



**New York City Campaign Finance Board**

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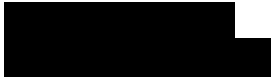
Amy M. Loprest  
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Via C-Access

June 16, 2015

Yee S. Shau  
Margaret Chin 2013



Dear Yee Shau:

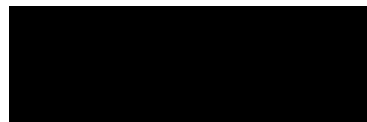
Please find attached the New York City Campaign Finance Board's ("CFB" or "Board") Final Audit Report for the 2013 campaign of Margaret Chin (the "Campaign"). CFB staff prepared the report based on a review of the Campaign's financial disclosure statements and documentation submitted by the Campaign.

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.

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](mailto:AuditMail@nyccfb.info) with any questions about the enclosed report.

Sincerely,



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

c: Margaret Chin

[REDACTED]

Margaret Chin 2013

[REDACTED]

Attachments



# **EC2013 Final Audit Report**

Margaret Chin 2013

June 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 Margaret Chin (the “Campaign”) indicate findings of non-compliance with the Campaign Finance Act (the “Act”) and Board Rules (the “Rules”) as detailed below:

### ***Disclosure Findings***

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

- The Campaign did not report or inaccurately reported financial transactions to the Board (see Finding #1).
- The Campaign did not file, by the due date, the required daily disclosure statements during the two weeks preceding the 2013 primary election (see Finding #2).
- The Campaign did not disclose payments made by a vendor to subcontractors (see Finding #3).

### ***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 did not disclose an in-kind contribution received (see Finding #4).
- The Campaign did not provide requested documentation related to reported receipts (see Finding #5).

### ***Expenditure Findings***

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

- The Campaign did not report personal contributions to non-candidate political committees made by the candidate that are attributable to the Campaign (see Finding #6).

- The Campaign did not properly report and/or document its joint expenditures (see Finding #7).
- The Campaign made a post-election expenditure that is not permissible (see Finding #8).
- The Campaign did not provide documentation related to a reported expenditure (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: Margaret Chin	Contribution Limit:
ID: 98	\$2,750
Office Sought: City Council	
District: 01	Expenditure Limit:
	2010–2012: \$45,000
Committee Name: Margaret Chin 2013	2013 Primary: \$168,000
Classification: Participant	2013 General: \$168,000
Certification Date: June 6, 2013	
	Public Funds:
Ballot Status: Primary, General	Received: \$92,400
Primary Election Date: September 10, 2013	Returned: \$1,367
General Election Date: November 5, 2013	
Party: Democratic, Working Families	Campaign Finance Summary:
	<a href="http://bit.ly/1k8BB8S">http://bit.ly/1k8BB8S</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 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 17, 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 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.

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 amendments to reporting made by the Campaign in response. After reviewing the Campaign's response, CFB staff determined that the total recommended penalties for the Campaign's violations did not exceed \$500, and as a result the staff did not recommend enforcement action to the Board. The Board's actions are summarized as part of each Finding in the Audit Results section.

## AUDIT RESULTS

### *Disclosure Findings*

#### 1. Financial Disclosure Reporting - Discrepancies

Campaigns are required to report every disbursement made, and every contribution, loan, and other receipt received. *See* Admin. Code § 3-703(6); Rule 3-03. In addition, campaigns are required to deposit all receipts into an account listed on the candidate's Certification. *See* Admin. Code § 3-703(10); Rule 2-06(a). Campaigns are also required to provide the CFB with bank records, including periodic bank statements and deposit slips. *See* Admin. Code §§ 3-703(1)(d), (g); Rules 4-01(a), (b)(1), (f).

The Campaign provided the following bank statements:

BANK	ACCOUNT #	ACCOUNT TYPE	STATEMENT PERIOD
TD Bank	XXXXX6620	Checking	May 2012 – Sep 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.

The Campaign reported duplicate transactions as listed below:

NAME	CHECK NO./ TRANSACTION	STATEMENT/ SCHEDULE/ TRANSACTION	PAID DATE	AMOUNT	DUPLICATE REPORTED AMOUNT
Guan, Zi Yuan	1115	16/F/R0004261	10/26/13	\$80.00	
Guan, Zi Yuan	1115	16/F/R0004264	10/26/13		\$80.00

#### Previously Provided Recommendation

This finding was identified as a result of the Campaign's response to the Draft Audit Report dated September 4, 2014.

## Campaign's Response

This finding was identified as a result of the Campaign's response to the Draft Audit Report dated September 4, 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.

## 2. Daily Pre-Election Disclosure – Statements of Contributions/Expenditures

During the 14 days preceding an election, if a candidate: (1) accepts a loan, contribution, or contributions from a single source in excess of \$1,000; or (2) makes aggregate expenditures to a single vendor in excess of \$20,000, the candidate shall report such contributions, loans, and expenditures to the Board in a disclosure, received by the Board within 24 hours of the reportable transaction. *See* Rule 3-02(e). This includes additional payments of any amount to vendors who have received aggregate payments in excess of \$20,000 during the 14-day pre-election period. These contributions and expenditures must also be reported in the Campaign's next disclosure statement.

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

NAME	EXPENDITURES:			NOTE
	STATEMENT/ SCHEDULE/ TRANSACTION	DATE INCURRED	AMOUNT	
Mercury Public Affairs, LLC.	12/F/R0004066	08/29/13	\$10,149.00	(1)
Mercury Public Affairs, LLC.	12/F/R0004087	09/01/13	\$2,500.00	(1)
Mercury Public Affairs, LLC.	12/F/R0004089	09/03/13	\$10,269.17	(1),(2)

(1) The disclosure was filed one day late.

(2) With this expenditure, the Campaign incurred greater than \$20,000 in aggregate expenditures to this vendor, and was therefore required to disclose all expenditures made to this vendor within the 14 days preceding the election.

## Previously Provided Recommendation

If the Campaign believes it filed the required daily disclosure 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 timely file the daily disclosure is not a violation.

### Campaign's Response

In response to the Draft Audit Report, the Campaign stated that on September 4, 2013 the Campaign Manager gave invoices dated September 1, 2013, and September 3, 2013, to the Treasurer. The Campaign reported the expenditures the following day, September 5, 2013. The Campaign's response is inadequate because the Campaign should have reported the expenditures within 24 hours of the date the expenditure was incurred.

### 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. 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
Mercury Public Affairs, LLC.	\$126,840.39

### 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](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, the Campaign provided a Subcontractor Disclosure Form from Mercury Public Affairs that indicated that more than \$5,000 worth of goods or services were subcontracted and listed "Harty Press/Harty Integrated Solutions" and QuallsBenson as subcontractors. However, the Campaign did not report the subcontractors. Further, the vendor did not disclose the amount subcontracted, and wrote, "MPA proprietary information."

## **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***

### **4. Undocumented or Unreported In-Kind Contributions**

In-kind contributions are goods or services provided to a campaign for free, paid by a third party, or provided at a discount not available to others. The amount of the in-kind contribution is the difference between the fair market value of the goods or services and the amount the Campaign paid. Liabilities for goods and services for the Campaign which are forgiven, in whole or part, are also in-kind contributions. In addition, liabilities for goods and services outstanding beyond 90 days are in-kind contributions unless the vendor has made commercially reasonable attempts to collect. An in-kind contribution is both a contribution and expenditure subject to both the contribution and expenditure limits. Volunteer services are not in-kind contributions. In-kind contributions are subject to contribution source restrictions. *See* Admin. Code § 3-702(8); Rules 1-02 and 1-04(g). Campaigns may not accept contributions from any corporation, partnership, limited liability partnership (LLP), or limited liability company (LLC). *See* Admin. Code § 3-703(1)(l).

Campaigns are required to report all in-kind contributions they receive. *See* Admin. Code § 3-703(6); Rule 3-03. In addition, campaigns are required to maintain and provide the CFB documentation demonstrating the fair market value of each in-kind contribution. *See* Admin. Code §§ 3-703(1)(d), (g); Rules 1-04(g)(2) and 4-01(c).

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 expenditures.

DESCRIPTION OF ITEM	EXHIBIT #	NOTE
Street Vendor Power, Inc. Poster	I	(1)

(1) This may also be a prohibited corporate contribution. *See* Admin. Code §§ 3-703(1)(1), 3-719(2)(b); Rule 1-04(e). If the contributor is incorporated, the Campaign must refund the contributor the full amount of the in-kind contribution.

### **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's Response**

The Campaign provided an invoice for the amount of the in-kind contribution and an official check made payable to Streets Vendor Power for \$146 dated October 24, 2014. The Campaign is considered to have accepted an in-kind contribution from a prohibited source; however, it refunded the contribution upon notification from the CFB.

### **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.

## **5. Undocumented Transactions**

Campaigns are required to provide copies of checks, bills, or other documentation to verify all transactions reported in their disclosure statements. *See* Admin. Code §§ 3-703(1)(d), (g); and Rule 4-01.

The Campaign must provide supporting documentation for the reported transactions listed below:

NAME	TRANSACTION TYPE	STATEMENT/ SCHEDULE/ TRANSACTION	INCURRED/RECEIVED/ REFUNDED/PAID DATE	AMOUNT	NOTE
Ni, Xin	Returned Check	6/M/R0003267	10/04/12	\$500.00	(1)
Liang, Jin Mei	Returned Check	7/M/R0003545	01/25/13	\$50.00	(1)
Ianniello, Robert Jr.	Returned Check	7/M/R0003546	01/25/13	\$500.00	(1)

(1) The Campaign provided a copy of the bank statement showing a returned check of this amount, and a copy of the contribution check. However, it must also provide documentation from the bank showing specifically which contribution check was returned.

### **Previously Provided Recommendation**

The Campaign must submit documentation for each transaction listed above.

### **Campaign's Response**

In response to the Draft Audit Report, the Campaign stated it did not have the return check records from the bank for the transactions above.

### **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.

### ***Expenditure Findings***

## **6. Candidate Personal Contributions**

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

Contributions reported to the New York State Board of Elections and the Federal Election Commission by the recipients indicate that the Candidate made contributions that the Campaign should have reported as Candidate Personal Contributions. *See* Exhibit II. These transactions also



count toward the Campaign's expenditure limit and have been deducted from the Campaign's matching claims pursuant to Rule 5-01(n).

### **Previously Provided Recommendation**

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

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

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

The finding numbers and exhibit numbers, as well as the number of transactions included in the finding, may have changed from the Draft Audit Report to the Final Audit Report.

### **Campaign's Response**

In response to the Draft Audit Report, the Campaign stated that it is not required to report the contributions because the Candidate has been supporting the Working Families Party since before being elected to public office. It also stated that the Candidate contributed to the NY County Democratic Committee and the United Democrats for New York to show her support and network with other candidates. The Campaign's response is inadequate because the Candidate has not demonstrated that the contributions were not in furtherance of the Campaign. Additionally, the Candidate has contributed to the Working Families Party and the NY County Democratic Committee once in the 10 years prior to her election to public office, during the 2009 election year.

### **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. Undocumented Joint Expenditures

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

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

a) The Campaign provided a copy of an invoice billed to Squadron for New York for shared use of campaign office space. The invoice states that the Campaign shared office space with the Squadron Campaign from September 19, 2013 – October 1, 2013 and charged the Squadron Campaign \$100.00 total. *See* Exhibit III. However, the Campaign's rent was \$1,500.00, which equals \$50.00 a day in a 30-day month. In the absence of an allocation methodology, Board staff assumed the space was shared equally for that period and should have been divided between the two campaigns. Therefore, the total rent for the 13 days the Campaign shared the space was \$650.00 ( $\$50.00 \times 13$ ) and the Squadron Campaign should have paid \$325.00 ( $\$650.00 / 2$ ). Based on a review of this information, and because the Campaign failed to provide a methodology for the cost allocation of each campaign's share, the Campaign appears to have overpaid, resulting in an in-kind contribution to the Squadron Campaign in the amount of \$225.00 ( $\$650.00 - \$325.00$ ).

b) The Campaign provided a copy of a lease agreement between the Campaign and New Yorker's for de Blasio which indicated that the Campaign shared office space with the de Blasio Campaign for 5 days, from November 1, 2013 – November 5, 2013 at a flat rate of \$250.00. *See* Exhibit IV. However, the Campaign's rent was \$1,500.00 per month, which equals \$50.00 a day in a 30-day month ( $\$1,500.00 / 30$ ). In the absence of an allocation methodology, Board staff estimated the space was shared equally for that period and should have been divided between the two campaigns. Therefore, the total rent for the 5 days the space was shared was \$250.00 ( $\$50.00 \times 5$ ) and the de Blasio Campaign should have paid \$125.00 ( $\$250.00 / 2$ ). As a result, the Campaign received an in-kind contribution from the de Blasio Campaign in the amount of \$125.00 ( $\$250.00 - \$125.00$ ).

### Previously Provided Recommendation

a – b) These findings were identified as a result of the Campaign's response to the Draft Audit Report dated September 4, 2014.

### Campaign's Response

a – b) These findings were identified as a result of the Campaign's response to the Draft Audit Report dated September 4, 2014.

## Board Action

a – b) The Board has taken no further action on these matters other than to make these a part of the Candidate’s record with the Board.

## 8. Expenditures – Improper Post-Election

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

The expenditure listed below is an improper post-election expenditure due to the timing, amount and/or purpose reported by the Campaign or identified from a review of Campaign bank statements and/or documentation:

PAYEE	STATEMENT/ SCHEDULE/ TRANSACTION	PURPOSE CODE	INVOICE DATE	DATE PAID	AMOUNT
Verizon	BOE 2014 July Periodic	N/A	N/A	01/30/14	\$30.69
Total					\$30.69

## Previously Provided Recommendation

This finding was identified as a result of the Campaign’s response to the Draft Audit Report dated September 4, 2014.

## Campaign’s Response

This finding was identified as a result of the Campaign’s response to the Draft Audit Report dated September 4, 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.

## 9. Expenditure Documentation

Campaigns are required to provide copies of checks, bills, or other documentation to verify all transactions reported in their disclosure statements. *See* Admin. Code §§ 3-703(1)(d), (g); Rule 4-01.

The Campaign must provide supporting documentation or an explanation for the reported transaction listed below:

NAME	TRANSACTION TYPE	STATEMENT/ SCHEDULE/ TRANSACTION	INCURRED/RECEIVED/ REFUNDED/PAID DATE	AMOUNT
Guan, Zi Yuan	Expenditure Refund	16/L/R0004262	10/26/13	\$80.00

### Previously Provided Recommendation

This finding was identified as a result of the Campaign's response to the Draft Audit Report dated September 4, 2014.

### Campaign's Response

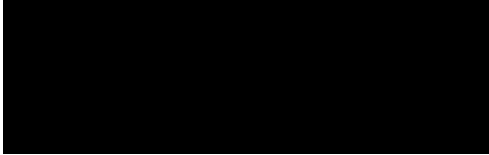
This finding was identified as a result of the Campaign's response to the Draft Audit Report dated September 4, 2014.

### 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.

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: June 16, 2015

Staff: Danielle Willemin

Angel Daniels

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

**Candidate:** Chin, Margaret (ID:98-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)		\$155,355.00
3. Total unitemized monetary contributions		\$0.00
4. Total in-kind contributions (Sch D)		\$234.45
5. Total unitemized in-kind contributions		\$0.00
6. Total other receipts (Sch E - excluding CFB payments)		\$365.00
7. Total unitemized other receipts		\$0.00
8. Total itemized expenditures (Sch F)		\$245,639.50
Expenditure payments	\$241,123.21	
Advance repayments	\$4,516.29	
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)		\$80.00
17. Total receipts adjustment (Sch M - excluding CFB repayments)		\$1,050.00
18. Total outstanding liabilities (Sch N - last statement submitted)		\$146.00
Outstanding Bills	\$146.00	
Outstanding Advances	\$0.00	
19. Total advanced amount (Sch X)		\$0.00
20. Net public fund payments from CFB		\$91,033.00
Total public funds payment	\$92,400.00	
Total public funds returned	(\$1,367.00)	
21. Total Valid Matchable Claims		\$24,345.00
22. Total Invalid Matchable Claims		\$50.00
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**  
**Margaret Chin 2013**  
**Street Vendor Power, Inc. Poster**  
**(see Finding #4)**

West Vendor Power, Inc.

民主黨初選  
支持市議員陳倩雯競選  
投票：星期三 9/10  
VOTE ON 9/10  
Chin for City Council!

Chin  
MAYOR





**Exhibit II**  
**Margaret Chin 2013**  
**Unreported Political Committee Contributions**  
**(see Finding #6)**

<b>Contributor</b>	<b>Payee</b>	<b>Source</b>	<b>Date</b>	<b>Amount</b>
Margaret S Chin	Working Families Party, Inc.	BOE	11/23/10	\$500.00
Margaret S Chin	United Democrats For New York (Udny)	BOE	09/01/11	\$180.00
Margaret Chin	New York County Democratic Committee	BOE	09/08/11	\$250.00
Margaret S Chin	Working Families Party, Inc.	BOE	10/07/11	\$250.00
Margaret Chin	New York County Democratic Committee	BOE	08/28/12	\$125.00
Margaret S Chin	Working Families Party, Inc.	BOE	06/16/13	\$1,000.00
Margaret Chin	New York County Democratic Committee	BOE	07/12/13	\$250.00
<b>Total</b>				<b><u>\$2,555.00</u></b>

**Exhibit III**  
**Margaret Chin 2013**  
**Squadron for New York Invoice**  
**(see Finding #7a)**

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# Margaret Chin 2013

# INVOICE

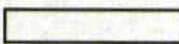
PMB 913, 39 Bowery  
New York, NY, 10002

(212) 227-2280

**Bill TO:**  
Squadron for New York  
310 Atlantic Ave  
Brooklyn, NY 11201  
ATTN: Squadron for New York

INVOICE DATE September 19th, 2013

NYCCFB OCT 27 2014



DESCRIPTION		AMOUNT
	Shared use of campaign office from September 19th to October 1st	\$100.00
SUBTOTAL		100.00
		\$100.00
		PAY THIS AMOUNT

2014 OCT 21 P 3:14  
NYC CFB  
RECEIVED

**DIRECT ALL INQUIRIES TO:**  
Trip Yang, Campaign Manager  
(732) 771-3718  
[trip.yang88@gmail.com](mailto:trip.yang88@gmail.com)

**MAKE ALL CHECKS PAYABLE TO:**  
Margaret Chin 2013  
PMB 913, 39 Bowery  
New York, NY, 10002

**Exhibit IV**  
**Margaret Chin 2013**  
**New Yorkers for de Blasio Space Use Agreement**  
**(see Finding #7b)**

15/4202

### SPACE USAGE AGREEMENT

This Space Usage Agreement (hereinafter this "Agreement") is made as of 28 October 2013, by and between Margaret Chin 2013, (the "Licensor") and New Yorkers for de Blasio. (the "Licensee").

1. **Term of Use.** Licensor hereby licenses to the Licensee the use of the space and office equipment (the "Premises") as described below in paragraph Five for the period beginning 1 November, 2013 and ending on 5 November, 2013 (the "Term") for Licensee's organizational and GOTV efforts.

2. **License Fee.** Licensee shall pay to Licensor an aggregate license fee of \$50.00 per day, \$250.00 total for the use of the Premises during the Term, which fee both parties hereto agree represents the full and fair market value of the use of the Premises during the Term. The Licensee agrees to pay the above-described charges in advance of its use of the Premises. The parties agree that Licensee's use of the Premises shall not constitute a contribution from Licensor to Licensee under the Federal Election Campaign Act of 1971, as amended. Licensee's use of the Premises shall not constitute a tenancy of any kind, and this Agreement is not a lease or sublease.

3. **Liability/Indemnification of Licensor.** It is expressly understood and agreed by and between the parties that in no case shall Licensor be liable to the Licensee, or any other person or persons, for any injury, loss and/or damage to any person or property on the Premises or by virtue of any act, error, or omission of Licensor, whether the same is caused by or results from the carelessness, negligence, or improper conduct of Licensor, its agents or employees or otherwise. The Licensee agrees to hold Licensor harmless from any claims for damages, caused by the act, error, or omission of Licensee, its agents, employees, assigns, or invitees relating to the use of the Premises.

4. **Independence of Licensee.** It is expressly understood and agreed by and between the parties that Licensee is not owned, operated, sponsored, affiliated, or otherwise under the direction or control of Licensor. Licensor has no authority or control over any aspect of Licensee's operations. Licensee is an entity entirely independent of Licensor, related only by the independent contractual terms of this Agreement.

5. **Office Space and Equipment.** The Licensor agrees to license the Licensee the use of space at the following address: 3 Madison St New York, NY. Licensee will cover the cost of Licensee's reasonable use of office supplies.

6. **Miscellaneous.** The terms of this Agreement are severable, and in the event that any specific term herein is determined to be unenforceable, the remainder of the Agreement shall remain in full force and effect. The foregoing constitutes the entire agreement between the parties and may be modified only by a writing signed by both parties. This Agreement may be executed in counterparts, each of which when so executed and delivered shall be an original.

NYCCFB OCT-27-2014

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IN WITNESS WHEREOF, the parties have entered into this Agreement as of the date last set forth below:

**LICENSOR:**

Entity Name: Margaret Chin 2013

By: [Signature]

Name: Trip Yang

Title: Campaign Manager

**LICENSEE:**

Entity Name: New Yorkers for de Blasio

By: [Signature]

Name: Emma Wolfe

Title: Deputy Campaign Manager

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