



New York City Campaign Finance Board

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Via C-Access
July 21, 2015

James Sanon
Friends of Kirsten John Foy



Dear James Sanon:

Please find attached the New York City Campaign Finance Board's ("CFB" or "Board") Final Audit Report for the 2013 campaign of Kirsten J. Foy (the "Campaign"). CFB staff prepared the report based on a review of the Campaign's financial disclosure statements and documentation submitted by the Campaign.

This report incorporates the Board's final determination of June 11, 2015 (attached). The report concludes that the Campaign 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 \$1,725.

The full amount owed must be paid no later than **August 20, 2015**. Please send a check in the amount of \$1,725, payable to the "New York City Election Campaign Finance Fund," to: New York City Campaign Finance Board, 100 Church Street, 12th Floor, New York, NY 10007.

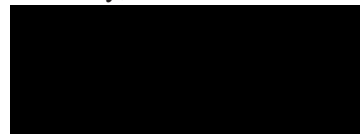
If the CFB is not in receipt of the full amount owed by **August 20, 2015**, the Candidate's name and the amount owed will be posted on the CFB's website. The CFB may also initiate a civil action to compel payment. In addition, the Candidate will not be eligible to receive public funds for any future 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,



Jonnathon Kline, CFE
Director of Auditing and Accounting
signature on original

c: Kirsten J. Foy


Friends of Kirsten John Foy


Attachments



EC2013 Final Audit Report

Friends of Kirsten John Foy

July 2015

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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 Kirsten John Foy (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, by the due dates, financial disclosure statements required by the Board (see Finding #3).
- The Campaign did not disclose payments made by its vendors to subcontractors (see Finding #4).

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 #5).
- The Campaign accepted a contribution from an unregistered political committee (see Finding #6).
- The Campaign did not provide intermediary affirmation statements for contributions received through intermediaries (see Finding #7).

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 expenditures that were not in furtherance of the Campaign (see Finding #8).

Other Findings

- The Campaign did not respond timely to the Initial Documentation Request (see Finding #9).

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: Kirsten J. Foy	Contribution Limit:
ID: 1535	\$2,750
Office Sought: City Council	
District: 36	Expenditure Limit:
	2010–2012: \$45,000
Committee Name: Friends of Kirsten John Foy	2013 Primary: \$168,000
Classification: Participant	2013 General: N/A
Certification Date: June 10, 2013	
	Public Funds:
Ballot Status: Primary	Received: \$92,390
Primary Election Date: September 10, 2013	Returned: \$0
Party: Democratic	Campaign Finance Summary:
	http://bit.ly/1rkJEQy

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 29, 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 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.

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 to contest the CFB staff recommendations. The Board's actions are summarized as a part of each Finding in the Audit Results section.

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 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 Litle & Co. (account unknown), was 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 bank 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's Response

In response to the Draft Audit Report dated September 12, 2014, the Campaign amended its Certification to disclose its ActBlue account ending in 3976, the payment gateway linked to its Litle & Co. merchant account. However, the Campaign failed to disclose Litle & Co. (account unknown), the actual merchant account.

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
Citibank	XXXXXX4743	Checking	Nov 21, 2012 – Apr 17, 2015
First Data	XXXXXX3882 ¹	Merchant	Jan 01, 2013 – Jun 30, 2013
First Data	XXXXXX4175	Merchant	Feb 01, 2013 – Nov 30, 2013

The Campaign reported duplicate transactions as listed below:

NAME	CHECK NO./ TRANSACTION	STATEMENT/ SCHEDULE/ TRANSACTION	PAID DATE	AMOUNT	DUPLICATE REPORTED AMOUNT
CitiBank	Debit	12/F/R0001142	09/09/13	\$12.00	
CitiBank	Debit	16/F/R0001255	09/09/13		\$12.00

Previously Provided Recommendation

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.

Campaign’s Response

This finding was identified as a result of the Campaign’s response to the Draft Audit Report dated September 12, 2014.

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.

3. Failure to File and Late Filings

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

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

STATEMENT #	DUE DATE	DATE FILED	# DAYS LATE
12	09/20/13	09/25/13	5
14	10/25/13	10/26/13	1

Previously Provided Recommendation

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

Campaign’s Response

The Campaign responded to the Draft Audit Report and stated, “Statement 12 documents were initially shared with the wrong email address. I had a typo on the email address [I] shared the documents with. I corrected the error when it was brought to my attention by my campaign liaison. Statement 14 I got the days confused so [I] submitted the report late.”

Board Action

The Board found the Campaign in violation and assessed \$300 in penalties.

4. Disclosure – Possible Subcontractors

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

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

PAYEE	AMOUNT PAID
Berlin Rosen	\$53,149.41

Previously Provided Recommendation

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

Campaign’s Response

In response to the Draft Audit Report dated September 12, 2015, the Campaign provided a completed Subcontractor Form for Berlin Rosen listing its subcontractors and indicating that more than \$5,000.00 worth of goods or services were subcontracted. The Campaign also provided a letter from the vendor stating that it would not disclose the subcontracted amounts.

Board Action

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

Contribution Findings

5. 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); Board Rules 1-04 (c)(1), (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 following instance:

CONTRIBUTIONS OVER THE DOING BUSINESS LIMIT REFUNDED LATE

NAME	STATEMENT/ SCHEDULE/ TRANSACTION	RECEIVED/ REFUNDED DATE	NOTICE/REFUND DUE DATE	AMOUNT	AMOUNT OVER THE LIMIT	FINDING
Russell, Royce	8/ABC/R0000558	05/11/13	05/29/13	\$1,000.00	\$750.00	
Russell, Royce	9/M/R0000776	06/26/13	06/24/13	(\$750.00)		2 days late

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.

The Campaign may refund the over-the-limit portions of this contribution, which may result in a reduced recommended penalty. The Campaign must issue contribution refunds 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 overage.

Campaign’s Response

The Campaign responded to the Draft Audit Report and stated, “I had no idea that Royce Russell was on the Doing Business [list] with the city database. I soon [*sic*] I was made aware of it I refunded the appropriate amount to Mr. Russell.”

Board Action

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

6. Prohibited Contributions – Unregistered Political Committees

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

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

The Campaign accepted a contribution from an unregistered political committee in the following instance:

CONTRIBUTIONS FROM UNREGISTERED POLITICAL COMMITTEES				
NAME	STATEMENT/ SCHEDULE/ TRANSACTION	PAID DATE	AMOUNT	NOTE
New York State Democratic Comm	8/F/R0000354	04/11/13	\$2,089.25	

Previously Provided Recommendation

The Campaign must address each prohibited contribution as follows:

- The Campaign must refund each prohibited contribution by bank or certified check, and provide the CFB with a copy of the refund check; or pay the Public Fund an amount equal to the contribution.

- The above finding may not be a violation if the Campaign can demonstrate that 1) the political committee is actually registered, or 2) the source of the contribution is actually a different and permissible type of entity, misreported as a political committee. If the Campaign maintains that accepting this contribution was not a violation, it may submit documentation (such as a copy of the contribution check or proof of the name or type of entity) showing that accepting the contribution was not a violation.
- If the prohibited contribution is an in-kind contribution that results from a transaction that did not clear the bank account, the Campaign may provide proof of payment (such as a copy of the front and back of the cancelled expenditure check and the associated bank statement showing that the payment was made). If the vendor was not paid for goods or services provided, the Campaign must issue a payment by bank or certified check, and provide the CFB with a copy of the check, or pay the Public Fund an amount equal to the amount of the expenditure.

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

Campaign's Response

The Campaign responded to the Draft Audit Report and stated, "This was not a contribution. [The] check was previously submitted but it was [not] cashed by the committee. I requested a second invoice so another payment can be sent. This was not the campaign intention for this to be a contribution." The Campaign did not issue a payment by bank or certified check or pay the Public Fund an amount equal to the amount of the expenditure at this point in time. In response to the Notice of Alleged Violations and Recommended Penalties dated April 10, 2015, the Campaign issued a bank check to the New York State Democratic Committee and disgorged the funds it owed.

Board Action

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

7. Intermediary Statements

Campaigns are required to report all contributions delivered or solicited by an intermediary. Intermediaries are people who solicit or deliver contributions to campaigns. *See* Admin. Code §§ 3-702(12), 3-703(6) and Rules 3-03(c)(1) and (7). Campaigns are required to provide a signed intermediary affirmation statement for each intermediary containing the intermediary's name, residential address, employer and business address, names of the contributors, the amounts contributed and specific affirmation statements. *See* Rule 4-01(b)(5).

The Campaign did not submit an intermediary affirmation statement for the following reported intermediary:

INTERMEDIARY	INTERMEDIARY ID
Hedge, James P.	2

Previously Provided Recommendation

The Campaign must provide the required intermediary statement. For a copy of the form, see the 2013 Forms section of the CFB’s website at

http://www.nyccfb.info/PDF/forms/intermediary_statement.pdf.

Campaign’s Response

In response to the Draft Audit Report, the Campaign stated it attempted to contact the intermediary, but did not include documentation of these attempts.

Board Action

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

Expenditure Findings

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 an expenditure listed below which—based on the reporting and documentation—is non-campaign related:

PAYEE	STATEMENT/ SCHEDULE/ TRANSACTION	PURPOSE CODE	INVOICE DATE	DATE PAID	AMOUNT
DV Toon Consulting	11/F/R0001027	CONSL	08/01/13	08/01/13	\$3,500.00

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, and where the service was provided; and how the service was necessary. The Campaign must review the questioned transaction. Expenditures that are not in furtherance of the Campaign may increase the amount of public funds that must be repaid.

Campaign’s Response

In response to the Draft Audit Report, the Campaign included an invoice for DV Toon Consulting stipulating duties such as community outreach, clergy coordination and body/special assistant to the Candidate. In addition, the invoice indicated that DeVes Toon was charged with setting up appointments with religious leaders in the district. However, the invoice did not include details of the services provided, such as a schedule of events or appointments set up and attended by DeVes Toon, demonstrating the expenditure was campaign-related.

Board Action

The Board found the Campaign in violation and assessed \$875 in penalties.

Other Findings**9. 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	# DAYS
Initial Documentation Request	02/24/14	02/25/14	1

Previously Provided Recommendation

For the CFB’s request 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’s response to the Draft Audit Report stated, “I had computer problems therefore I was not able to submit the documents on time.”

Board Action

The Board found the Campaign in violation and assessed \$50 in penalties.

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,



Jonnathon Kline, CFE

Director of Auditing and Accounting
signature on original

Date: July 21, 2015

Staff: Selene Muñoz

Hormis Thaliath

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

Candidate: Foy, Kirsten J (ID:1535-P)**Office:** 5 (City Council)**Election:** 2013

1. Opening cash balance (All committees)		\$0.00
2. Total itemized monetary contributions (Sch ABC)		\$72,448.91
3. Total unitemized monetary contributions		\$0.00
4. Total in-kind contributions (Sch D)		\$279.00
5. Total unitemized in-kind contributions		\$0.00
6. Total other receipts (Sch E - excluding CFB payments)		\$0.00
7. Total unitemized other receipts		\$0.00
8. Total itemized expenditures (Sch F)		\$163,004.41
Expenditure payments	\$162,895.50	
Advance repayments	\$108.91	
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)		\$422.10
17. Total receipts adjustment (Sch M - excluding CFB repayments)		\$975.00
18. Total outstanding liabilities (Sch N - last statement submitted)		\$8,439.72
Outstanding Bills	\$8,439.72	
Outstanding Advances	\$0.00	
19. Total advanced amount (Sch X)		\$0.00
20. Net public fund payments from CFB		\$92,390.00
Total public funds payment	\$92,390.00	
Total public funds returned	\$0.00	
21. Total Valid Matchable Claims		\$17,214.00
22. Total Invalid Matchable Claims		\$3,773.00
23. Total Amount of Penalties Assessed		\$1,725.00
24. Total Amount of Penalty Payments		\$0.00
25. Total Amount of Penalties Withheld		\$0.00