



**New York City Campaign Finance Board**

100 Church Street, 12<sup>th</sup> Floor, New York, NY 10007  
212.409.1800 | www.nyccfb.info

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Chair

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Richard J. Davis  
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Members

Amy M. Loprest  
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Sue Ellen Dodell  
General Counsel

January 14, 2016

**By First Class Mail and C-ACCESS**

Olanike T. Alabi  
116 Cambridge Place, #5B  
Brooklyn, NY 11238

Sharon Pierre  
724 Fulton Street, #PH  
Brooklyn, NY 11238

Olanike Alabi 2013  
724 Fulton Street, #PH  
Brooklyn, NY 11238

**FINAL BOARD DETERMINATION – EC2013 CAMPAIGN**

The New York City Campaign Finance Board (“Board”), at a meeting held on January 14, 2016, made the following final determination concerning the Olanike Alabi 2013 Campaign (“Campaign”):

The Board determined that the Candidate, the Treasurer, and the Committee named above violated the New York City Campaign Finance Act (“Act”) and Board Rules and are jointly and severally liable for paying \$1,020 in penalties as follows:

1. A penalty of \$100 for failing to file daily pre-election disclosure statements. *See* Admin. Code §§ 3-703(6), (12), 3-708(8); Board Rules 1-09, 3-02(e). The Campaign failed to disclose two expenditures, totaling \$20,100, to Pitta Bishop Del Giorno LLC: \$11,800 incurred on September 1, 2013, and \$8,300 incurred on September 2, 2013.

**Candidate ID Number: 1638-P**

2. A penalty of \$220 for failing to document a transaction. *See* Admin. Code §§ 3-703(1)(d), (g), (11), (12), 3-715; Board Rules 1-04(g)(4), (5), 1-09, 4-01(a), (c), (g), (k), 4-03. The Campaign engaged O&B Enterprises (“O&B”) for a variety of services over the course of the campaign. It attempted to pay O&B \$11,000 for services provided on Primary Day, but actually paid \$5,000. The Campaign failed to submit adequate documentation of the services and the amounts billed.

3. A penalty of \$500 for failing to report and document basic campaign functions/activities. *See* Admin. Code §§ 3-702(8), 3-703(1)(d), (g), (6), (11), (12); Board Rules 1-02, 1-04(g), 1-08(a), (b), (c), (h), 1-09, 3-02, 3-03(e), 4-01. The Campaign’s lease required it to pay for gas and electricity, but the Campaign failed to report or document any expenditures for these utilities.

4. A penalty of \$100 for failing to demonstrate that spending was in furtherance of the campaign. *See* Admin. Code §§ 3-702(21)(a), (b); 3-703(1)(d), (g), (6), (11); Board Rules 1-03(a), 4-01(e). The Campaign paid a \$35 parking ticket on September 23, 2013, and failed to provide sufficient details and supporting documentation concerning the vehicle’s use and location at the time the ticket was issued.

5. A penalty of \$100 for making improper post-election expenditures. *See* Admin. Code §§ 3-702(21)(a)(8), 3-703(1)(d), (g), (6), (11), 3-710(2)(c); Board Rules 1-03(a), 1-08(b), 5-03(e)(2)(ii). The Campaign made four expenditures totaling \$283.58 that, due to their purpose or timing, are impermissible: 1) \$100 to the Department of Sanitation on September 24, 2013, 2) \$52.03 to Thai 101 Bistro on October 1, 2013, 3) \$84 to an individual on October 8, 2013, and 4) \$47.55 to Thai 101 Bistro on October 10, 2013.

**The Board determined that the amount due is \$1,020.**

You must pay to the Board the full amount due of \$1,020 no later than **November 17, 2016**. Checks should be made payable to the “New York City Election Campaign Finance Fund,” and mailed to the attention of Mark Griffin, Associate Counsel, New York City Campaign Finance Board, 100 Church Street, 12<sup>th</sup> Floor, New York, NY 10007 or delivered to the offices of the Board.

If the Board is not in receipt of the full \$1,020 by **November 17, 2016**, the candidate’s name and the unpaid amount will be posted on the Board’s Website and the Board may initiate a civil action against the Committee, the Candidate, and the Treasurer to compel payment.

You may challenge this final determination, within four months, in the New York State Supreme Court pursuant to Article 78 of the Civil Practice Law and Rules.

If you have any questions concerning this Final Board Determination, please contact Mark Griffin, Associate Counsel, at (212) 409-1863 or mgriffin@nyccfb.info.



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Sue Ellen Dodell  
General Counsel

**NEW YORK CITY  
CAMPAIGN FINANCE BOARD**

SED/MPG



**New York City Campaign Finance Board**

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Executive Director

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General Counsel

Via C-Access  
October 18, 2016

Sharon Pierre  
Olanike Alabi 2013  
724 Fulton Street  
Brooklyn, NY 11238

Dear Sharon Pierre:

Please find attached the New York City Campaign Finance Board's ("CFB" or "Board") Final Audit Report for the 2013 campaign of Olanike T. Alabi (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 January 14, 2016 (attached). The report concludes that the Campaign did not fully demonstrate compliance with the requirements of the Campaign Finance Act (the "Act") and Board Rules (the "Rules").

As detailed in the attached Final Board Determination, the Campaign was assessed penalties totaling \$1,020.

The full amount owed must be paid no later than **November 17, 2016**. Please send a check in the amount of \$1,020, 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 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,



Sauda S. Chapman  
Director of Auditing and Accounting

c: Olanike T. Alabi  
116 Cambridge Place, #5B  
Brooklyn, NY 11238

Olanike Alabi 2013  
724 Fulton Street  
Brooklyn, NY 11238

Attachments



# **EC2013 Final Audit Report**

Olanike Alabi 2013

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 Olanike T. Alabi (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 election (see Finding #2).
- The Campaign did not disclose payments made by its vendors 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 accepted a contribution from a prohibited source (see Finding #4).
- The Campaign did not disclose in-kind contributions received (see Finding #5).
- The Campaign did not report expenditures for basic campaign functions or activities, indicating that it received in-kind contributions (see Finding #6).



*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 an expenditure that was not in furtherance of the Campaign (see Finding #7).
- The Campaign made post-election expenditures that are not permissible (see Finding #8).
- The Campaign did not provide requested documentation for reported expenditures (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: Olanike T. Alabi	Contribution Limit:
ID: 1638	\$2,750
Office Sought: City Council	
District: 35	Expenditure Limit:
	2010–2012: N/A
Committee Name: Olanike Alabi 2013	2013 Primary: \$168,000
Classification: Participant	2013 General: N/A
Certification Date: May 14, 2013	
	Public Funds:
Ballot Status: Primary	Received: \$92,400.00
Primary Election Date: September 10, 2013	Returned: \$566.76
Party: Democratic	
	Campaign Finance Summary:
	<a href="http://bit.ly/1k8B1Ic">http://bit.ly/1k8B1Ic</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. 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 or not 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 asked to respond. The Campaign responded and the CFB evaluated any additional information provided by the Campaign. CFB staff recommended that the Board find that the Campaign committed violations subject to penalty. The Campaign chose not to contest the CFB staff recommendations. The Board's actions are summarized as a part of each Finding in the Audit Results section. The finding numbers and exhibit numbers, as well as the number of transactions included in the findings, may have changed from the Draft Audit Report to the Final Audit Report.

**OTHER MATTERS**

During the 2013 election cycle, Committee to Elect Olanike Alabi and Friends of Olanike Alabi—other committees of Olanike T. Alabi—made expenditures. As a result, the CFB attributed \$2,721.89 of the expenditures occurring between January 3, 2013 and October 23, 2013 to the Campaign.

The use of an entity other than the designated principal committee to aid in the election will result in the application of the Act and Board Rules, including the expenditure limit, to the other entity's activity. *See* Admin. Code §§ 3-702(2), (7), 3-703(1)(e); Rules 2-01(a), 1-08(c)(3). Expenditures are presumed to be made for the first election following the day they are made, with the exception of State or local election expenditures made before the first January 12 following the election, or federal election expenditures made before the first January 1 following the election. *See* Rule 1-08(c)(1).

On September 4, 2013, the Campaign was notified that the CFB had preliminarily attributed expenditures made by other committees to the 2013 Campaign, but it did not dispute the attribution.

The Campaign's expenditures—adjusted for relevant factors including spending by other committees—did not result in a finding that the Campaign had exceeded the applicable expenditure limit(s), and as a result the Campaign does not need to respond to this issue. However, candidates are reminded that if committees not reported to be involved in the election make expenditures, the Campaign has the burden of demonstrating that the expenditures were not related to the election.

## 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
JP Morgan Chase	XXXXXX1341	Checking	Jan 2013 – Feb 2013
JP Morgan Chase	XXXXXX3069	Checking	Feb 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.

The Campaign did not report the following transaction that appears on its bank statements:

ACCOUNT #	NAME	CHECK NO./ TRANSACTION	PAID DATE	AMOUNT
XXXXXX3069	Unknown	5780	08/30/13	\$48.00
<b>Total</b>				<b>\$48.00</b>

#### Previously Provided Recommendation

This finding was identified after the Campaign's response to the Draft Audit Report dated September 11, 2014.

#### Campaign's Response

This finding was identified after the Campaign's response to the Draft Audit Report dated September 11, 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 course of the election cycle. 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	
Pitta Bishop Del Giorno LLC	12/F/R0001128	09/01/13	\$11,800.00	
Pitta Bishop Del Giorno LLC	12/F/R0001132	09/02/13	\$8,300.00	
<b>Total</b>			<b>\$20,100.00</b>	

**Previously Provided Recommendation**

If the Campaign believes it filed the required daily disclosure(s) 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 disclosure(s) 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, “We were not aware of the Daily Disclosure Report Requirement Rule 3-02(e) and did not intentionally mean to disregard it.”

The Campaign did not contest this finding in its response to the Notice of Alleged Violations and Recommended Penalties.



## Board Action

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

### 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 vendors listed below received large payments and may have subcontracted goods and services. However, the Campaign did not report subcontractors used by these vendors:

PAYEE	AMOUNT PAID
O&B Enterprises	\$27,598.60
Pitta Bishop Del Giorno LLC	\$57,200.00

### Previously Provided Recommendation

The Campaign must contact the vendors, 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 stated that it had contacted Mr. Omar Boucher of O&B Enterprises, but did not receive a response. The Campaign also stated that it does not expect O&B Enterprises to respond because of a pay dispute that occurred in September 2013. The Campaign documented its attempt to obtain subcontractor information by providing a copy of an email to Omar Boucher.

The Campaign submitted subcontractor disclosure forms for Pitta Bishop Del Giorno LLC, which disclosed that the vendor subcontracted with Register Lithographers for printing, Zak Deardroft for design, Westerleigh Concepts for printing and mailing, and Postalogic Inc. for mailing. However, the cost of services provided by the subcontractors was not listed on the forms.

Additionally, the Campaign failed to amend its disclosure statements to report the subcontractor 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. Prohibited Contributions – Corporate/Partnership/LLC**

Campaigns may not accept, either directly or by transfer, any contribution, loan, guarantee, or other security for a loan from any corporation. This prohibition also applies to contributions received after December 31, 2007 from any partnership, limited liability partnership (LLP), or limited liability company (LLC). *See* New York City Charter §1052(a)(13); Admin. Code §§ 3-703(1)(l), 3-719(d); Rules 1-04(c), (e).

The Campaign accepted a contribution from an entity listed on the New York State Department of State’s website as a corporation, partnership, and/or LLC in the following instance:

CONTRIBUTIONS FROM PROHIBITED SOURCES					
NAME	STATEMENT/ SCHEDULE/ TRANSACTION	INCURRED/ RECEIVED DATE	AMOUNT	CONTRIBUTION AMOUNT	NOTE
Paul Signs	12/F/R0000957	08/20/13	\$350.00	\$31.06	(1)

(1) Per the documentation provided, the Campaign did not pay tax on this expenditure. The vendor indicated “exempt” on the line for tax; however, the Campaign should have paid tax on this expenditure, resulting in an in-kind contribution from the vendor. At a tax rate of 8.875%, the Campaign should have paid an additional \$31.06. *See* Exhibit I and Finding #5a.

**Previously Provided Recommendation**

The Campaign must address each transaction individually:

- The Campaign must refund each prohibited contribution by bank or certified check, and provide the CFB with a copy of the refund check, or pay the Public Fund an amount equal to the contribution.
- Alternatively, the Campaign may provide documentation or evidence showing that it did not receive a contribution from a prohibited entity.

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

### **Campaign's Response**

In response to the Draft Audit report, the Campaign stated that Paul Signs did not charge tax because it thought the Campaign was a not-for-profit organization. The Campaign did not refund the unpaid tax, stating that it could not make a refund because it closed the campaign bank account.

### **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 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).

a) An invoice for the expenditure listed below indicates that the Campaign received a discount in connection with the goods/services being provided.

NAME	STATEMENT/ SCHEDULE/ TRANSACTION	INVOICE DATE	AMOUNT	DISCOUNTED AMOUNT	NOTE
Paul Signs	12/F/R0000957	08/20/13	\$350.00	\$31.06	(1)

(1) The Campaign provided documentation indicating that it did not pay tax on this expenditure. The vendor indicated “exempt” on the line for tax; however, banners are not exempt from sales tax in New York State. At a tax rate of 8.875%, the Campaign should have paid an additional \$31.06. See Exhibit I and Finding #4. This may also be a prohibited corporate contribution. See Admin. Code §§ 3-703(1)(l), 3-719(2)(b); Rule 1-04(e).

b) 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 #
Palm Card	II

c) The Campaign’s September 2013 bank statement shows that the Campaign was charged a Returned Item Fee in the amount of \$34.00 on September 11, 2013 for “Unpaid Check #5401 In the Amount of \$11,000.00.” However, the Campaign has not reported any expenditures or outstanding liabilities of \$11,000.00, and the bank statements provided do not show that the check was subsequently paid. As a result, the Campaign’s reporting and documentation indicate that a third party paid for this transaction, or that the goods or services were provided for free.

**Previously Provided Recommendation**

a) The Campaign must provide an explanation for the discount noted in the documentation. If the discount is routinely available to the general public or others, the Campaign must provide written confirmation from the vendor. If the discount is not routinely available to others, the Campaign must report the amount of the discount as an in-kind contribution from the vendor. If the vendor is a prohibited source, the Campaign must pay the amount of the discount to the vendor by bank or certified check and provide the CFB with copies of the refund check or pay the Public Fund an amount equal to the amount of the prohibited contribution.

b) 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.

c) The Campaign must provide a written explanation describing how the good or service was purchased, or provided, and who paid for it. If the Campaign paid the expenditure, it 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). If the intended payee donated the goods or services, or they were purchased or donated by a third party, the Campaign must submit an in-kind contribution form completed by the contributor, and report the item as an in-kind contribution by submitting an amendment to Statement 16.

### **Campaign's Response**

a) In response to the Draft Audit Report, the Campaign stated that Paul Signs did not charge tax because it thought the Campaign was a not-for-profit organization. The Campaign did not refund the unpaid tax, stating that it could not make a refund because it closed the campaign bank account.

b) In response to the Draft Audit Report, the Campaign stated that it purchased this palm card from O&B Enterprises and submitted a proposed invoice for \$20,730.00 from O&B Enterprises, which lists, among other items, "Printing and design of 40,000 palm cards." The Campaign stated that it made an expenditure to O&B Enterprises for \$5,000.00 (16/F/R0001232) for primary day services, which included the printing of the palm card. However, the Campaign did not submit an itemized invoice for the \$5,000.00 expenditure to show that the palm cards printed were included in that payment.

The Campaign did not contest this finding in its response to the Notice of Alleged Violations and Recommended Penalties.

c) In response to the Draft Audit Report, the Campaign stated it was improperly billed \$11,000.00 by O&B Enterprises, which resulted in a pay dispute. The Campaign stated that it "subsequently paid for the services requested and rendered on its behalf," which is reflected in the \$5,000.00 expenditure (16/F/R0001232) to O&B Enterprises for services received. In response to a request from CFB staff for an accurate O&B invoice from the Campaign, the Campaign submitted an undated and unsigned "Request for Payment" for \$20,730 from O&B and stated that "[t]he invoice the campaign was originally presented was flawed and O&B has since not attempted to rectify it even after repeated requests." However, the Campaign did not submit documentation or an explanation as to why the amount was reduced nor did it explain why it attempted to pay the \$11,000.00 if it disputed that amount.

The Campaign did not contest this finding in its response to the Notice of Alleged Violations and Recommended Penalties.

## Board Action

a) 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.

b – c) The Board found the Campaign in violation and assessed \$220 in penalties.

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

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

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

The Campaign did not report expenditures for gas or electricity. Pursuant to the Campaign's lease agreement, the Campaign was supposed to provide for gas, electric, and cable utilities at its own expense (see Exhibit III). However, the Campaign only reported expenditures for cable. The absence of gas and electricity expenditures in the Campaign's reporting indicates that these goods or services may have been provided free of charge or paid for by a third party.

## Previously Provided Recommendation

The Campaign must explain why it did not incur any expenses for gas and electricity.

If the Campaign reported the cost of these goods and services as part of another expenditure or with a different or incorrect explanation, provide an explanation, including the transaction ID(s) for the expenditure(s) and documentation demonstrating payment.

If goods or services used for these purposes were provided to the Campaign free of charge, amend the Campaign's disclosure statements to report the amount of each as an in-kind contribution and provide documentation to demonstrate the value of the in-kind contribution.

## Campaign's Response

In response to the Draft Audit Report, the Campaign stated that it contacted the landlord and was waiting for a response.

The Campaign did not contest this finding in its response to the Notice of Alleged Violations and Recommended Penalties.

**Board Action**

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

*Expenditure Findings*

**7. Expenditures – Not In Furtherance of the Campaign**

Campaigns may only spend campaign funds for items that further the candidate’s election. Campaigns must keep detailed records to demonstrate that campaign funds were used only for those purposes. *See* Admin. Code §§ 3-703(1)(d), (g); Rule 4-01. The law gives examples of the types of expenditures that are presumed to be campaign-related, although in certain circumstances expenditures of the types listed as appropriate may be questioned. Among the relevant factors are: the quality of the documentation submitted; the timing and necessity of the expenditure; the amount of the expenditure and/or all expenditures of a specific type in relation to the Campaign’s total expenditures; and whether the expenditure is duplicative of other spending. The law also prohibits the conversion of campaign funds to personal use which is unrelated to a political campaign, and provides examples of expenditures that are not in furtherance of a campaign. *See* New York State Election Law §14-130; Admin. Code §§ 3-702(21), 3-703, and 3-710(2)(c); Rules 1-03(a), and 5-03(e), and Advisory Opinion No. 2007-3 (March 7, 2007). Expenditures not demonstrated to be in furtherance of the candidate’s election are considered “non-campaign related.”

The Campaign reported the expenditure listed below which—based on the reporting and/or documentation—is non-campaign related:

PAYEE	STATEMENT/ SCHEDULE/ TRANSACTION	PURPOSE CODE	INVOICE DATE	DATE PAID	AMOUNT
New York City Dept. of Finance	16/F/R0001113	OTHER	08/13/13	09/23/13	\$35.00

**Previously Provided Recommendation**

The Campaign must explain how the expenditure listed is in furtherance of the Campaign, and provide supporting documentation. The explanation and documentation may include details of how, when, where, and by whom a good was used. For services, the documentation and explanation may include work product and/or additional details regarding how, when, and where

the service was provided; and how the service was necessary in light of the timing of other transactions reported by the Campaign. The Campaign must review the questioned transaction and address any discrepancies in the timing. Expenditures that are not in furtherance of the campaign may increase the amount of public funds that must be repaid.

### **Campaign's Response**

In response to the Draft Audit Report, the Campaign stated that this expenditure was for a traffic violation ticket and that the vehicle involved was, "being used to unload supplies and transport items in connection with the campaign." However, the Campaign did not provide sufficient details or supporting documentation to demonstrate who was driving, where the violation occurred and what was the specific campaign-related use at the time of the violation.

The Campaign did not contest this finding in its response to the Notice of Alleged Violations and Recommended Penalties.

### **Board Action**

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

## **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).

Each expenditure listed on Exhibit IV 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.

### **Previously Provided Recommendation**

The Campaign must explain how each expenditure was for the preceding election, or was a routine and nominal expenditure associated with winding up the Campaign, and must provide supporting documentation. Expenditures that are not proper post-election expenditures may increase the amount of public funds that must be repaid. The Campaign must also explain who paid for the New Year's robocall, and why the Campaign failed to report the expenditure. The Campaign must amend its disclosure statements with the CFB and/or BOE to report the unreported transaction(s), and provide documentation for the expenditure, including invoice(s) and proof of payment.



**Campaign’s Response**

In response to the Draft Audit Report, the Campaign stated that the, “Finance Commissioner – NYC” expenditure was for, “improper disposal” of items by the Department of Sanitation, but it did not provide supporting documentation. The Campaign also identified expenditures to three restaurants for post-election events for campaign workers and volunteers. Campaigns are only allowed one post-election event within thirty days of the election. Therefore, the expenditures associated with the latter two post-election campaign events (Transaction IDs 16/F/R0001265 and 16/F/R0001267) are improper post-election expenditures. The Campaign also stated that Christian Baxter, “was never given a check for his services during the campaign.” However, the Campaign did not submit a timesheet for this individual that would demonstrate that the work was performed prior to the election.

The Campaign did not contest this finding in its response to the Notice of Alleged Violations and Recommended Penalties.

**Board Action**

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

**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 transactions listed below:

NAME	TRANSACTION TYPE	STATEMENT/ SCHEDULE/ TRANSACTION	RECEIVED DATE	AMOUNT
CableVision	Expenditure Refund	16/L/R0001346	11/19/13	\$160.98

**Previously Provided Recommendation**

The Campaign must submit documentation, or explanations as indicated, for each listed transaction.

### **Campaign's Response**

In response to the Draft Audit Report, the Campaign stated that the Cablevision expenditure refund, "was made because the bill was overpaid according to CableVision." However, the Campaign did not provide supporting documentation, such as an invoice, that would demonstrate that the Campaign paid more than it owed.

### **Board Action**

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

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,

A handwritten signature in blue ink, appearing to read 'Sauda S. Chapman', with a stylized flourish at the end.

Sauda S. Chapman

Director of Auditing and Accounting

Date: October 18, 2016

Staff: Danielle Willemin, CFE

Kevin Ramnaraine

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

**Candidate:** Alabi, Olanike T (ID:1638-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)		\$56,087.00
3. Total unitemized monetary contributions		\$0.00
4. Total in-kind contributions (Sch D)		\$877.63
5. Total unitemized in-kind contributions		\$0.00
6. Total other receipts (Sch E - excluding CFB payments)		\$41.40
7. Total unitemized other receipts		\$0.00
8. Total itemized expenditures (Sch F)		\$149,364.73
Expenditure payments	\$149,332.86	
Advance repayments	\$31.87	
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)		\$1,000.00
13. Total loan repayments (Sch J)		\$1,000.00
14. Total loans forgiven (Sch K)		\$0.00
15. Total liabilities forgiven (Sch K)		\$0.00
16. Total expenditures refunded (Sch L)		\$4,151.09
17. Total receipts adjustment (Sch M - excluding CFB repayments)		\$2,650.00
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		\$91,834.00
Total public funds payment	\$92,400.00	
Total public funds returned	(\$566.00)	
21. Total Valid Matchable Claims		\$16,255.00
22. Total Invalid Matchable Claims		N/A
23. Total Amount of Penalties Assessed		\$1,020.00
24. Total Amount of Penalty Payments		\$0.00
25. Total Amount of Penalties Withheld		\$0.00

**Exhibit I**

**Olanike Alabi 2013**

**Invoice from Paul Signs Inc.**

**(see Findings #4 and #5a)**



12/950



# PAUL SIGNS INC.

Designers • Manufacturers • Installations • Sales • Service • Maintenance

718-788-7593

654 4th Avenue • Brooklyn, NY 11232

Fax: 718-788-1512

Date 8-20-13

37638

12/950

Name Olanike Alabi 2013 Contact \_\_\_\_\_

Address P.O. Box 380075

City/State/Zip Brooklyn NY 11238

Phone 347-738-3851 Fax \_\_\_\_\_

Ship To \_\_\_\_\_

QTY	UNIT	DESCRIPTION	UNIT PRICE	AMOUNT
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1		4' x 10' Banner		
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*PAID IN FULL!*

- IT IS HEREBY AGREED THAT ANY AND ALL PRODUCTS DELIVERED TO THE PURCHASER UNDER THIS CONTRACT SHALL REMAIN THE PROPERTY OF PAUL SIGNS WHETHER THE SAME SHALL HAVE BEEN INSTALLED IN OR ATTACHED TO REAL PROPERTY OR NOT. UNTIL THE PURCHASE PRICE SHALL BE FULLY PAID, PAUL SIGNS SHALL HAVE THE RIGHT TO REPOSSESS ITS PRODUCTS AND TO ENTER UPON AND SEVERE THE SAME FROM ANY REAL PROPERTY WHERE DELIVERED OR INSTALLED.
- PERMITS (IF NEEDED) NOT INCLUDED IN THIS PRICE.
- NO ELECTRIC HOOK-UPS TO ANY SIGNS.
- ALL BALANCES MUST BE PAID IN CASH OR CERTIFIED CHECK.
- ALL MATERIAL AND WORKMANSHIP IS GUARANTEED TO BE AS SPECIFIED.
- ALL MANUFACTURING AND WORKMANSHIP WILL BE COMPLETED ACCORDING TO STANDARD PRACTICES.
- ANY ALTERATIONS OR DEVIATION FROM THE ORIGINAL SPECIFICATIONS WILL BE EXECUTED ONLY UPON WRITTEN ORDERS, AND WILL BE INVOICED ADDITIONALLY OVER AND ABOVE THE ORIGINAL ESTIMATE.
- ALL OUR MANUFACTURING, INSTALLATIONS AND EMPLOYEES ARE COVERED BY ALL NECESSARY INSURANCES.
- ALL MANUFACTURES WARRANTIES APPLY.

I HEREBY ACCEPT THE TERMS OF THIS PROPOSAL AND AUTHORIZE YOU TO PROCEED WITH THIS WORK

CUSTOMER'S SIGNATURE \_\_\_\_\_

SUB TOTAL	350 00
TAX	exempt
TOTAL	350 00
LESS DEPOSIT	350 00
BALANCE DUE	0

**Exhibit II**  
**Olanike Alabi 2013**  
**Palm Card**  
**(see Finding #5b)**



**VOTE**

# Olanike Alabi

**DEMOCRAT FOR**

**35th CITY COUNCIL DISTRICT**

**ENDORSED BY:** 7/18/13

The 57th AD Democratic Organization  
District Council 37 (DC 37)  
Civil Service Employees Association (CSEA)  
Organization of Staff Analysts (OSA)  
Correction Officers Benevolent Association (COBA)  
Communications Workers of America CWA Local 1180  
Heat & Frost Insulators Local 12 Union



*Vote*

**THE DEMOCRATIC TEAM**

**Bill Thompson \* Mayor**

**Letitia James \* Public Advocate**

**Eliot Spitzer \* Comptroller**

**Charles Hynes \* District Attorney**

**Olanike Alabi \* City Council**

**Tuesday September, 10th 2013**





**Exhibit III**  
**Olanike Alabi 2013**  
**Lease Agreement**  
**(see Finding #6)**



9/553

9/553

TEMPORARY COMMERCIAL RENTAL AGREEMENT

Agreement, made between Raoul Labady (Landlord) and Olanike Alabi 2013 (Tenant).

For good consideration it is agreed between the parties as follows:

Landlord hereby agrees and rents to Tenant the premises described as follows:  
768 Washington Avenue (Commercial Space) Brooklyn NY 11238

1. This Lease dated May 23, 2013 shall be in effect for a term of 4 months, commencing on June 1, 2013 and terminating on September 30 2013.
2. Tenant shall pay Landlord the monthly rent of \$ 2800.00 during said term and a security deposit of \$2800.00
3. Tenant shall at its own expense provide the following utilities:
  - Gas, electric, cable
4. Tenant further agrees that:
  - Upon the expiration of the lease it will return possession of the leased premises in its present condition, reasonable wear and tear, and fire casualty excepted. Tenant shall commit no waste to the leased premises.
  - It shall not assign or sub-let or allow any other person to occupy the leased premises without Landlord's prior written consent.
  - It shall not make any material or structural alterations to the leased premises without Landlord's prior written consent.
  - It shall comply with all building, zoning and health codes and other applicable laws for said leased premises.
  - In the event of any breach of the payment of rent or any other allowed charge, or other breach of this Lease, Landlord shall have full rights to terminate this Lease in accordance with state law and re-enter and claim possession of the leased premises, in addition to such other remedies available to Landlord arising from said breach.
5. This agreement shall be binding upon and inure to the benefit of the parties, their successors, assigns and personal representatives
6. Landlord requires payment of 4 months rent and security up front

Signed and sealed this 23 day of MAY, 2013.

Raoul Labady  
Landlord

Olanike Alabi 2013  
Tenant

Exhibit IV

Olanike Alabi 2013

Improper Post-Election Expenditures  
(see Finding #8)

Name	Statement/ Schedule/ Transaction ID	Purpose Code	Invoice Date	Paid Date	Amount
Finance Commissioner- Nyc	16/F/R0001225	OTHER	09/17/13	09/24/13	\$100.00
Thai 101 Bistro	16/F/R0001265	OTHER	09/30/13	10/01/13	\$52.03
Baxter, Christian	16/F/R0001259	WAGES	10/07/13	10/08/13	\$84.00
Thai 101 Bistro	16/F/R0001267	OTHER	10/10/13	10/10/13	\$47.55
<b>Total</b>					<b><u>\$283.58</u></b>