



New York City Campaign Finance Board

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

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Via C-Access
July 1, 2016

Ummey S. Rahman
Rahman for Queens



Dear Ummey S. Rahman:

Please find attached the New York City Campaign Finance Board's ("CFB" or "Board") Final Audit Report for the 2013 campaign of Mujib Rahman (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 August 13, 2015 (attached). The report concludes that the Campaign did not fully demonstrate compliance with the requirements of the Campaign Finance Act (the "Act") and Board Rules (the "Rules").

The Campaign received a post-election public funds payment of \$45,195, which reflects \$250 in penalties assessed and withheld, as detailed in the attached Final Board Determination.

The Campaign was required to demonstrate to the CFB that the public funds were used to pay specific outstanding liabilities. The Campaign received a notice that listed the specific outstanding liabilities for which the public funds may be used and explained how to document proper use. The Campaign will be required to return any public funds that were not properly spent. *See* Rule 5-01(o). The Campaign responded on October 6, 2015, and the documentation was accepted.

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. If the Campaign raises additional contributions to pay outstanding liabilities, please note that all 2013 election requirements, including contribution limits, remain in effect. The Campaign is required to maintain its records for six years after the election, and the CFB may require the Campaign to demonstrate ongoing compliance. *See* Rules 3-02(b)(3), 4-01(a), and 4-03. In addition, please contact the New York State Board of Elections for information concerning its filing requirements.

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

Sincerely,



Signature on original

Sauda S. Chapman
Director of Auditing and Accounting

c: Mujib Rahman

Rahman for Queens


Attachments



EC2013 Final Audit Report

Rahman for Queens

July 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 Rahman for Queens (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 the required daily disclosure statements during the two weeks preceding the 2013 primary and general elections (see Finding #2).

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 in-kind contributions received (see Finding #3).
- The Campaign submitted false contribution reporting and documentation (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 made cash disbursements greater than \$100 (see Finding #5).

Public Matching Funds Findings

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

- The Campaign may be eligible for a post-election public funds payment (see Finding #6).

BACKGROUND

The Campaign Finance Act of 1988, which changed the way election campaigns are financed in New York City, created the voluntary Campaign Finance Program. The Program increases the information available to the public about elections and candidates' campaign finances, and reduces the potential for actual or perceived corruption by matching up to \$175 of contributions from individual New York City residents. In exchange, candidates agree to strict spending limits. Those who receive funds are required to spend the money for purposes that advance their campaign.

The CFB is the nonpartisan, independent city agency that administers the Campaign Finance Program for elections to the five offices covered by the Act: Mayor, Public Advocate, Comptroller, Borough President, and City Council member. All candidates are required to disclose all campaign activity to the CFB. This information is made available via the CFB's online searchable database, increasing the information available to the public about candidates for office and their campaign finances.

All candidates must adhere to strict contribution limits and are banned from accepting contributions from corporations, partnerships, and limited liability companies. Additionally, participating candidates are prohibited from accepting contributions from unregistered political committees. Campaigns must register with the CFB, and must file periodic disclosure statements reporting all financial activity. The CFB reviews these statements after they are filed and provides feedback to the campaigns.

The table below provides detailed information about the Campaign:

Name: Mujib Rahman	Contribution Limit:
ID: 1255	\$2,750
Office Sought: City Council	
District: 24	Expenditure Limit:
	2010–2012: N/A
Committee Name: Rahman for Queens	2013 Primary: \$168,000
Classification: Participant	2013 General: \$168,000
Certification Date: June 05, 2013	
	Public Funds:
Ballot Status: Primary, General	Received: \$177,830
Primary Election Date: September 10, 2013	Returned: \$0
General Election Date: November 5, 2013	
Party: Democratic, Faith and Values Party	Campaign Finance Summary:
	http://bit.ly/1yS5Hk9

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 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. The Campaign chose to contest the CFB staff recommendations. The Campaign appeared before the Board on August 13, 2015. The Board's determinations are summarized as a part of each Finding in the Audit Results section.

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

AUDIT RESULTS

Disclosure Findings

1. 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	XXXXX6729	Checking	Mar 2013 – Jan 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 transactions listed below that appear on its bank statement and/or documentation:

ACCOUNT #	NAME	CHECK NO. / TRANSACTION	PAID DATE	AMOUNT
XXXXX6729	Raju Agmed	1022	07/01/13	\$105.00
XXXXX6720	Andre N. Oscorcio	1037	07/02/13	\$80.00
XXXXX6720	Raju Agmed	1067	07/11/13	\$50.00
XXXXX6720	Raju Agmed	1069	07/11/13	\$50.00
XXXXX6720	Bank Check Fee	Debit	08/21/13	\$50.00
Total				\$335.00

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

NAME	STATEMENT/ SCHEDULE/ TRANSACTION	CHECK No. / Transaction	PAID DATE	AMOUNT	NOTE
Hudgins, Solomon	12/F/R0001400	Cash	07/07/13	\$40.00	(1)
Mohsin, AKM	9/F/R0000944	1291	11/06/13	\$100.00	
TD Bank	16/F/R0002015	Debit	08/21/13	\$24.00	
Total				\$164.00	

(1) The Campaign reported this expenditure as cash, however there are no cash withdrawals on or prior to the date reported.

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.

Campaign’s Response

a) In response to the Draft Audit Report, the Campaign provided documentation and amended its disclosure statements to report expenditures, however the Campaign failed to report the remaining \$335.00 in expenditures.

b) In response to the Draft Audit Report, the Campaign did not provide evidence that these expenditures cleared the bank.

Board Action

a - b) 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 file the required daily disclosures to report the following transactions:

EXPENDITURES:				
NAME	STATEMENT/ SCHEDULE/ TRANSACTION	DATE INCURRED	AMOUNT	
Al-Print & Computer Center	13/F/R0001383	09/02/13	\$7,000.00	
Al-Print & Computer Center	15/F/R0001821	09/02/13	\$7,796.21	
Al-Print & Computer Center	16/N/R0001216	09/02/13	\$10,000.07	
Dot Net Graphix Media	16/F/R0001973	10/29/13	\$10,210.50	
Dot Net Graphix Media	16/N/R0001833	10/29/13	\$9,837.00	
Dot Net Graphix Media	16/N/R0001834	11/02/13	\$3,048.50	

Previously Provided Recommendation

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

Campaign Response

In response to the Draft Audit Report and the Notice of Alleged Violations and Recommended Penalties, the Campaign stated that it misunderstood the disclosure requirement.

Board Action

The Board found the Campaign in violation and assessed \$150 in penalties.

Contribution Findings

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).

The Campaign initially reported the transaction listed below as an outstanding liability. However, the Campaign did not report the liability on subsequent statements as still outstanding, nor did the Campaign report payment of the liability. Therefore, the liability listed may have been forgiven or paid by someone other than the Campaign.

NAME	STATEMENT/ SCHEDULE/ TRANSACTION	INVOICE DATE	AMOUNT
Zandani, Zakey	11/N/R0001168	08/14/13	\$135.00

Previously Provided Recommendation

The Campaign must explain the status of each initially reported outstanding liability:

- For remaining outstanding liabilities, the Campaign may provide documentation showing that the debt remains an outstanding liability and that the creditor is attempting to collect the debt. Such documentation may include current invoices, collection notices, and/or letters from creditors that demonstrate a consistent and ongoing collection effort. The Campaign must also submit amendments to its disclosure statements to report the outstanding liability.

- If the Campaign has paid the liability, amend each disclosure statement to correctly report the bill and the bill payment, and provide documentation for the bill and bill payment.
- If the liability has been forgiven, forgive the bill in C-SMART and amend each disclosure statement. The Campaign must also explain its initial failure to report the in-kind contribution. Any forgiven liabilities are considered in-kind contributions, which could result in other violations if the source was prohibited.

Campaign Response

In response to the Draft Audit Report, the Campaign provided a timesheet and a copy of a check for Transaction ID 9/F/R0000746, which was not the transaction listed in the Draft Audit Report.

In response to the Notice of Alleged Violations and Recommended Penalties, the Campaign stated that it will not contest this violation and stated, “We may misplaced or overlooked this document.”

Board Action

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

4. Submitting False Contribution Reporting and Documentation

Campaigns must report to the CFB every contribution, as well as the full name, residential address, occupation, employer, and business address of the contributor. *See* Admin. Code §3-703(6)(a); Rule 3-03(c). A contribution must be in the true name of the contributor. This means that contributors may not make contributions in the name of someone else, and contributors may not be reimbursed by someone else for their contributions. Campaigns may not knowingly receive or report contributions given in the name of someone other than the true contributor. *See* New York State Election Law §14-120.

Campaigns are required to maintain documentation for all contributions. *See* Rule 4-01.

A “matchable contribution” is a contribution not greater than the applicable contribution limit, made by an individual New York City resident, that has been reported fully to the CFB. *See* Admin. Code §3-702(3); Rule 5-01(d).

Intentionally or knowingly furnishing false information, misrepresenting a material fact, falsifying or concealing any information relevant to an audit, or intentionally or knowingly violating any other provision of the Campaign Finance Act is subject to civil penalties and the forfeiture of all public funds received, and is punishable as a Class A misdemeanor. *See* Admin. Code §3-711(3).

CFB staff reviewed the disclosure statements and backup documentation submitted by the Campaign. CFB staff also contacted contributors to confirm information reported in disclosure statements and/or appearing on documentation. Based on reporting, information, and documentation provided by the Campaign and/or contributors, the CFB staff has determined that the certain contributions reported by the Campaign were not legitimate.

In September 2013, based on discrepancies observed on contribution cards submitted by the Campaign, CFB staff contacted 42 reported cash contributors by phone and asked them to verify that they made the reported contribution. While the majority of contributors confirmed making their contributions, six of these contributors (14% of those contacted) initially denied making the contribution reported by the Campaign.¹ One of the six contributors subsequently stated that he had contributed, reducing the percentage of contributors who denied making a contribution to 12%.²

One of the individuals who denied making a contribution stated that during an event at a community organization, not organized by the Campaign, multiple individuals filled out contribution cards and money was pooled from various individuals to fund those contributions. The Campaign denied any involvement with the collection of these contributions, and denied any knowledge of the discrepancy between the reported contributors and the true source of the funds. In October 2013, CFB staff sent letters to one hundred individuals who made cash contributions to the Campaign, a judgmental sample selected from all of the Campaign's cash contributors, and asked them to verify that they had made the reported contribution. Two of 12 responders (17%) denied contributing to the Campaign, while ten confirmed the contributions as reported.

¹ The Board applied this percentage to all cash contributions for which matching claims were made by the Campaign and withheld \$10,000 in public funds.

² As a result, the withholding was reduced to \$8,500.

Based on this information, the CFB has determined that the following contributions were not made by the reported contributor:³

REPORTED CONTRIBUTOR	STATEMENT/ SCHEDULE/ TRANSACTION	DATE RECEIVED	AMOUNT
Abdullah, Mohammad	9/ABC/R0000146	05/17/13	\$20.00
Hossain, Tariqul	9/ABC/R0000514	05/19/13	\$10.00
Hawladar, Mohammed	9/ABC/R0000522	05/19/13	\$10.00
Chowdhury, Salim	9/ABC/R0000502	05/25/13	\$10.00
Ahmed, Tasnuva	9/ABC/R0000374	05/26/13	\$10.00
R Amin, MD	9/ABC/R0000596	06/11/13	\$10.00
Roy, Adhir	9/ABC/R0000876	07/10/13	\$40.00
Total			\$110.00

Previously Provided Recommendation

The Campaign must explain the discrepancies regarding its reporting and documentation of its contributions and claims for public matching funds, regardless of whether the Campaign is still seeking public funds for the 2013 election. The Campaign must also issue a check in the full amount of the contributions to the “New York City Election Campaign Finance Fund.”⁴ If the Campaign previously refunded these contributions, it must provide documentation evidencing the refund and explain why it provided the money to the individuals receiving the refunds. Even if the Campaign disgorges the contributions cited above, this finding may still be considered a violation and may be subject to penalty.

Campaign Response

In response to the Draft Audit Report, the Campaign provided verification letters for five out of the seven contributions in question, only one of which was notarized. In response to the Notice of Alleged Violations and Recommended Penalties, the Campaign provided the same verification letters and stated that the other two contributors could not be located. Previous withholding of \$8,500 was removed.

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 A total of seven reported contributors to the Campaign denied making contributions, and forty seven contributors verified their contributions.

⁴ The Campaign is being directed to pay the amount of the contribution to the Public Fund because a return to the contributor is impracticable. *See* Rule 1-04(c).

Expenditure Findings

5. Cash Disbursements Exceeding \$100

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 made individual cash expenditures of more than \$100, as listed below:

NAME	DATE PAID	AMOUNT	NOTE
Home Depot	08/10/13	\$121.58	(1)

(1) Documentation provided by the Campaign indicates that the Campaign made this expenditure in cash. The Campaign reported this transaction as an outstanding liability (16/N/R0001151), but did not report the payment.

Previously Provided Recommendation

The Campaign must explain why the transaction does not constitute a violation of the Rules and must provide supporting documentation, such as evidence that the specific expenditure was not made in cash.

Campaign Response

In response to the Draft Audit Report, the Campaign stated it did not remember the cash limit at the time of purchase. In response to the Notice of Alleged Violations and Recommended Penalties, the Campaign did not contest this finding.

Board Action

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

Public Matching Funds Findings

6. Potential Post-Election Public Funds Payment

Upon the satisfactory resolution of all issues in this Final Audit Report, campaigns may qualify for a payment of public funds to pay remaining outstanding liabilities. The payment, if any, will occur only when the CFB issues the final audit report. *See* Rule 5-01(m). Campaigns will then

have 60 days after receipt of the final public funds payment to demonstrate that the public funds were properly used to pay reported and documented outstanding liabilities. *See* Rule 5-01(o).

The Detail Payment Report for the Campaign shows the amount of public funds the Campaign may be eligible to receive. This amount may be adjusted up or down, based on the Campaign's response to this Final Audit Report and the amount of funds remaining in the Campaign's bank account. Post-election payments are limited to the lesser of the following: unpaid valid claims times the matching factor, documented qualified expenditures in excess of the funds already received, or outstanding liabilities reported in the January 15, 2014 filing with the CFB and documented as still outstanding.

Previously Provided Recommendation

To be eligible for a post-election payment, the Campaign must respond on time to the Final Audit Report and resolve any compliance issues. In addition, the Campaign must provide documentation demonstrating that the outstanding liabilities reported in its January 15, 2014 disclosure statement are still outstanding. This documentation must show an ongoing attempt by the creditor or vendor to collect the outstanding amount and may include invoices, late notices, or other correspondence. Return a copy of the exhibit with the documentation and indicate which items have already been paid or forgiven. Outstanding liabilities are the only liabilities that may be considered for the purpose of a post-election public funds payment.

The Invalid Matching Claims Report gives the details of each contribution considered invalid. The left side of the report shows the data reported by the Campaign for each matching claim and the codes that describe why the claim is invalid. The right side provides space for the Campaign's written response and a check box that describes the action the Campaign is taking to address the invalid claim. Return this report with the response to this Final Audit Report. To supply additional or modified data, correct the appropriate transactions in C-SMART and amend the appropriate disclosure statements. For transactions with more than one invalid code, the Campaign must address all the codes before the CFB will validate the claim. No public funds will be disbursed on invalid claims.

Campaign Response

In response to the Draft Audit Report, the Campaign provided additional contribution documentation.

Board Action

The Campaign received a post-election public funds payment of \$44,945.00 on August 13, 2015.

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: July 1, 2016

Staff: Melody Lee

Michael Iacono

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

Candidate: Rahman, Mujib U (ID:1255-P)**Office:** 5 (City Council)**Election:** 2013

1. Opening cash balance (All committees)		\$0.00
2. Total itemized monetary contributions (Sch ABC)		\$37,830.00
3. Total unitemized monetary contributions		\$0.00
4. Total in-kind contributions (Sch D)		\$5.20
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)		\$168,618.96
Expenditure payments	\$168,618.96	
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)		\$1,120.00
18. Total outstanding liabilities (Sch N - last statement submitted)		\$64,901.28
Outstanding Bills	\$64,901.28	
Outstanding Advances	\$0.00	
19. Total advanced amount (Sch X)		\$0.00
20. Net public fund payments from CFB		\$177,830.00
Total public funds payment	\$177,830.00	
Total public funds returned	\$0.00	
21. Total Valid Matchable Claims		\$29,680.00
22. Total Invalid Matchable Claims		\$3,560.00
23. Total Amount of Penalties Assessed		\$250.00
24. Total Amount of Penalty Payments		\$0.00
25. Total Amount of Penalties Withheld		\$250.00