



New York City Campaign Finance Board
 100 Church Street, 12th Floor, New York, NY 10007
 212.409.1800 | www.nycffb.info

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Via C-Access
 October 18, 2016

Mark A. Henry
 Friends of I. Daneek Miller
 1078 Clyde Road
 Baldwin, NY 11510

Dear Mark Henry:

Please find attached the New York City Campaign Finance Board’s (“CFB” or “Board”) Final Audit Report for the 2013 campaign of I. Daneek Miller (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 23, 2015 (attached). As detailed in the report, the Campaign failed to demonstrate compliance with the Campaign Finance Act (the “Act”) and the Board Rules (the “Rules”).

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

CATEGORY	AMOUNT
Public Funds Repayment	\$439.51
Penalties Assessed	\$13,030.00
Total Owed	\$13,469.51

The full amount owed must be paid no later than **November 17, 2016**. Please send a check in the amount of [\$\$\$], 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.

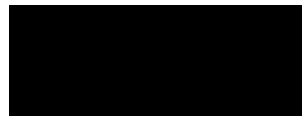
If the CFB is not in receipt of the full amount owed by **November 17, 2016**, the Candidate’s name and the amount owed will be posted on the CFB’s website. The CFB may also initiate a civil action to compel payment. In addition, the Candidate will not be eligible to receive public

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

Sincerely,



Signature on Original

Sauda S. Chapman
Director of Auditing and Accounting

c: I. Daneek Miller



Friends of I. Daneek Miller
1078 Clyde Road
Baldwin, NY 11510

Attachments



EC2013 Final Audit Report

Friends of I. Daneek Miller

October 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 I. Daneek Miller (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 disclose all of its bank accounts on the Certification (see Finding #1).
- The Campaign did not report or inaccurately reported financial transactions to 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).

Expenditure Findings

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

- The Campaign made post-election expenditures that are not permissible (see Finding #4).
- The Campaign exceeded the \$168,000 expenditure limit for the primary election (see Finding #5).

Public Matching Funds Findings

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

- The Campaign is required to return its final bank balance (see Finding #6).

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: I. Daneek Miller	Contribution Limit:
ID: 1703	\$2,750
Office Sought: City Council	
District: 27	Expenditure Limit:
	2010–2012: N/A
Committee Name: Friends of I. Daneek Miller	2013 Primary: \$168,000
Classification: Participant	2013 General: \$168,000
Certification Date: June 6, 2013	
	Public Funds:
Ballot Status: Primary, General	Received: \$95,580.00
Primary Election Date: September 10, 2013	Returned: \$0
General Election Date: November 5, 2013	
Party: Democratic, Working Families	Campaign Finance Summary:
	http://bit.ly/1yS2WiF

SCOPE AND METHODOLOGY

Pursuant to Admin. Code § 3-710(1), the CFB conducted this audit to determine whether the Campaign complied with the Act and Rules. Specifically, we evaluated whether the Campaign:

1. Accurately reported financial transactions and maintained adequate books and records.
2. Adhered to contribution limits and prohibitions.
3. Disbursed funds in accordance with the Act and Rules.
4. Complied with expenditure limits.
5. Received the correct amount of public funds, or whether additional funds are due to the Campaign or must be returned.

Prior to the election, we performed reviews of the Campaign's compliance with the Act and Rules. We evaluated the eligibility of each contribution for which the Campaign claimed matching funds, based on the Campaign's reporting and supporting documentation. We also determined the Candidate's eligibility for public funds by ensuring the Candidate was on the ballot for an election, was opposed by another candidate on the ballot, and met the two-part threshold for receiving public funds. Based on various criteria, we also selected the Campaign for an onsite review, and visited the Campaign's location to observe its activity and review its recordkeeping. After the election, we performed an audit of all financial disclosure statements submitted for the election (see summary of activity reported in these statements at Appendix #1).

To verify that the Campaign accurately reported and documented all financial transactions, we requested all of the Campaign's bank statements and reconciled the financial activity on the bank statements to the financial activity reported on the Campaign's disclosure statements. We identified unreported, misreported, and duplicate disbursements, as well as reported disbursements that did not appear on the Campaign's bank statements. We also calculated debit and credit variances by comparing the total reported debits and credits to the total debits and credits amounts appearing on the bank statements.

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 given the opportunity to respond. CFB staff recommended that the Board determine that the Campaign committed violations subject to penalty and must repay public fund. The Campaign contested the CFB staff recommendations. The Board's determinations are summarized as a part of each Finding in the Audit Results section. The finding numbers and exhibit numbers, as well as the number of transactions included in the findings, may have changed from the Draft Audit Report to the Final Audit Report.

AUDIT RESULTS

Disclosure Findings

1. Bank Accounts – Identifying Information

Campaigns are required to report all bank, depository, and merchant accounts used for campaign purposes on their Filer Registration or Certification. *See* Admin. Code § 3-703(1)(c); Rules 1-11(d), 2-01(a) and 2-06(a).

The bank statements provided by the Campaign revealed that information concerning merchant accounts, Authorize.net and American Express, were not reported to the CFB as part of the candidate's Certification.

Previously Provided Recommendation

The Campaign must explain why it failed to disclose the merchant accounts listed above and amend its Certification using a Change of Bank Account Form to include all missing account information. The form can be downloaded at http://www.nyccfb.info/PDF/forms/change_of_bank_account.pdf.

Campaign Response

In response to the Draft Audit Report, the Campaign provided a copy of the Certification and Change of bank account forms, which did not include the merchant accounts in question.

In response to the Notice of Alleged Violations and Recommended Penalties, the Campaign submitted a Change of Bank Account form for a BMO Harris Bank account ending XXX8725. However, it did not include the Authorize.net and American Express accounts.

Board Action

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

2. 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	XXXXXX4503	Checking	Jan 2013 – Dec 2014

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

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

BANK	ACCOUNT #	STATEMENT PERIOD
TD Bank	XXXXXX4503	Jan 2015 – Present
BMO Harris Bank	XXXXXX6932	Inception – Present
Authorize.net	Unknown	Inception – Present
American Express	Unknown	Inception – Present

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

c) The Campaign reported the transaction listed below that does not appear on its bank statements:

NAME	CHECK NO./ TRANSACTION	STATEMENT/ SCHEDULE/ TRANSACTION	PAID DATE	AMOUNT
Clearwire	Debit	10/F/R0001000	06/25/13	\$49.99

¹ Unreported transactions that occurred during the primary election period were added to the Campaign’s primary election expenditure limit calculation (see Finding #5 and Exhibit V).

d) The Campaign did not properly report the transaction listed below:

NAME	CHECK NO./ TRANSACTION	STATEMENT/ SCHEDULE/ TRANSACTION	PAID DATE	REPORTED AMOUNT	ACTUAL AMOUNT	DIFFERENCE
The Proper Cafe	81357211-1	15/F/R0001771	11/26/13	\$1,521.00	\$1,529.00	\$8.00

e) The Campaign reported duplicate transactions as listed below:

NAME	CHECK No./ TRANSACTION	STATEMENT/ SCHEDULE/ TRANSACTION	PAID DATE	AMOUNT	DUPLICATE REPORTED AMOUNT	NOTE
USPS	Debit	9/F/R0000527	05/14/13	\$1,003.60	\$1,000.00	(1)
Red Horse Strategies	21056572890	9/F/R0000525	05/14/13	\$250.00		(1)
Red Horse Strategies	21056572901	9/F/R0000524	05/14/13	\$250.00		(1)
Red Horse Strategies	21056572912	9/F/R0000523	05/14/13	\$500.00		(1)
MetroPCS Star Wireless LLC	Debit	9/F/R0000720	06/24/13	\$295.11		(2)
MetroPCS Star Wireless LLC	Debit	9/F/R0000722	06/24/13	\$50.00	\$50.00	(2)
Total					\$1,050.00*	

*The total duplicate transactions were deducted from the Primary Expenditure Limit Calculation. See Finding #5.

(1) The amount reported by the Campaign (Transaction ID 9/F/R0000527) of \$1,003.60 represents three money orders (totaling \$1,000) and a fee to purchase the money orders of \$3.60. The Campaign also reported three expenditures totaling \$1,000.00 to Red Horse Strategies (Transaction IDs 9/F/R0000523, 9/F/R0000524 and 9/F/R0000525). The Campaign did not amend its reporting in response to the Draft Audit Report. The difference of \$1,000 was deducted from the Primary Expenditure Limit Calculation.

(2) In response to the Draft Audit Report, the Campaign provided a receipt for services provided by MetroPCS Star Wireless LLC, totaling \$295.11. The receipt shows a \$50.00 service fee as part of the total. The reported \$50.00 transaction (Transaction ID 9/F/R0000722) does not appear on the bank statements provided by the Campaign, and appears to be a duplicate transaction.

f) A review of the Campaign’s merchant account statements revealed the following discrepancy:²

TOTAL REPORTED CREDIT CARD RECEIPTS	TOTAL CREDIT CARD RECEIPTS PER STATEMENTS	DOLLAR VARIANCE	PERCENT VARIANCE
\$7,553.00	\$0	\$7,533.00	100%

(See also Finding #2a above)

Previously Provided Recommendation

- a) The Campaign must provide all pages of the requested bank statements.
- b) The Campaign must amend its disclosure statements to report these transactions. The Campaign must also provide documentation for each transaction. Because bank statements 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 statement(s) that does not appear on the Campaign’s bank statements, the Campaign must provide evidence to show that the transaction cleared the bank (i.e., a copy of the front and back of the check, and the bank statement showing the payment). Alternatively, the Campaign may provide evidence that the transaction was reported in error, or amend the Campaign’s disclosure statement to void the check. For each voided check, the Campaign must either issue a replacement check or forgive the expenditure payment. Any forgiven liabilities will be considered in-kind contributions, which could result in contribution limit violations, or be considered contributions from a prohibited source. The Campaign may need to contact the payee to determine why the transaction did not clear.
- d) For inaccurately reported transactions, the Campaign must amend its disclosure statements to accurately report the transactions.
- e) This finding was identified as a result of the Campaign’s response to the Draft Audit Report.
- f) To resolve the listed discrepancies, the Campaign must compare the credit card receipts reported in its financial disclosure statements to supporting documentation, including merchant account statements, deposit slips, bank statements, and any documentation not previously submitted. The Campaign should ensure it has disclosed all depository and merchant accounts, and provided all statements from inception through present for those accounts. The Campaign should also review documentation to ensure that it correctly characterized the instrument type

² The percentage variance is determined by subtracting the Total Credit Card Receipts Per Statements from the Total Reported Credit Card Receipts, and then dividing by the Total Reported Credit Card Receipts. A positive variance indicates that the Total Reported Credit Card Receipts exceeds the Total Credit Card Receipts Per Statements. A negative variance indicates that the Total Reported Credit Card Receipts is less than the Total Credit Card Receipts Per Statements.

(i.e., Cash, Credit Card, Check, etc.) of each receipt it reported. The Campaign may need to amend its disclosure statements as a result.

Please note that any newly entered transactions that occurred during the election cycle (01/12/10—01/11/14) will appear as new transactions in an amendment to Disclosure Statement 16, even if the transaction dates are from earlier periods. Any transactions dated after the election cycle will appear in disclosure statements filed with the New York State Board of Elections. Also note that the Campaign must file an amendment for each disclosure statement in which transactions are being modified. Once all data entry is completed, the Campaign should run the Modified Statements Report in C-SMART to identify the statements for which the Campaign must submit amendments. The C-SMART draft and final submission screens also display the statement numbers for which the Campaign should file amendments. If the Campaign added any new transactions, it must submit an amendment to Disclosure Statement 16.³

Campaign Response

- a) In response to the Draft Audit Report, the Campaign failed to provide bank statements for its BMO Harris Bank, Authorize.net, and American Express accounts. The Campaign stated that the accounts in question do not provide monthly statements. However, those entities have been known to supply statements. In response to the Notice of Alleged Violations and Recommended Penalties, the Campaign stated that it did not receive American Express or Authorize.net statements.
- b) In response to the Draft Audit Report, the Campaign failed to amend its disclosure statements to report all of the transactions. The Campaign provided additional bank statements which resulted in new unreported transactions.
- c) In response to the Draft Audit Report, the Campaign did not provide evidence that this expenditure cleared its bank account.
- d) In response to the Draft Audit Report, the Campaign did not amend its disclosure statements to accurately report the transactions in question.
- e) This finding was identified as a result of the Campaign's response to the Draft Audit Report.
- f) The Campaign did not submit the missing merchant account statements in order to resolve the discrepancy in its response to the Draft Audit Report and the Notice of Alleged Violations and Recommended Penalties.

Board Action

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

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

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

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

The Campaign did not file the required daily disclosures to report the following transactions:

EXPENDITURES:			
NAME	STATEMENT/ SCHEDULE/ TRANSACTION	DATE INCURRED	AMOUNT
Red Horse Strategies	12/F/R0001515	08/31/13	\$8,609.50
Red Horse Strategies	13/F/R0001525	08/31/13	\$8,609.49
Red Horse Strategies	13/F/R0001528	08/31/13	\$8,609.49
Red Horse Strategies	14/F/R0001535	09/08/13	\$5,661.30

Previously Provided Recommendation

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

Campaign Response

In response to the Draft Audit Report, the Campaign stated it “received the invoices after the primary Election via email dated September 15, 2013.” The Campaign also stated that they provided the invoices that were sent via email in its response to the Draft Audit Report; however, no such documentation was provided by the Campaign.

In its response to the Notice of Alleged Violations, the Campaign stated, “I, the treasurer for the campaign misinterpreted the rules on the admin codes listed. Upon review withdraw the challenge for this fine.”

Board Action

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

Expenditure Findings

4. 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 II 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.

Previously Provided Recommendation

The Campaign must explain how each expenditure was for the preceding election, or was a routine and nominal expenditure associated with winding up the Campaign, and must provide supporting documentation. Expenditures that are not proper post-election expenditures may increase the amount of public funds that must be repaid.

Campaign Response

In response to the Draft Audit Report, the Campaign stated that the expenditure of \$19.00 made to Nation Builder was a monthly bill for an online merchant service. The Campaign provided a copy of the January 2014 invoice, for a period after the end of the winding up period. The Campaign stated that the expenditure of \$174.19 to Con Edison was a final bill for utilities at the campaign office. The Campaign provided a copy of the check, but did not provide an invoice to indicate the period covered by the payment.

In response to the Notice of Alleged Violations and Recommended Penalties, the Campaign stated that it kept the NationBuilder account open for use of the 2014 campaign. However, the Campaign did not have a 2014 election and did not demonstrate that it attempted to raise money in 2014 for the 2013 campaign. The Campaign stated that it paid Con Edison for a late electric bill; however, the Campaign did not provide an invoice to substantiate its claim.

Board Action

The Board found the Campaign in violation and assessed \$563 in penalties.

5. Expenditures – Exceeding the Legal Limit

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

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

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

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

- a) Unreported expenditures were attributed to the primary election, see Exhibit IV.
- b) Expenditures reported during the general election were attributed to the primary election, see Exhibit V.
- c) Expenditures reported during the primary election were attributed to the general election, see Exhibit VI.

Previously Provided Recommendation

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

- a) The Campaign must amend its disclosure statements to report these unreported transactions and must provide documentation for each transaction (see also Finding #2b).
- b) If the Campaign disagrees with the attribution of expenditures in the exhibit, for each transaction it must provide a detailed explanation of when the good and/or service was received, used, or rendered and provide supporting documentation. The Campaign must address each line of the calculation in dispute.
- c) If the Campaign disagrees with the attribution of expenditures in the exhibit, for each transaction it must provide a detailed explanation of when the good and/or service was received, used, or rendered and provide supporting documentation. The Campaign must address each line of the calculation in dispute.

Campaign Response

In response to the Draft Audit Report, the Campaign agreed that it exceeded the expenditure limit. Additionally, the Campaign amended its reporting to report transactions which were previously cited as unreported.

In response to the Notice of Alleged Violations and Recommended Penalties, the Campaign stated, “The Campaign does contest the calculation of the spending limit calculation. Any of the unreported items in our opinion should be reported to the 2014 Campaign reporting not 2013.” However, all transactions included in the calculation occurred during the 2013 election cycle.

Board Action

The Board found the Campaign in violation and assessed \$11,617 in penalties.

Public Matching Funds Findings

6. Return of Final Bank Balance

Campaigns are required to return excess public funds after the election. *See* Admin. Code § 3-710(2)(c); Rule 5-03(e). Public funds are only intended to be used for campaign expenditures, and not every campaign will use all of the public funds it received. This may occur when additional contributions were received or a campaign spent less than anticipated. To ensure that excess public funds are not wasted, until excess public funds have been repaid the only disbursements allowed are those for the preceding election and routine post-election expenditures. Routine post-election expenditures are those involving nominal cost associated with winding up a campaign and responding to the post-election audit. *See* Rule 5-03(e)(2)(i), (ii).

The remaining balance in the Campaign’s bank account was \$439.51, according to the Campaign’s December 2014 bank statement. Based on the activity reported by the Campaign and additional information obtained and reviewed in the course of this audit, the Campaign must return \$439.51 to the Public Fund as its final bank balance.

Previously Provided Recommendation

The Campaign must respond to all findings in this Draft Audit Report, including providing additional bank statements if requested. The Campaign must repay the final bank balance above with a check payable to the “New York City Election Campaign Finance Fund.” If the Campaign disagrees with the amount, it must provide documentation and explanation to show why the amount is not correct.

Campaign's Response

In response to the Draft Audit Report and the Notice of Alleged Violations and Recommended Penalties, the Campaign provided bank statements through December of 2014.

Board Action

The Board determined that the Campaign must repay \$439.51 to the Public Fund.

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

Respectfully submitted,



Signature on Original

Souda S. Chapman

Director of Auditing and Accounting

Date: October 18, 2016

Staff: Melody Lee

Michael Iacono

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

Candidate: Miller, I. Daneek (ID:1703-P)**Office:** 5 (City Council)**Election:** 2013

1. Opening cash balance (All committees)		\$0.00
2. Total itemized monetary contributions (Sch ABC)		\$102,783.00
3. Total unitemized monetary contributions		\$0.00
4. Total in-kind contributions (Sch D)		\$500.46
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)		\$195,068.09
Expenditure payments	\$194,440.19	
Advance repayments	\$627.90	
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)		\$500.00
18. Total outstanding liabilities (Sch N - last statement submitted)		\$10.01
Outstanding Bills	\$10.01	
Outstanding Advances	\$0.00	
19. Total advanced amount (Sch X)		\$0.00
20. Net public fund payments from CFB		\$95,580.00
Total public funds payment	\$95,580.00	
Total public funds returned	\$0.00	
21. Total Valid Matchable Claims		\$18,005.00
22. Total Invalid Matchable Claims		\$865.00
23. Total Amount of Penalties Assessed		\$13,030.00
24. Total Amount of Penalty Payments		\$0.00
25. Total Amount of Penalties Withheld		\$0.00

Exhibit I
Friends of I. Daneek Miller
Unreported Transactions
 (see Finding #2b)

Unreported Debits

Payee	Check No. Transaction	Date	Amount	Notes
BillMatrix	Debit	07/24/13	\$ 52.00	
Unknown	8604	09/19/13	\$ 50.00	
H2O Wireless	Debit	11/04/13	\$ 50.00	
BKCD Processing	Debit	01/03/14	\$ 51.90	
ADP Payroll Fees	Debit	01/03/14	\$ 33.28	
Authnet Gateway Billing	Debit	01/03/14	\$ 20.00	
American Express Collection	Debit	01/03/14	\$ 7.95	
Total			\$ 265.13	

Unreported Credits

Payee/Description	Check No./ Transaction	Date	Amount	
Viverito 2013	Credit	11/05/13	\$ 325.00	(1)

Notes:

(1) Based on documentation obtained by the CFB, the Campaign received a contribution from the Viverito 2013 campaign on 11/05/13.

Exhibit II
Friends of I. Daneek Miller
Improper Post-Election Expenditures
(see Finding #4)

Name	Statement/ Schedule/ Transaction ID	Purpose Code	Invoice Date	Paid Date	Amount
Nationbuilder	16/F/R0001781	PROFL	01/02/14	01/03/14	\$19.00
ADP Payroll Fees	Unreported	N/A	N/A	01/03/14	\$33.28
BKCD Processing	Unreported	N/A	N/A	01/03/14	\$51.90
American Express Collection	Unreported	N/A	N/A	01/03/14	\$7.95
Authnet Gateway Billing	Unreported	N/A	N/A	01/03/14	\$20.00
Con Edison Co of NY	16/F/R0001783	OTHER	12/17/13	01/11/14	\$174.19
ADP Payroll Fees	Unreported	N/A	N/A	01/21/14	\$210.00
ADP EX/FINCL SVS	Unreported	N/A	N/A	01/27/14	\$55.12
ADP Payroll Fees	Unreported	N/A	N/A	01/31/14	\$33.28
Nationbuilder	Unreported	N/A	N/A	02/03/14	\$19.00
BKCD Processing	Unreported	N/A	N/A	02/04/14	\$51.90
Authnet Gateway Billing	Unreported	N/A	N/A	02/04/14	\$20.00
American Express Collection	Unreported	N/A	N/A	02/04/14	\$7.95
ADP Payroll Fees	Unreported	N/A	N/A	02/07/14	\$33.28
GoDaddy.com	Unreported	N/A	N/A	02/18/14	\$33.24
GoDaddy.com	Unreported	N/A	N/A	02/18/14	\$29.34
USPS	BOE Reporting	N/A	N/A	02/25/14	\$4.49
Nationbuilder	Unreported	N/A	N/A	03/03/14	\$19.00
BKCD Processing	Unreported	N/A	N/A	03/04/14	\$51.90
Authnet Gateway Billing	Unreported	N/A	N/A	03/04/14	\$20.00
American Express Collection	Unreported	N/A	N/A	03/04/14	\$7.95
USPS	Unreported	N/A	N/A	03/06/14	\$50.00
BKCD Processing	Unreported	N/A	N/A	03/06/14	\$51.90
Authnet Gateway Billing	Unreported	N/A	N/A	04/02/14	\$20.00
BKCD Processing	Unreported	N/A	N/A	04/02/14	\$51.90
Nationbuilder	Unreported	N/A	N/A	04/03/14	\$19.00
American Express Collection	Unreported	N/A	N/A	04/07/14	\$7.95

Exhibit II
Friends of I. Daneek Miller
Improper Post-Election Expenditures
(see Finding #4)

Name	Statement/ Schedule/ Transaction ID	Purpose Code	Invoice Date	Paid Date	Amount
Southeast Queens Press	BOE Reporting	N/A	N/A	04/30/14	\$225.00
BKCD Processing	Unreported	N/A	N/A	05/02/14	\$51.90
Authnet Gateway Billing	Unreported	N/A	N/A	05/02/14	\$20.00
Nationbuilder	Unreported	N/A	N/A	05/05/14	\$19.00
American Express Collection	Unreported	N/A	N/A	05/05/14	\$7.95
BKCD Processing	Unreported	N/A	N/A	06/03/14	\$51.90
Authnet Gateway Billing	Unreported	N/A	N/A	06/03/14	\$20.00
Nationbuilder	Unreported	N/A	N/A	06/03/14	\$14.63
American Express Collection	Unreported	N/A	N/A	06/03/14	\$7.95
BKCD Processing	Unreported	N/A	N/A	07/02/14	\$51.90
Authnet Gateway Billing	Unreported	N/A	N/A	07/02/14	\$20.00
Nationbuilder	Unreported	N/A	N/A	07/03/14	\$19.00
American Express Collection	Unreported	N/A	N/A	07/03/14	\$7.95
BKCD Processing	BOE Reporting	N/A	N/A	08/04/14	\$51.90
Authnet Gateway Billing	BOE Reporting	N/A	N/A	08/04/14	\$20.00
Nationbuilder	BOE Reporting	N/A	N/A	08/04/14	\$19.00
American Express Collection	BOE Reporting	N/A	N/A	08/04/14	\$7.95
BKCD Processing	BOE Reporting	N/A	N/A	09/03/14	\$51.90
Authnet Gateway Billing	BOE Reporting	N/A	N/A	09/03/14	\$20.00
Nationbuilder	BOE Reporting	N/A	N/A	09/03/14	\$19.00
American Express Collection	BOE Reporting	N/A	N/A	09/03/14	\$7.95
Nationbuilder	BOE Reporting	N/A	N/A	10/02/14	\$29.00
Discover Card	BOE Reporting	N/A	N/A	10/02/14	\$51.90
Authnet Gateway Billing	BOE Reporting	N/A	N/A	10/02/14	\$20.00
American Express Collection	BOE Reporting	N/A	N/A	10/03/14	\$7.95
Authnet Gateway Billing	BOE Reporting	N/A	N/A	11/04/14	\$20.00
American Express Collection	BOE Reporting	N/A	N/A	11/04/14	\$7.95

Exhibit II
Friends of I. Daneek Miller
Improper Post-Election Expenditures
(see Finding #4)

Name	Statement/ Schedule/ Transaction ID	Purpose Code	Invoice Date	Paid Date	Amount
Nationbuilder	BOE Reporting	N/A	N/A	11/04/14	\$29.00
Discover Card	BOE Reporting	N/A	N/A	11/04/14	\$51.90
Authnet Gateway Billing	BOE Reporting	N/A	N/A	12/02/14	\$20.00
Discover Card	BOE Reporting	N/A	N/A	12/02/14	\$51.90
Nationbuilder	BOE Reporting	N/A	N/A	12/03/14	\$29.00
American Express Collection	BOE Reporting	N/A	N/A	12/03/14	\$7.95
BKFEE	BOE Reporting	N/A	N/A	01/05/15	\$20.00
American Express Collection	BOE Reporting	N/A	N/A	01/05/15	\$7.95
Discover Card	BOE Reporting	N/A	N/A	01/05/15	\$51.90
Nationbuilder	BOE Reporting	N/A	N/A	01/05/15	\$29.00
Total					<u><u>\$2,253.80</u></u>

New York City Campaign Finance Board
 Campaign Finance Information System
 Exhibit III
 Friends of I.Daneek Miller
 Primary Election Expenditure Limit Calculation
 (see Finding #5)

Election: 2013
Candidate: Miller, I. Daneek (ID:1703-P)
Office: 5 (City Council)

	<u>2010-2012</u>	<u>2013</u>
Total Reported Primary Expenditures:	\$0.00	\$172,089.14
Less Claimed Exempt Expenditures:	(\$0.00)	(\$0.00)
Audit Adjustments:		
Expenditures: Unreported (See Exhibit IV)	\$0.00	\$102.00
General Elect Expenditures Attributable to Primary Election (See Exhibit V)	\$0.00	\$6,203.86
Primary Elect Expenditures Attributable to General Election (See Exhibit VI)	\$0.00	(\$1,600.00)
Expenditures: Duplicate (See Finding #2f)	\$0.00	(\$1,050.00)
Less Prior Year Expenditure Limits	(\$45,000.00)	
Prior Year Amounts Over the Limit	\$0.00	\$0.00
	Adjusted Expenditures	\$175,745.00
	Less Current Year Expenditure Limit	(\$168,000.00)
	Cumulative Amount Over the Limit	<u>\$7,745.00</u>

Exhibit IV
Friends of I. Daneek Miller
Unreported Expenditures Attributed to the Primary Election Limit
(see Finding #5a)

Payee	Check No. Transaction	Date	Amount
BillMatrix	Debit	07/24/13	\$ 52.00
Unknown	8604	09/19/13	\$ 50.00
Total			\$ 102.00

Exhibit V
Friends of Daneek Miller
General Election Expenditures Attributable to the Primary
(see Finding #5b)

Name	Statement/ Schedule/ Transaction ID	Purpose Code	Invoice Date	Paid Date	Amount
All Car Rent a Car	12/F/R0001510	OTHER	09/11/13	09/11/13	\$539.43
Georgia Reid-Daley	12/F/R0001469	WAGES	09/11/13	09/11/13	\$100.00
Marcy Avenue Island	16/F/R0001896	OTHER	09/12/13	09/12/13	\$10.01
Marcy Avenue Island	16/F/R0001895	OTHER	09/12/13	09/12/13	\$10.00
Mobil Gas	16/F/R0001892	OTHER	09/12/13	09/12/13	\$50.09
ADP	12/F/R0001494	WAGES	09/13/13	09/13/13	\$41.80
Williams, Diamellia	12/F/R0001482	ADVAN		09/15/13	\$36.31
Williams, Diamellia	12/F/R0001480	ADVAN		09/15/13	\$24.82
Williams, Diamellia	12/F/R0001481	ADVAN		09/15/13	\$2.16
Pride, Rodney	12/F/R0001514	CONSL	09/16/13	09/16/13	\$533.00
Williams, Diamellia	12/F/R0001341	CONSL	09/16/13	09/16/13	\$1,000.00
Williams, Diamellia	12/F/R0001342	CONSL	09/16/13	09/16/13	\$1,000.00
All Car Rent a Car	16/F/R0001955	OTHER	09/16/13	09/16/13	\$37.72
Pride, Rodney	13/F/R0001524	CONSL	09/16/13	09/30/13	\$1,467.00
Red Horse Strategies	14/F/R0001536	PROFL	09/12/13	10/03/13	\$500.00
Banks, Terrance	14/F/R0001556	ADVAN		10/09/13	\$166.41
Banks, Terrance	14/F/R0001557	ADVAN		10/09/13	\$125.08
Banks, Terrance	14/F/R0001558	ADVAN		10/09/13	\$119.86
Banks, Terrance	14/F/R0001555	ADVAN		10/09/13	\$77.08
Banks, Terrance	14/F/R0001559	ADVAN		10/09/13	\$21.73
Banks, Terrance	14/F/R0001554	ADVAN		10/09/13	\$20.00
Banks, Terrance	14/F/R0001560	ADVAN		10/09/13	\$15.40
Mason Tenders Dist Council	13/D/R0001522	PETIT	09/21/13		\$305.96
Total					<u>\$6,203.86</u>

Exhibit VI
Friends of I. Daneek Miller
Primary Election Expenditures Attributable to the General
(see Finding #5c)

Name	Statement/ Schedule/ Transaction ID	Purpose Code	Invoice Date	Paid Date	Amount
LTB, LLC	12/F/R0001355	RENTO	09/01/13	09/13/13	\$1,600.00
Total					<u>\$1,600.00</u>