responded to the Draft Audit Report and stated that, "The Fox Campaign agreed to the 50/50 split because this was a fair division of the value of the card. James gained more value by appearing on the Fox card than Fox gained from her presence on the card so paying for 50% of the card when she physically appeared on only 25% was deemed fair by both parties." However, the Campaign did not explain why it believed that a candidate for citywide office, who represented the district at the time, would obtain a greater proportion of the benefit of appearing on a card with a city council candidate. As a result, because Letitia James appeared on the 25% of the card, any the portion of the payment above in excess of the 25% share of the joint expenditure

is considered an in-kind contribution from the James campaign. The Campaign did not dispute this finding in response to the Notice of Alleged Violations and Recommended Penalties.

Board Action

The Board has taken no further action on this matter other than to make this a part of the Candidate's record with the Board. *See* also Finding #4a.

8. Expenditures – Not In Furtherance of the Campaign

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

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

Previously Provided Recommendation

The Campaign must explain how each expenditure listed is in furtherance of the Campaign, and provide supporting documentation. The explanation and documentation may include details of how, when, where, and by whom a good was used. For services, the documentation and explanation may include work product and/or additional details regarding how, when, where, and by whom the service was provided; and how the service was necessary in light of the timing and/or number of other transactions reported by the Campaign. The Campaign must review the questioned transactions.

Campaign's Response

In response to the Draft Audit Report, the Campaign stated the Prospect Heights Beer expenditure was related to a house party fundraiser held at 81 Underhill Coop. However, the Campaign did

not provide documentation demonstrating such event (i.e., invitation, flyer, communications, etc...) or report receiving any contributions on the date of the purported event or the days surrounding the event. Regarding the wage payments to Mae Fraser, the Campaign did not explain why it overpaid the employee. The Campaign did not dispute this finding in response to the Notice of Alleged Violations and Recommended Penalties.

Board Action

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

9. Expenditures – Improper Post-Election

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

Each expenditure listed on Exhibit XI 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.

Previously Provided Recommendation

The Campaign must explain how each expenditure was for the preceding election, or was a routine and nominal expenditure associated with winding up the Campaign, and must provide supporting documentation.

Campaign's Response

In response to the Draft Audit Report, the Campaign provided a narrative and additional documentation, asserting that these expenditures were required for fundraising and field operations through the end of the election cycle up to, and including, January 11, 2014. In addition, the Campaign noted that the NGP VAN contract required a six-month commitment. However, the Candidate was not on the general election ballot and the Campaign did not document that it received contributions after the primary election. In addition, the Campaign failed to demonstrate that the Nationbuilder and NGP Van services or the New York Times subscription were permissible post-election expenditures. The cited merchant account fees, Nationbuilder, NGP Van, and reoccurring New York Times subscription fees are not considered routine and nominal expenditures associated with winding up the Campaign. The Campaign did not dispute this finding in response to the Notice of Alleged Violations and Recommended Penalties.

Board Action

The Board found the Campaign in violation and assessed \$156 in penalties.

Other Findings

10. Failure to Respond Timely

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

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

REQUEST	DUE DATE	DATE RECEIVED	# DAYS LATE
Initial Documentation Request	02/13/14	02/18/14	5

Previously Provided Recommendation

For each of the CFB’s requests listed above, the Campaign may provide a written explanation for the lateness of its response. The explanation must be accompanied by documentation, such as a certified mail receipt, or other relevant documentation regarding its lateness.

Campaign’s Response

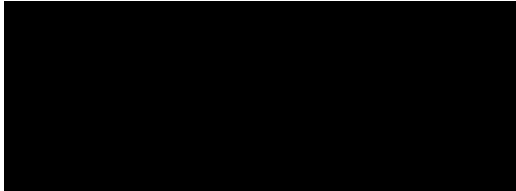
The Campaign responded to the Draft Audit Report and stated that the Treasurer was unable to travel to the CFB office on February 13, 2014 due to a snowstorm and the Treasurer’s disability. The Campaign stated that it attempted to contact its auditor on February 13 but was unsuccessful until February 14. Further, the Campaign stated that the CFB was closed on February 17 due to Washington’s birthday; therefore, it submitted its response on February 18, 2014.

Board Action

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

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

Respectfully submitted,



signature on original
Jonnathon Kline, CFE

Director of Auditing and Accounting

Date: February 25, 2016

Staff: Selene Muñoz

Hormis Thaliath

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

Candidate: Fox, Ede S (ID:1508-P)**Office:** 5 (City Council)**Election:** 2013

1. Opening cash balance (All committees)		\$0.00
2. Total itemized monetary contributions (Sch ABC)		\$93,171.00
3. Total unitemized monetary contributions		\$0.00
4. Total in-kind contributions (Sch D)		\$47.36
5. Total unitemized in-kind contributions		\$0.00
6. Total other receipts (Sch E - excluding CFB payments)		\$1,718.79
7. Total unitemized other receipts		\$0.00
8. Total itemized expenditures (Sch F)		\$186,241.33
Expenditure payments	\$185,994.10	
Advance repayments	\$247.23	
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)		\$3,650.00
13. Total loan repayments (Sch J)		\$3,650.00
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)		\$50.00
18. Total outstanding liabilities (Sch N - last statement submitted)		\$6,645.98
Outstanding Bills	\$6,644.00	
Outstanding Advances	\$1.98	
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		\$30,423.00
22. Total Invalid Matchable Claims		\$8,262.00
23. Total Amount of Penalties Assessed		\$1,080.00
24. Total Amount of Penalty Payments		\$0.00
25. Total Amount of Penalties Withheld		\$0.00

Exhibit I
Friends of Ede Fox
Unreported Transactions
 (see Finding #1b)

Payee	Check No./ Transaction	Date	Amount	Notes
TD Bank - Deposit Return Chargeback	Debit	07/22/11	\$ 100.00	(1)
TD ATM Debit - Withdrawal	Debit	04/25/12	\$ 60.00	
Caicedo, David	1056	07/11/13	\$ 1,250.00	(2)
Pierce, Judith T.	1076	08/12/13	\$ 600.00	
Total			<u>\$ 2,010.00</u>	

Notes:

- (1) This transaction appears to be a returned check.
- (2) The Campaign deleted this transaction in response to the Draft Audit Report. However, it cleared the July 2013 bank statement.

Exhibit II
Friends of Ede Fox
Uncleared Transactions
 (see Finding #1c)

Transaction ID	Payee	Account	Check No./ Transaction	Date	Amount	Notes
R0003227	Petty Cash	8896	ATM Withdrawal	04/20/12	\$ 28.00	
R0003279	Saunders, Carl	8896	Debit	08/30/12	\$ 20.00	
R0003132	SaveMor Digital Printing	8896	Debit	07/22/13	\$ 41.86	(1)
R0003134	SaveMor Digital Printing	8896	Debit	09/09/13	\$ 572.45	(1)
Total					\$ 662.31	

Notes:

(1) This transaction is considered an unreported in-kind contribution. *See* also Finding #4c.

Exhibit III
Friends of Ede Fox
Misreported Transactions
 (see Finding #1d)

Transaction ID	Payee	Account	Check No./ Transaction	Date	Amount	Correct Amount	Difference	Notes
R0003314	Pierce, Judith T	4252428896	1097	06/15/13	\$ 97.23	\$ 100.00	\$ 2.77	
R0002289	Pierce, Judith T	4252428896	1077	08/10/13	\$ 140.00	\$ 160.00	\$ 20.00	
Total							\$ 22.77	

Exhibit IV
Friends of Ede Fox
Duplicate Transactions
 (see Finding #1e)

Transaction ID	Payee	Account	Check No./ Transaction	Date	Amount	Duplicate Amount
R0003258	Petty Cash	8896	ATM Withdrawal	06/27/12	\$ 60.00	\$ -
R0003462	Petty Cash	8896	ATM Withdrawal	06/27/12	\$ 60.00	\$ 60.00
R0003464	Petty Cash	8896	ATM Withdrawal	08/27/12	\$ 40.00	\$ -
R0003271	TD Bank	8896	Debit	08/27/12	\$ 40.00	\$ 40.00
R0003465	Petty Cash	8896	ATM Withdrawal	08/30/12	\$ 20.00	\$ -
R0003275	TD Bank	8896	Debit	08/30/12	\$ 20.00	\$ 20.00
R0001349	Bankcard MTOT Discover	8896	Debit	12/03/12	\$ 37.49	\$ -
R0003496	Bankcard MTOT Discover	8896	Debit	12/03/12	\$ 37.49	\$ 37.49
R0001837	Jezra Kaye	8896	Debit	04/16/13	\$ 800.00	\$ -
R0001828	Brown Miller Group	8896	1032	04/17/13	\$ 800.00	\$ 800.00
Total						\$ 957.49

Exhibit V
Friends of Ede Fox
Doing Business Over the Limit - Untimely Refund
(see Finding #3)

Name	Statement/ Schedule/ Transaction ID	Incurred/ Received/ Refunded Date	Refund Due Date	Amount	Finding
Carter, Zachary	6/ABC/R0001028	12/28/12	02/21/13	\$300.00	
Carter, Zachary	10/M/R0002204	07/28/13		(\$50.00)	157 days late
Total				\$250.00	
Office Limit				<u>\$250.00</u>	
Amount Over the Limit				<u>\$0.00</u>	

Exhibit VIa
Friends of Ede Fox
Undocumented/Unreported Joint Expenditures – Fox Invoice
(see Findings #4a and #7)

Trusarm 2885
Id



SaveMor Digital Printing
25 Flatbush Avenue
Brooklyn, NY 11217
Telephone: 718-624-0136
Fax: 718-643-0384
E-mail: savomor.digital@verizon.net
Internet: www.savomorprint.com

Invoice

Ede Fox

9/5/2013
Invoice # 26062

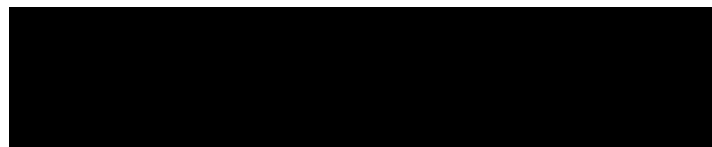
Customer # 124802

Ph. 347-278-1638

PO #

25000	Postcard (job 87319) 4/4 Process on #100 Sterling Ultra Gloss Cover	2698.00
	Subtotal	2698.00
	Sales Tax	239.58
		Total
		\$2937.58

Payment Due Upon Delivery
Please write your invoice number on your payment
Please Make Checks Payable to A.T. Copy Inc.



09-05-13
02
*2937.45
*2937.45 CH 1
000-6621
* 1-05

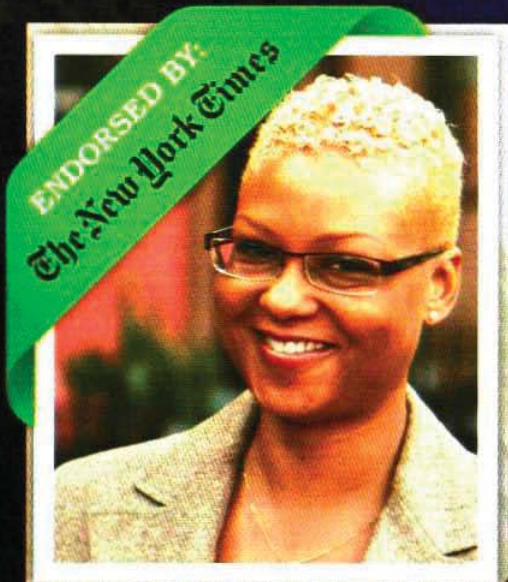
.....
SAVE MORE DIGITAL
PRINTING
25 FLATBUSH AVE
BROOKLYN, NY 11217
27310034059801

C O P Y
09/05/2013 17:28:46
Sale:

Transaction # 3
Card Type: VISA
Acc: *****6899
Entry: Manual
Invoice # 8831
Total: 2937.45


Reference No.: 0003
Auth.Code: 024254
Response: AP
Host date: nt/: /20
Host time: : 2:39
CUU2 Code: M
CUU2/CUC2 matches with
system data.
Tax Amount: 239.58

CUSTOMER COPY
THANK YOU!



Transaction id: 28
Ede Fox
for 35th City Council District
2835 



Tish James
for Public Advocate 

VOTE
Tuesday September 10th



Ede Fox will stand up for us

Ede Fox has the experience to protect our affordable housing, bring living wage jobs to our community and improve our schools.

ENDORSEMENTS



DC 9 IUPAT PAINTERS AND ALLIED TRADES



ATU LOCAL 1056
ATU LOCAL 1181-10



TEAMSTERS
JOINT COUNCIL 16



CITY COUNCILMEMBER
MELISSA MARK-VIVERITO



ENDORSED BY:

The New York Times

"Ede Fox could best represent this district."

Paid for by Friends of Ede Fox

Ede Fox

DEMOCRAT FOR CITY COUNCIL

Exhibit VIb

Friends of Ede Fox

Undocumented/Unreported Joint Expenditures – Letitia James 2013 (Invoice)

(see Findings #4a and #7)

NYC OF B 2014-12-18



2975

Friends of Ede Fox



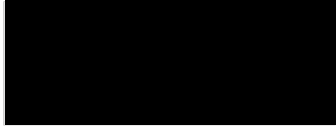
INVOICE

Date: September 7, 2013

Attention: Judith Pierce, Campaign Treasurer

Bill To:

Letitia James 2013



Quantity	Description	Amount
30,000	Palmcards (1/2 cost)	1468.79
	Design of Palm card	250.00
	Total	1718.79

PAYMENT DUE UPON RECEIPT

NYCCFB 2014-02-18

Check Image

2975

Item Reference 1303
Amount \$1,718.79

Leifra James 2013
 DATE 9.9.13
 1303
 23-7432280

Pay to the order of **FRIENDS OF EDS FOX** \$1,718.79

One thousand seven hundred eighteen ⁷⁹/₁₀₀ Dollars

CARVER
 MEMPHIS SAVINGS BANK

Memo _____

⑆226072498⑆ 801300330⑆ ⑆001303⑆

548804556543 095655 20130910 00000000000000000000

LINXXSX 171879

Park Slope 0488 94004 5488 2 0011

DO NOT WRITE SIGN STAMP BELOW THIS LINE
 DEPOSITARY BANK ENDORSEMENT

Exhibit VIIa

Friends of Ede Fox

Unreported In-Kind Contributions -“Ede Fox will be a Councilmember/stand up for us”

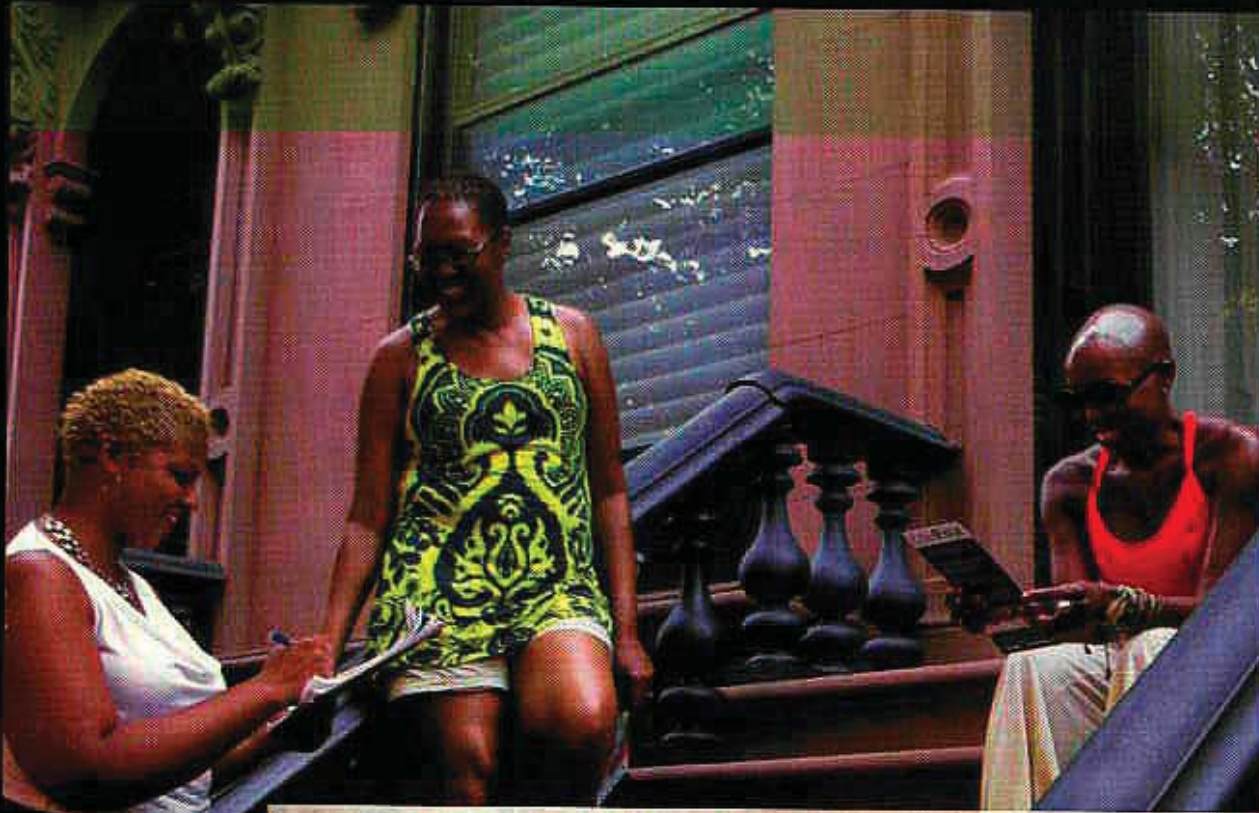
(see Finding #4b)

Ede **Fox** will be
a Councilmember for **us**

ENDORSEMENTS

TEAMSTERS JOINT COUNCIL 16
DC 9 IUPAT PAINTERS AND ALLIED TRADES
UFCW LOCAL 1500
ATU LOCAL 1056
ATU LOCAL 1181-1061
NEW YORK COMMUNITIES FOR CHANGE
COMMUNITY VOICES HEARD
TENANTS PAC
CITY COUNCILMEMBER MELISSA MARK-VIVERITO
PROSPECT HEIGHTS DEMOCRATS FOR REFORM
504 DEMOCRATS
STREETSPAC





Ede Fox has a record of standing up for working families. ■ She has worked hard to help families stay in the neighborhoods they have helped build by creating over 1,000 units of affordable housing. ■ She has a plan to increase the number of affordable housing units in our neighborhoods by rezoning the community to balance our affordable housing needs along with office space and market-rate housing. ■ Ede Fox will also help create new jobs in our district through development projects, local business investment, and commercial revitalization projects. ■ And we can count on her to bring more money to our schools so our kids can get the education they need to succeed.

Ede Fox will stand up for us.

On Tuesday September 10th

Vote Ede Fox, Democrat for City Council

 edefox
 @edefox
 info@edefox.com
 (917) 725-1517
www.EdeFox.com



Exhibit VIIb

Friends of Ede Fox

Unreported In-Kind Contributions- “Endorsed by: NYT, etc./Vote for the team...stand”

(see Finding #4b)

The New York Times

NEW YORK, AUGUST 30, 2013

For New York City Council District 35:

Ede Fox

EDITORIAL
For New York City Council
By THE EDITORIAL BOARD

BROOKLYN DISTRICT 35 (Fort Greene, Clinton Hill, parts of Crown Heights, Prospect Heights and Bedford-Stuyvesant): Of the three women who are the top candidates for this seat, Ede Fox, formerly a top aide to two Council members, is the strongest. **Her knowledge of the Council and her command of complicated issues involving development and education put her above Laurie Cumbo**, an impressive cultural leader who developed the Museum of Contemporary African Diasporan Arts in Brooklyn, and Olanike Alabi, a well-known advocate for housing and other issues in the area. **Ede Fox could best represent this district.**

Published: August 30, 2013

EDE FOX IS ENDORSED BY:



CITY COUNCILMEMBER
MELISSA MARK-VIVERITO



TEAMSTERS
JOINT COUNCIL 16

DC 9 IUPAT PAINTERS
AND ALLIED TRADES



COMMUNITY
VOICES
HEARD POWER!



ATU LOCAL 1056
ATU LOCAL 1181-10



504 DEMOCRATIC CLUB
The First Democratic Club in the Country Focusing on Disability Rights



NYCommunities
for change



ENDORSED BY:
The New York Times
"Ede Fox could best
represent this district."

Vote Ede Fox

Democrat for 35th City Council District

U.S. POSTAGE
PAID
WC MLG

Received 9/7/13

Vote for the team who
will stand up for **us**

ENDORSED BY:
The New York Times

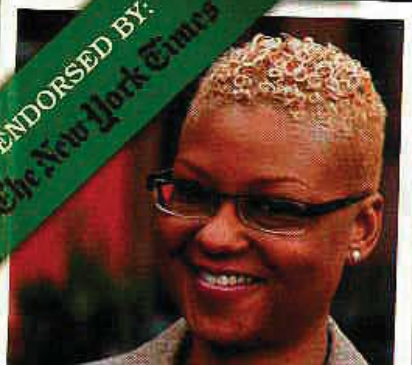


Exhibit VIIIc
Friends of Ede Fox
Unreported In-Kind Contributions: Uncleared Transactions
(see Finding #4c)

Transaction ID	Payee	Account	Check No./ Transaction	Date	Amount	Notes
R0003132	SaveMor Digital Printing	8896	Debit	07/22/13	\$ 41.86	(1)
R0003134	SaveMor Digital Printing	8896	Debit	09/09/13	\$ 572.45	(1)
R0002628	Philador, Liza	8896	1256	09/10/13	\$ 96.00	(1), (2)
R0002626	Philador, Liza	8896	1224	09/10/13	\$ 450.00	(1), (2)
Total					<u>\$ 1,160.31</u>	

Notes:

(1) This transaction is considered an unreported in-kind contribution.

(2) The Campaign deleted this transaction in response to the Draft Audit Report. However, the Campaign previously submitted a signed daily wage record for this employee and stated that Ms. Philador refused to cash the check. Therefore, this transaction is considered an unreported in-kind contribution.

Exhibit VIII
Friends of Ede Fox
Undocumented Transactions
(see Finding #5)

Name	Transaction Type	Statement/ Schedule/ Transaction ID	Incurred/ Received/ Paid Date	Amount	Notes
Pierce, Judith T	Loan	11/I/R0002337	05/31/13	\$100.00	(1)
Pierce, Judith T	Loan Repayment	11/J/R0002338	08/20/13	\$100.00	(2)

Notes:

- (1) The Campaign did not provide any documentation for this loan. The Campaign must submit copies of the loan agreement and the front and back of the cancelled check.
- (2) The Campaign provided a loan agreement and a copy of the front side of the loan repayment check. The Campaign must submit a copy of the front and back of the cancelled loan repayment check.

Exhibit IX
Friends of Ede Fox
Unreported Candidate Personal Political Committee Contributions
(see Finding #6)

Contributor	Payee	Source	Date	Amount
Ede Fox	Working Families Party, Inc.	BOE	03/21/11	\$130.00
Ede Fox	Working Families Party, Inc.	BOE	06/28/12	\$100.00
Total				<u>\$230.00</u>

Exhibit X
Friends of Ede Fox
Non-Campaign Related Expenditures
(see Finding #8)

Name	Statement/ Schedule/ Transaction ID	Purpose Code	Invoice Date	Paid Date	Amount	Notes
Prospect Heights Beer	10/F/R0002245	OTHER	07/23/13	07/23/13	\$21.32	(1)
Fraser, Mae	N/A	WAGES	06/15/13	06/22/13	\$210.00	(2)
Fraser, Mae	N/A	WAGES	08/30/13	08/30/13	\$147.00	(3)
Total					<u>\$378.32</u>	

Notes:

- (1) In its response to the Draft Audit Report, the Campaign stated that this expenditure was for a fundraiser at 81 Underhill Coop. However, the Campaign did not submit documentation demonstrating such event was held (i.e., invitation, flyer, communications, etc...) or report receiving any contributions on the date of the purported event or on the days surrounding the event.
- (2) The Campaign submitted an Employment Agreement with Mae Fraser for Volunteer Coordination between May 2, 2013 and September 10, 2013 at a rate \$2,000.00 per month, or \$64.50 per day. The Campaign terminated Ms. Fraser as Volunteer Coordinator on June 1, 2013. Based on the agreement and documentation provided, the total payment due for May 2 to June 1 was \$1,290.00 (\$64.50 x 20 days). However, the Campaign made two payments (see Transaction IDs 9/F/R0002033 and 9/F/R0002107) totaling \$1,500.00. Therefore, the Campaign overpaid by \$210.00 (\$1,500.00 - \$1,290.00). This overpayment is considered a non-campaign related expenditure.
- (3) The Campaign submitted timesheets for Mae Fraser for July 21 to August 17 for 61 hours of "canvassing" at a rate of \$12.00 per hour for a payment due of \$732.00. However, the Campaign made three payments (see Transaction IDs 11/F/R0002293, 11/F/R0002320, and 12/F/R0002539) totaling \$879.00 and overpaid by \$147.00. This overpayment is considered a non-campaign related expenditure.

Exhibit XI
Friends of Ede Fox
Improper Post-Election Expenditures
(see Finding #9)

Name	Statement/ Schedule/ Transaction ID	Purpose Code	Invoice Date	Paid Date	Amount
First Data Merchant Services	16/F/R0003102	OFFCE	11/01/13	11/04/13	\$5.00
First Data Merchant Services	16/F/R0003104	OFFCE	11/01/13	11/04/13	\$2.69
Nationbuilder	16/F/R0003108	OTHER	11/01/13	11/18/13	\$49.00
New York Times Digital	16/F/R0003106	OFFCE	11/01/13	11/08/13	\$15.00
Ngp Van Inc.	16/F/R0003095	OFFCE	11/01/13	11/04/13	\$250.00
Bankcard Mtot Discover	16/F/R0003112	OFFCE	12/02/13	12/02/13	\$38.20
Ngp Van Inc.	16/F/R0003114	OFFCE	12/03/13	12/03/13	\$250.00
Ny Times Digital	16/F/R0003116	OFFCE	12/03/13	12/03/13	\$15.00
Total					<u>\$624.89</u>