



New York City Campaign Finance Board

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Via C-Access
October 18, 2016

Jack A. DeSantis
Lou Liedy for BP
81 Radcliffe Drive
Lincroft, NJ 07738

Dear Jack DeSantis:

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

This report incorporates the Board's final determination of April 14, 2016 (attached). The report concludes that the Campaign demonstrated substantial compliance with the Campaign Finance Act (the "Act") and the Board Rules (the "Rules"), with exceptions as detailed in the report.

As detailed in the attached Final Board Determination, the Campaign must repay the qualified expenditure deficit of \$5,603.

The full amount owed must be paid no later than **November 17, 2016**. Please send a check in the amount of \$5,603, 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.

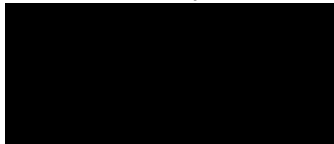
The Campaign may challenge a public funds determination in a petition for Board reconsideration within thirty days of the date of the Final Audit Report as set forth in Board Rule 5-02(a). However, the Board will not consider the petition unless the Campaign submits new information

and/or documentation and shows good cause for its previous failure to provide this information or documentation. To submit a petition, please call the Legal Unit at 212-409-1800.

The January 15, 2014 disclosure statement (#16) was the last disclosure statement the Campaign was required to file with the CFB for the 2013 elections. The Campaign is required to maintain its records for six years after the election, and the CFB may require the Campaign to demonstrate ongoing compliance. *See* Rules 3-02(b)(3), 4-01(a), and 4-03. In addition, please contact the New York State Board of Elections for information concerning its filing requirements.

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

Sincerely,



Signature on original

Sauda S. Chapman
Director of Auditing and Accounting

c: Louis L. Liedy, Jr.



Lou Liedy for BP
81 Radcliffe Drive
Lincroft, NJ 07738

Attachments



EC2013 Final Audit Report

Lou Liedy for BP

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 Louis L. Liedy, Jr. (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 file the required daily disclosure statements during the two weeks preceding the 2013 general election (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 contribution from an unregistered political committee (see Finding #2).
- The Campaign did not disclose in-kind contributions received (see Finding #3).

Public Matching Funds Findings

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

- The Campaign did not document qualified expenditures equal to the amount of public funds it received (see Finding #4).
- The Campaign is required to return its final bank balance (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: Louis L. Liedy, Jr.	Contribution Limit:
ID: 1792	\$3,850
Office Sought: Borough President	
Borough: Staten Island	Expenditure Limit:
	2010–2012: N/A
Committee Name: Lou Liedy for BP	2013 Primary: N/A
Classification: Participant	2013 General: \$1,446,000
Certification Date: June 10, 2013	
	Public Funds:
Ballot Status: General	Received: \$66,870
General Election Date: November 5, 2013	Returned: \$0
Party: Democratic, Working Families	
	Campaign Finance Summary:
	http://bit.ly/1yS2AIQ

SCOPE AND METHODOLOGY

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

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

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

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

As part of our reconciliation of reported activity to the bank statements the Campaign provided, we determined whether the Campaign properly disclosed all bank accounts. We also determined if the Campaign filed disclosure statements timely and reported required activity daily during the two weeks before the election. Finally, we reviewed the Campaign's reporting to ensure it disclosed required information related to contribution and expenditure transactions, such as intermediaries and subcontractors.

To determine if the Campaign adhered to contribution limits and prohibitions, we conducted a comprehensive review of the financial transactions reported in the Campaign's disclosure statements. Based on the Campaign's reported contributions, we assessed the total amount

contributed by any one source and determined if it exceeded the applicable limit. We also determined if any of the contribution sources were prohibited. We reviewed literature and other documentation to determine if the Campaign accounted for joint activity with other campaigns.

To ensure that the Campaign disbursed funds in accordance with the Act and Rules, we reviewed the Campaign's reported expenditures and obtained documentation to assess whether funds were spent in furtherance of the Candidate's nomination or election. We also reviewed information from the New York State Board of Elections and the Federal Election Commission to determine if the Candidate had other political committees active during the 2013 election cycle. We determined if the Campaign properly disclosed these committees, and considered all relevant expenditures made by such committees in the assessment of the Campaign's total expenditures.

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

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

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

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

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

also publishes and provides to all campaigns guidance regarding best practices for internal controls.

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

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

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

The Campaign was provided with a preliminary draft of this audit report and was asked to provide a response to the findings. The Campaign responded, and the CFB evaluated any additional documentation provided and/or amendments to reporting made by the Campaign in response. The Campaign was subsequently informed of its alleged violations and obligation to repay public funds, and was given the opportunity to respond. The Campaign responded and the CFB evaluated any additional information provided by the Campaign. After reviewing the Campaign's response(s), CFB staff established that the total recommended penalties for the Campaign's alleged violations did not exceed \$500, and as a result the staff withdrew its recommendation of enforcement action to the Board. 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. Daily Pre-Election Disclosure – Statements of 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 disclosure to report the following transaction:

EXPENDITURE(S):

NAME	STATEMENT/ SCHEDULE/ TRANSACTION	DATE INCURRED	AMOUNT	NOTE
Branford Communications, Inc.	15/F/R0000407	11/01/13	\$3,601.08	(1)

(1) The Campaign filed a daily disclosure statement on November 1, 2013, disclosing \$26,334.76 in expenditures to Branford Communications. However, the daily disclosure statement did not include this transaction, which incurred on the same day.

Previously Provided Recommendation

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

Campaign’s Response

In response to the Draft Audit Report, the Campaign stated, “the Committee did not enter the transaction in C-SMART until the expenditure was paid on November 12, 2013.” The Committee acknowledged and apologized for its failure to include the above mentioned transaction.

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

2. 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.

NAME	RECEIVED DATE	AMOUNT	NOTE
Staten Island Democratic Party	Jun 2013 through Nov 2013	Unknown	(1)

(1) In response to the Notice of Alleged Violations and Recommended Penalties, the Campaign provided a signed notarized letter from Michael Arvanites, a Campaign Consultant, stating that he handled “every aspect of the day-to-day operation of the campaign.” He stated that he worked part-time “at Liedy for Borough President Head Quarters located at 35 New Dorp Plaza North.” The Campaign did not disclose a campaign office at this address to the CFB, nor did it report rent expenditures or an in-kind contribution of office space. *See* also Finding #3.

Previously Provided Recommendation

This finding was identified as a result of the Campaign’s response to the Notice of Alleged Violation and Recommended Penalties.

Campaign’s Response

This finding was identified as a result of the Campaign’s response to the Notice of Alleged Violation and Recommended Penalties.

Board Action

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

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).

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

DESCRIPTION OF ITEM	EXHIBIT #	NOTE
Use of office space	I	(1)

(1) In response to the Notice of Alleged Violations and Recommended Penalties, the Campaign provided a signed notarized letter from Michael Arvanites, a Campaign Consultant, stating that he handled “every aspect of the day-to-day operation of the campaign.” He stated that he worked part-time “at Liedy for Borough President Head Quarters located at 35 New Dorp Plaza North.” The Campaign did not disclose a campaign office at this address to the CFB, nor did it report rent expenditures or an in-kind contribution of office space. *See* also Finding #2. *See* also Finding #2.

Previously Provided Recommendation

This finding was identified as a result of the Campaign's response to the Notice of Alleged Violation and Recommended Penalties.

Campaign's Response

This finding was identified as a result of the Campaign's response to the Notice of Alleged Violation and Recommended Penalties.

Board Action

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

Public Matching Funds Findings

4. Qualified Expenditure Documentation

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

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

The Rules provide guidance for situations where contemporaneous records are either missing or incomplete. *See* Rule 4-01(a). First, a campaign must attempt to obtain a duplicate or more complete record from the vendor. If that is not possible, a campaign may modify an existing record or create a new record which must clearly identify the record as modified or recreated. In addition, any modified or recreated record must be accompanied by a notarized statement explaining the reason for and circumstances surrounding the record. The statement must be from a campaign representative who has firsthand knowledge of the recreated document and must

explain why the original document is not available or insufficient. Upon review of the non-contemporaneous record and statement, the CFB may still find the records are not sufficient to adequately document the transaction.

The Campaign received \$66,870.00 in public funds for the 2013 elections. Previously, CFB staff requested documentation to demonstrate that public funds were used for qualified expenditures. Based on all the records submitted, the Campaign has provided sufficient documentation for \$61,266.27 in qualified expenditures. Qualified expenditures are marked with a “Q” on Qualified Expenditure Sample (included in the Draft Audit Report). For all other listed expenditures, the Campaign either:

- did not provide all of the necessary documentation to show the expenditure is qualified,
- provided documentation that requires further clarification, or
- provided documentation that shows the expenditure is not qualified.

If the Campaign does not document an additional \$5,603.73 as qualified, the Campaign must repay this amount to the Public Fund.

Previously Provided Recommendation

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

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

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

Campaign's Response

In response to the Draft Audit Report and Notice of Alleged Violations and Recommended Penalties, the Campaign submitted additional documentation and explanations to reduce the qualified expenditure deficit to \$5,603.73. Based on all the records submitted, the Campaign has provided sufficient documentation for \$61,266.27 in qualified expenditures. Therefore, it has a deficit of \$5,603.73.

Board Action

The Board determined that the Campaign must repay \$5,603.73 to the Public Fund (\$66,870.00 in public funds received less \$61,266.27 in documented qualified expenditures.) The Committee and Candidate are jointly and severally responsible for repaying \$5,603.73 in public funds.

5. 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 \$3,892 according to the Campaign's March 31, 2016 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 \$3,892 to the Public Fund as its final bank balance. However, based on other reviews, the Campaign has an additional repayment obligation. *See* Finding #4.

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. The Campaign may reduce the amount it must return to the Public Fund by proving that outstanding loans or outstanding liabilities timely reported on Statement 16 and not previously documented are still outstanding.

Campaign's Response

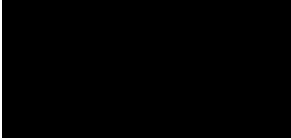
In response to the Draft Audit Report and Post-Election Repayment Notice, the Campaign provided additional bank statements for its checking account ending in 3056. The March 31, 2016 bank balance is \$3,892.

Board Action

The Board determined that the Campaign must repay at least \$3,892 to the Public Fund as its final bank balance. However, based on other reviews, the Campaign has an additional repayment obligation. *See Finding #4.*

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 18, 2016

Staff: Selene Muñoz

Nailaja Mingo

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

Candidate: Liedy Jr, Louis L (ID:1792-P)**Office:** 4 (Boro President)**Election:** 2013

1. Opening cash balance (All committees)		\$0.00
2. Total itemized monetary contributions (Sch ABC)		\$14,680.00
3. Total unitemized monetary contributions		\$0.00
4. Total in-kind contributions (Sch D)		\$0.00
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)		\$65,282.93
Expenditure payments	\$65,282.93	
Advance repayments	\$0.00	
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)		\$0.00
18. Total outstanding liabilities (Sch N - last statement submitted)		\$0.00
Outstanding Bills	\$0.00	
Outstanding Advances	\$0.00	
19. Total advanced amount (Sch X)		\$0.00
20. Net public fund payments from CFB		\$66,870.00
Total public funds payment	\$66,870.00	
Total public funds returned	\$0.00	
21. Total Valid Matchable Claims		\$11,420.00
22. Total Invalid Matchable Claims		\$220.00
23. Total Amount of Penalties Assessed		N/A
24. Total Amount of Penalty Payments		\$0.00
25. Total Amount of Penalties Withheld		\$0.00

Exhibit I
Lou Liedy for BP
Unreported In-kind Contributions
(see Finding #3)

Michael Arvanites



Campaign Finance Board
100 Church Street, 12th floor
New York, NY 10007

My name is Michael Arvanites, Deputy Campaign Manager for "Liedy for Borough President." My understanding is that my salary, reimbursement and get out the vote funding is under scrutiny for the 2013 campaign.

My hope was this statement could clarify my duties and responsibilities for the campaign and my compensation for those duties preformed.

In my capacity for the campaign, starting the day of Mr. Liedy's announcement for Borough President, every aspect of the day-to-day operation of the campaign was handled by me. I operated in a part time capacity for Mr. Liedy while also serving as State Senator Diane Savino's Deputy Chief of Staff, from June 3rd 2013 until September 1st 2013. Then again part time from September 12th through October 15th. I spent approximately 4 hours every weekday (Monday-Friday) and 4-6 hours every weekend day (Saturday and Sunday) from petitioning season (June) through Election Day (November) (with the exception of a brief hiatus working for the Mendy Mirocznik for Council campaign) at Liedy for Borough President Head Quarters located at 35 New Dorp Plaza North and/or driving/staffing the candidate.

I prepped/drove/staffed Mr. Liedy at literally hundreds of events, a rally, editorial boards, door-to-door canvassing, door-to-door petitioning, literature drops, leafletting at the Staten Island Ferry terminal, for which I also obtained the permitting, Staten Island Rapid Transit station leafletting, Express Bus stop leafletting, Community Board and civic association meetings, candidate forums and press conferences, on both nights and weekends.

Additionally, I setup and staffed fundraisers, researched and drafted more than 30 press releases, set up and took photos at those press conferences, interfaced with the local media, obtained and advised on rate card purchases for media campaigns I helped create front page stickers on the Staten Island Advance, online ads on SILIVE.com, created a website, Facebook page, other social media and maintained them throughout the course of the campaign. I set up and managed the petitioning, signage, fundraisers, phone banks, a rally, etc.

Moreover, I worked in the same capacity full time from October 15th until two days after Election Day (November 7th) accomplishing similar tasks. I also broke down and disabled the campaign, removing law signs, making social media inactive and cleaning up.

Finally, I have been a paid political strategist since 1999. In the past, in my dealings with Campaign Finance Board-administered campaigns, I have served as Campaign Manager or

Deputy Campaign Manager to John Luisi for Borough President (2009), Michael McMahon for City Council (2001, 2003 and 2005), and Emmanuel Inammorato for City Council (2007). I have never had any problems with fee for service, nor reimbursement.

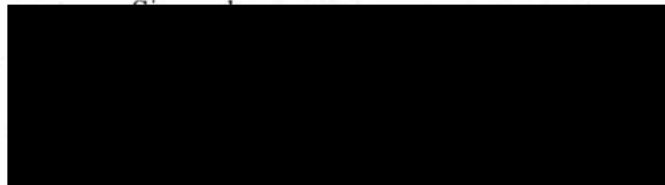
Further, I was retained by the candidate, Lou Liedy in consultation with the campaign treasurer, Jack DeSantis, and the fee and payment structure to be paid to me by the campaign was determined by my prior fee structures (on record). For City Council campaigns (including the contemporaneous Mendy Mirocznik campaign), my fee structure is \$2,000 for a campaign. For a larger campaign of this size, for Borough President, Mr. DeSantis, Mr. Liedy and I came to the conclusion that a fair rate would be \$6,000 for my full-time work on this larger, more time-consuming campaign (October and November) and \$1,500 for my part-time work from the announcement (May 23rd through September 2013).

During the part-time work (May – September), I worked approximately 4 hours per day Monday through Friday, and 4-6 hours (at a minimum) on Saturdays and Sundays (working 7 days per week).

During the full-time work (October and November), in preparation for and conducting Get Out the Vote operations, I spent 90+ hours per week working at the campaign headquarters and staffing the candidate. This differential in time reflects the appropriate pay change between the first portion of the campaign (part time) and the second (full time).

I hope this satisfies this inquiry, should you require additional information regarding this or any other election please feel free to reach out to me. Thank you for taking the time to review this matter. I look forward to its swift resolution.

Signature on original



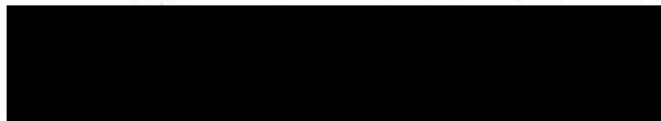
STATE OF NEW YORK)

SS.:

COUNTY OF NEW YORK)

On this 29th day of June, 2015, before me personally came Michael Arvanites, to me known and known to me to be the person described in and who executed the foregoing instrument and he/she acknowledged to me that he/she executed the same.

Signature on original



DEBORAH J. BOBB
NOTARY PUBLIC, State of New York
No. 02BO4955367
Qualified in Queens County
Commission Expires Aug. 28, 2017