



**New York City Campaign Finance Board**

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Via C-Access  
October 14, 2016

Lenford Edie  
Friends for Lenford Edie  
4024 De Reimer Ave.  
Bronx, NY 10466

Dear Lenford Edie:

Please find attached the New York City Campaign Finance Board's ("CFB" or "Board") Final Audit Report for the 2013 campaign of Lenford Edie (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 February 11, 2016 (attached). The report concludes that the Campaign did not fully demonstrate compliance with the requirements of the Campaign Finance Act (the "Act") and Board Rules (the "Rules").

As detailed in the attached Final Board Determination, the Campaign was assessed penalties totaling \$1,900.

The full amount owed must be paid no later than **November 14, 2016**. Please send a check in the amount of \$1,900, 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 14, 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](mailto:AuditMail@nyccfb.info) with any questions about the enclosed report.

Sincerely,

A solid black rectangular box redacting the signature of Souda S. Chapman.

Signature on Original

Souda S. Chapman  
Director of Auditing and Accounting

c: Friends for Lenford Edie  
4024 De Reimer Avenue  
Bronx, NY 10466

Attachments



# **EC2013 Final Audit Report**

Friends for Lenford Edie

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 Lenford Edie (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).

### *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 a cash contribution greater than \$100 (see Finding #2).
- The Campaign did not disclose in-kind contributions received (see Finding #3).
- The Campaign did not report expenditures for basic campaign functions or activities, indicating that it received in-kind contributions (see Finding #4).

### *Expenditure Findings*

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

- The Campaign maintained a petty cash fund greater than \$500 (see Finding #5).

**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: Lenford Edie	Contribution Limit:
ID: 1773	\$2,750
Office Sought: City Council	
District: 12	Expenditure Limit:
	2010–2012: N/A
Committee Name: Friends for Lenford Edie	2013 Primary: \$168,000
Classification: Participant	2013 General: N/A
Certification Date: June 04, 2013	
	Public Funds:
Ballot Status: Primary	Received: \$0
Primary Election Date: September 10, 2013	Returned: N/A
Party: Democratic	Campaign Finance Summary:
	<a href="http://bit.ly/1yRYOPC">http://bit.ly/1yRYOPC</a>

## SCOPE AND METHODOLOGY

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

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

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

To verify that the Campaign accurately reported and documented all financial transactions, we requested all of the Campaign's bank statements and reconciled the financial activity on the bank statements to the financial activity reported on the Campaign's disclosure statements. We identified unreported, misreported, and duplicate disbursements, as well as reported disbursements that did not appear on the Campaign's bank statements. We also calculated debit and credit variances by comparing the total reported debits and credits to the total debits and credits amounts appearing on the bank statements. Because the Campaign reported that more than 10% of the dollar amount of its total contributions were in the form of cash contributions, we compared the total cash contributions reported to the total of cash deposits on itemized deposit slips.

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 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 given the opportunity to respond. The Campaign did not respond. CFB staff recommended that the Board determine that the Campaign committed violations subject to penalty. The Campaign did not 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
Bank of America	XXXXXX0382	Checking	May 2013 – Sept 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 did not report the following transactions that appear on its bank statements:

ACCOUNT #	NAME	CHECK NO./ TRANSACTION	PAID DATE	AMOUNT	NOTE
XXXXXX0382	Deposit Correct/Adj	Debit	06/12/13	\$50.00	
XXXXXX0382	Bank of America	Debit	01/02/14	\$18.00	
XXXXXX0382	Unknown	1024	02/10/14	\$150.23	(1)
<b>Total</b>				<b>\$218.23</b>	

(1) Initially, the Campaign reported an expenditure for \$150.23, paid for by check 1024, to Quill Corp Corporation on 09/02/13 but did not demonstrate that it cleared the Campaign’s bank account. In response to the Draft Audit Report, the Campaign deleted this transaction and documented that a transaction with identical details cleared its bank account.

b) The Campaign reported the following transactions that do not appear on its bank statements:

NAME	CHECK NO./ TRANSACTION	STATEMENT/ SCHEDULE/ TRANSACTION	PAID DATE	AMOUNT
Irons, Shirley	XXXX	16/F/R0000465	07/13/13	\$500.00
Irons, Shirley	XXXX	16/F/R0000468	07/20/13	\$500.00
Irons, Shirley	XXXX	16/F/R0000470	07/27/13	\$500.00
<b>Total</b>				<b>\$1,500.00</b>

c) The Campaign reported duplicate transactions as listed below:

NAME	CHECK NO./ TRANSACTION	STATEMENT/ SCHEDULE/ TRANSACTION	PAID DATE	AMOUNT	DUPLICATE REPORTED AMOUNT
Watt-Tyndale, Selva	1003	11/F/R0000256	08/17/13	\$22.85	-
Watt-Tyndale, Selva	1003	12/F/R0000362	08/17/13	-	\$22.85

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

RECEIPTS:

TOTAL REPORTED MONETARY RECEIPTS <sup>2</sup>	TOTAL CREDITS PER BANK STATEMENTS	DOLLAR VARIANCE	PERCENT VARIANCE	NOTE
\$9,454.00	\$7,394.00	\$2,060	21.79%	(1)

(1) This variance is due to a \$2,000 cash loan from Cynthia Roberts-Edie on 09/20/13 (Transaction ID 12/I/R0000430). An analysis comparing the timing of monetary receipts reported and credits on the bank statements show the \$2,000 cash loan was not deposited into the Campaign’s bank account. The Campaign must provide a petty cash journal detailing the expenses related to the \$2,000 cash loan (see also Finding #5).

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

<sup>2</sup> Total Reported Monetary Receipts includes monetary contributions, other receipts, public funds payments, transfers-in, loans, and expenditure refunds.

DISBURSEMENTS:

TOTAL REPORTED MONETARY DISBURSEMENTS <sup>3</sup>	TOTAL DEBITS PER BANK STATEMENTS	DOLLAR VARIANCE	PERCENT VARIANCE
\$8,895.59	\$7,590.98	\$1,304.61	14.67%

**Previously Provided Recommendation**

- a) The Campaign must amend its disclosure statements to report these transactions. The Campaign must also provide documentation for each transaction. Because bank statements provide limited information about a transaction, the Campaign should review invoices or other records to obtain all of the information necessary to properly report the transaction.
- b) For each transaction reported in the Campaign’s disclosure statements that does not appear on the Campaign’s bank statements, the Campaign must provide evidence to show that the transaction cleared the bank (i.e., a copy of the front and back of the check, and the bank statement showing the payment). Alternatively, the Campaign may provide evidence that the transaction was reported in error, or amend the Campaign’s disclosure statement to void the check. For each voided check, the Campaign must either issue a replacement check or forgive the expenditure payment. Any forgiven liabilities will be considered in-kind contributions, which could result in contribution limit violations, or be considered contributions from a prohibited source. The Campaign may need to contact the payee to determine why the transaction did not clear.
- c) 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.
- d) The Campaign must compare information reported on its financial disclosure statements to bank statements and supporting documentation for contributions and expenditures to identify and resolve the listed discrepancies. The Campaign may need to amend its disclosure statements and provide additional bank statements. The individual reporting errors and missing documentation identified in other parts of this finding are the source of some, or all, of the variance cited, and as a result, responses to other parts of this finding will likely affect the cited variance. In responding to other parts of the finding, the Campaign should evaluate whether its response also addresses the overall discrepancy noted above. *See* also Finding #5

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

<sup>3</sup> Total Reported Monetary Disbursements includes bill payments, transfers-out, loan repayments, returns of public funds, and contribution refunds.

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.<sup>4</sup>

### **Campaign Response**

- a) In response to the Draft Audit Report, the Campaign did not report these transactions. Additionally, the Campaign deleted one previously reported transaction for \$150.23, which it demonstrated it paid from the Campaign account.
- b) In response to the Draft Audit Report, the Campaign deleted an expenditure for \$150.23, paid for by check 1024 (see Finding a) above). Additionally, the Campaign amended its disclosure statements to add three payments to Shirely Jones but did not provide documentation to demonstrate that they cleared the Campaign's bank account.
- c) In response to the Draft Audit Report, the Campaign did not delete the duplicate transaction.
- d) In response to the Draft Audit Report, the Campaign amended its reporting, however it did not eliminate the reporting variances. The Campaign did not respond to the Notice of Alleged Violations and Recommended Penalties.

### **Board Action**

- a - c) The Board has taken no further action other than to make this a part of the Candidates record with the Board.
- d) The Board found the Campaign in violation and has assessed \$750 in penalties.

### ***Contribution Findings***

## **2. Prohibited Contributions – Cash Contributions Greater Than \$100**

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

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

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

NAME	STATEMENT/ SCHEDULE/ TRANSACTION	RECEIVED/ REFUNDED DATE	AMOUNT	AMOUNT OVER-THE- CASH-LIMIT
Roberts, Cynthia	10/ABC/R0000140	07/22/13	\$20.00	\$0.00
Roberts-Edie, Cynthia R	12/ABC/R0000332	08/29/13	\$20.00	\$0.00
Roberts-Edie, Cynthia R	16/ABC/R0000440	09/20/13	\$2,000.00	<b>\$1,940.00</b>

See also Findings #1 d) and #5.

### Previously Provided Recommendation

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

### Campaign Response

In response to the Draft Audit Report, the Campaign stated that Cynthia Roberts-Edie made a cash loan in April 2013, which she forgave in September 2013. However, since the lender forgave the loan, the entire amount is a contribution to the Campaign.

### Board Action

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

## 3. 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).

During the CFB site visit on September 2, 2013, the Campaign stated that the individuals listed below worked for the Campaign. In a letter dated September 9, 2013, the CFB instructed the Campaign to amend its disclosure statements to report the expenditures and requested contracts and/or timesheets for these individuals. The Campaign did not report any expenditures or outstanding liabilities to these individuals. The Campaign also did not provide the requested documentation. As a result, the Campaign’s reporting and documentation indicate that a third party paid for these expenditures, or that these individuals provided the services for free.

NAME	TITLE	STATEMENT/ SCHEDULE/ TRANSACTION	AMOUNT
Irons, Shirley	Campaign Manager	Unreported	Unknown
James, Marcia	Secretary	Unreported	Unknown
Hickson, Nadine	Consultant	Unreported	Unknown
Ura, Michelle	Consultant	Unreported	Unknown
Watt-Tyndae, Selva	Treasurer	Unreported	Unknown

**Previously Provided Recommendation**

For each transaction, 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.

## **Campaign Response**

In response to the Draft Audit Report, the Campaign submitted signed statements from the Candidate that each individual, excepting Shirley Irons, worked as a volunteer for the Campaign. The Campaign did not provide any evidence from the individuals confirming that each worked as a volunteer and did not receive restitution from any party. Regarding Ms. Irons, the Campaign submitted a signed statement from the Candidate that the Campaign paid her \$500; however, none of those reported payments cleared the Campaign's bank account (see Finding #1 b)). The Campaign did not respond to the Notice of Alleged Violations and Recommended Penalties.

## **Board Action**

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

## **4. Failing to Report and Document Basic Campaign Functions/Activities**

In-kind contributions are goods or services provided to a campaign for free, paid for by a third party, or provided at a discount not available to others. An in-kind contribution is both a contribution and expenditure subject to both the contribution and expenditure limits. *See* Admin. Code § 3-702(8); Rules 1-02 and 1-04(g). Volunteer services are not in-kind contributions. *See* Admin. Code § 3-702(8); Rule 1-02.

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 with documentation demonstrating the fair market value of each in-kind contribution. *See* Admin. Code §§ 3-703(1)(d), (g); Rules 1-04(g)(2) and 4-01(c).

The Campaign did not report expenditures with the following purpose codes: petitioning. Past election cycles have proven that active campaigns for elected office engage in certain basic activities, and as a result, they generally incur expenditures described using the purpose codes above. The absence of such expenditures in the Campaign's reporting indicates that these goods or services may have been provided free of charge or paid for by a third party.

## **Previously Provided Recommendation**

The Campaign must explain why it did not incur any expenses reported with the following purpose code: petitioning.

If the Campaign reported the cost of these goods and services as part of another expenditure or with a different or incorrect purpose code, provide an explanation, including the transaction IDs for the expenditures and documentation demonstrating payment.



If goods or services used for this purpose were provided to the Campaign free of charge, amend the Campaign’s disclosure statements to report the amount of each as in-kind contributions and provide documentation to demonstrate the value of the in-kind contributions.

If volunteers provided services such as petitioning, or the Campaign performed printing itself, the Campaign must provide an explanation and supporting documentation describing who performed the work, when it was performed, and note the transaction IDs for the purchase of any necessary supplies.

**Campaign Response**

In response to the Draft Audit Report, the Campaign did not explain why it did not incur any petitioning expenses. The Campaign did not respond to the Notice of Alleged Violations and Recommended Penalties.

**Board Action**

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

*Expenditure Findings*

**5. Petty Cash Exceeding \$500**

Campaigns are prohibited from maintaining a petty cash fund greater than \$500. *See* Rule 4-01(e)(2). Campaigns are also prohibited from spending amounts greater than \$100 except by checks from a bank account reported to the CFB and signed by the Campaign’s authorized signatory. *See* Rule 1-08(i).

The Campaign received a contribution listed below which resulted in a petty cash fund exceeding the \$500 limit.

NAME	STATEMENT/ SCHEDULE/ TRANSACTION	DATE	AMOUNT	NOTE
Roberts-Edie, Cynthia R	12/I/R0000430	04/10/13	\$2,000.00	(1)

(1) A review of the Campaign’s bank statements and reported receipts does not show a deposit of this \$2,000 cash loan into the Campaign’s account (see Finding #1 d)). As a result, the Campaign’s petty cash fund exceeded the \$500 limit.

### **Previously Provided Recommendation**

The Campaign must explain why the transactions do not constitute a violation of the Rules and must provide supporting documentation showing that forgiven loan was deposited into the bank account. The Campaign must also provide a copy of its petty cash disbursement records, which may include its Petty Cash Journal from C-SMART. *See* also Findings #1 d) and #3.

### **Campaign Response**

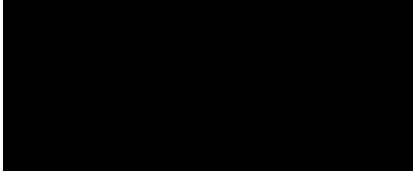
In response to the Draft Audit Report, the Campaign provided a notarized letter from the Candidate, which agreed that the Campaign received the full amount of the loan, more than \$100, in cash from Cynthia Roberts-Edie. The Campaign did not respond to the Notice of Alleged Violations and Recommended Penalties.

### **Board Action**

The Board found the Campaign in violation and has assessed \$150 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,



Signature on Original

Sauda S. Chapman

Director of Auditing and Accounting

Date: October 14, 2016

Staff: Melody Lee

Michael Iacono

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

**Candidate:** Edie, Lenford (ID:1773-P)**Office:** 5 (City Council)**Election:** 2013

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1. Opening cash balance (All committees)		\$0.00
2. Total itemized monetary contributions (Sch ABC)		\$9,454.00
3. Total unitemized monetary contributions		\$0.00
4. Total in-kind contributions (Sch D)		\$605.99
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)		\$8,865.59
Expenditure payments	\$8,842.74	
Advance repayments	\$22.85	
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)		\$2,000.00
13. Total loan repayments (Sch J)		\$0.00
14. Total loans forgiven (Sch K)		\$2,000.00
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)		\$30.00
18. Total outstanding liabilities (Sch N - last statement submitted)		\$150.23
Outstanding Bills	\$150.23	
Outstanding Advances	\$0.00	
19. Total advanced amount (Sch X)		\$0.00
20. Net public fund payments from CFB		\$0.00
Total public funds payment	\$0.00	
Total public funds returned	\$0.00	
21. Total Valid Matchable Claims		\$5,579.00
22. Total Invalid Matchable Claims		\$1,280.00
23. Total Amount of Penalties Assessed		\$1,900.00
24. Total Amount of Penalty Payments		\$0.00
25. Total Amount of Penalties Withheld		\$0.00