



New York City Campaign Finance Board
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Via C-Access
December 17, 2015

Stephanie Goldstone
Lancman 2013



Dear Stephanie Goldstone:

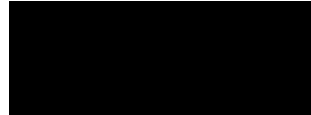
Please find attached the New York City Campaign Finance Board's ("CFB" or "Board") Final Audit Report for the 2013 campaign of Rory Lancman (the "Campaign"). CFB staff prepared the report based on a review of the Campaign's financial disclosure statements and documentation submitted by the Campaign.

The report concludes that the Campaign demonstrated substantial compliance with the Campaign Finance Act (the "Act") and the Board Rules (the "Rules"), with exceptions as detailed in the report. The Campaign may challenge a public funds determination in a petition for Board reconsideration within thirty days of the date of the Final Audit Report as set forth in Board Rule 5-02(a). However, the Board will not consider the petition unless the Campaign submits new information and/or documentation and shows good cause for its previous failure to provide this information or documentation. To submit a petition, please call the Legal Unit at 212-409-1800.

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

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

Sincerely,



Jonnathon Kline, CFE
Director of Auditing and Accounting

signature on original

c: Rory Lancman



Lancman 2013



Attachments



EC2013 Final Audit Report

Lancman 2013

December 2015

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RESULTS IN BRIEF

The results of the New York City Campaign Finance Board's ("CFB" or "Board") review of the reporting and documentation of the 2013 campaign of Rory Lancman (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 general election (see Finding #2).
- The Campaign did not disclose payments made by a vendor to subcontractors (see Finding #3).

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 post-election expenditures that are not permissible (see Finding #4).

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: Rory Lancman	Contribution Limit:
ID: 227	\$2,750
Office Sought: City Council	
District: 24	Expenditure Limit:
	2010–2012: \$45,000
Committee Name: Lancman 2013	2013 Primary: \$168,000
Classification: Participant	2013 General: \$168,000
Certification Date: May 14, 2013	
	Public Funds:
Ballot Status: Primary, General	Received: \$177,510
Primary Election Date: September 10, 2013	Returned: \$12,653.52
General Election Date: November 5, 2013	
Party: Democratic, Working Families	Campaign Finance Summary:
	http://bit.ly/1rkMcOo

SCOPE AND METHODOLOGY

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

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

Prior to the election, we performed preliminary reviews of the Campaign's compliance with the Act and Rules. We evaluated the eligibility of each contribution for which the Campaign claimed matching funds, based on the Campaign's reporting and supporting documentation. We also determined the Candidate's eligibility for public funds by ensuring the Candidate was on the ballot for an election, was opposed by another candidate on the ballot, and met the two-part threshold for receiving public funds. In January of 2013, we requested all bank statements to date from the Campaign and reconciled the activity on the statements provided to the Campaign's reporting. We then provided the results of this preliminary bank reconciliation to the Campaign on April 18, 2013. 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 25% of the dollar amount of its total contributions were in the form of credit card contributions—or had a variance between the total credit card contributions reported and the credits on its merchant account statements of more than 4%—we reconciled the transfers on the submitted merchant account statements to the deposits on the bank account statements.

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

disclosed required information related to contribution and expenditure transactions, such as intermediaries and subcontractors.

To determine if the Campaign adhered to contribution limits and prohibitions, we conducted a comprehensive review of the financial transactions reported in the Campaign's disclosure statements. Based on the Campaign's reported contributions, we assessed the total amount contributed by any one source and determined if it exceeded the applicable limit. We also determined if any of the contribution sources were prohibited. We reviewed literature and other documentation to determine if the Campaign accounted for joint activity with other campaigns.

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

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

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

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

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

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

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

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

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

The Campaign was provided with a preliminary draft of this audit report and was asked to provide a response to the findings. The Campaign responded, and the CFB evaluated any additional documentation provided and/or amendments to reporting made by the Campaign in response. After reviewing the Campaign's response, CFB staff determined that the total recommended penalties for the Campaign's violations did not exceed \$500, and as a result the staff chose not to recommend enforcement action to the Board. 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, Rory Lancman Election Committee, another committee of Rory Lancman, made expenditures. As a result, the CFB attributed \$3,585.31 of the expenditures occurring between January 25, 2013 and July 3, 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 limits, and as a result the Campaign does not need to respond to this issue. However, Candidates are reminded that if committees reported not 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
Chase	XXXXX6057	Checking	Nov 2012 – Oct 2014
First Data	XXXXX4887	Merchant	Nov 2012 – Feb 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 properly report the transaction listed below:

NAME	CHECK NO./ TRANSACTION	STATEMENT/ SCHEDULE/ TRANSACTION	PAID DATE	REPORTED AMOUNT	ACTUAL AMOUNT
We Clean You Relax	170	14/F/R0001495	10/10/13	\$150.00	\$125.00

b) The Campaign did not properly report the transactions listed below:

NAME	CHECK NO./ TRANSACTION	STATEMENT/ SCHEDULE/ TRANSACTION	PAID DATE	REPORTED AMOUNT	ACTUAL AMOUNT	NOTE
Berlin Rosen LTD	186	15/F/R0001459	10/24/13	\$5,928.27	\$5,485.96(1)	
Berlin Rosen LTD	188	15/F/R0001460	10/24/13	\$5,928.27	\$5,485.96(1)	

(1) The Campaign paid two expenditures to Berlin Rosen LTD for \$5,928.27 each (Transaction IDs 15/F/R0001459 and 15/F/R0001460). The related invoices show that the totals included an overpayment of \$442.31 each. Berlin Rosen LTD applied the overpayments, totaling \$884.62, to invoices 5122 and 5126 (Transaction IDs 16/F/R0001723 and 16/F/R0001742) which totaled \$884.62. The Campaign reported the later transactions as expenditures in the amounts of the overpayments, but also continued to include the amounts by which it overpaid as part of the initial expenditures. As a result, the Campaign reported the \$884.62 twice, but only paid the money once.

c) The Campaign reported duplicate transactions as listed on Exhibit I.

Previously Provided Recommendation

a) For inaccurately reported transactions, the Campaign must amend its disclosure statements to accurately report the transactions.

Please note that any newly entered transactions that occurred during the election cycle (01/12/10—01/11/14) will appear as new transactions in an amendment to Disclosure Statement 16, even if the transaction dates are from earlier periods. Any transactions dated after the election cycle will appear in disclosure statements filed with the New York State Board of Elections. Also note that the Campaign must file an amendment for each disclosure statement in which transactions are being modified. Once all data entry is completed, the Campaign should run the Modified Statements Report in C-SMART to identify the statements for which the Campaign must submit amendments. The C-SMART draft and final submission screens also display the statement numbers for which the Campaign should file amendments. If the Campaign added any new transactions, it must submit an amendment to Disclosure Statement 16.¹

b) This finding was identified as a result of the Campaign's response to the Draft Audit Report dated December 3, 2014.

c) This finding was identified as a result of the Campaign's response to the Draft Audit Report dated December 3, 2014.

¹ If the Campaign amends its reporting with the CFB, it must also submit amendments to the New York State Board of Elections.

Campaign's Response

a) In response to the Draft Audit Report, the Campaign stated the expenditure to We Clean You Relax, "was inadvertently reported as being for \$150 USD. The error has been corrected in C-Smart." The Campaign filed amended disclosure statements with its response, but did not correct this transaction.

b) This finding was identified as a result of the Campaign's response to the Draft Audit Report dated December 3, 2014.

c) This finding was identified as a result of the Campaign's response to the Draft Audit Report dated December 3, 2014.

Board Action

a - c) 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 transactions listed in Exhibit II.

Previously Provided Recommendation

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

Campaign's Response

In response to the Draft Audit Report, the Campaign stated, "Although the Campaign routinely filed its daily disclosure reports, the Campaign inadvertently did not file the daily disclosures associated with Finding #2." The Campaign also filed amended disclosure statements with its response, which revealed additional transactions for which it did not file the required daily pre-election disclosures.

Board Action

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

3. Disclosure – Possible Subcontractors

Subcontractors are vendors that a campaign's vendor hires to supply goods/services. If a vendor hired by a campaign pays a subcontractor more than \$5,000, the campaign must report the vendor, the name and address of the subcontractor, the amounts paid to the subcontractor, and the purpose of the subcontracted goods/services. *See* Rule 3-03(e)(3).

The vendor listed below received large payments and may have subcontracted goods and services. However, the Campaign did not report subcontractors used by this vendor:

PAYEE	AMOUNT PAID
Berlin Rosen LTD	\$218,462.96

In response to the CFB's request for documentation, the Campaign provided a Subcontractor Disclosure Form on which Berlin Rosen LTD listed Westerleigh Concepts and Perception Imaging as subcontractors for \$5,000 or more. However, the submitted Form does not contain the specific amounts subcontracted, and thus, the Campaign could not report any information about the subcontractors. In a letter attached to the Subcontractor Disclosure Form, Berlin Rosen LTD stated that it did not disclose the amounts paid to subcontractors because that information was "confidential and proprietary."

Previously Provided Recommendation

No further action is required from the Campaign.

Campaign's Response

In response to this finding in the Draft Audit Report, the Campaign stated, "The Campaign previously resolved this contribution limit finding." However, this statement is non-responsive to the finding.

Board Action

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

Expenditure Findings

4. 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 III is an improper post-election expenditure due to the timing, amount and/or purpose reported by the Campaign.

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.

Campaign's Response

In response to the Draft Audit Report, the Campaign stated that the expenditure to Masis Sarkissian (Transaction ID 15/F/R0001658) was for winding up the Campaign. However, the contract covered only January 1, 2013 through the last election day for which the Candidate appeared on a ballot (November 5, 2013). The Campaign failed to provide a separate and/or amended contract or wage record for work performed after November 5, 2013.

In response to the Draft Audit Report, the Campaign stated that the expenditure to Network Solutions (Transaction ID 15/F/R0001646) was for the general election. However, the billing history provided by the Campaign shows the expenditure made on November 24, 2013, after the

general election, was for a one-year private registration renewal of rorylancman.com. The Campaign failed to explain how a one-year private registration renewal of rorylancman.com after the general election furthered its nomination or election.

A review of the Campaign's January 2015 Periodic disclosure with the New York State Board of Elections revealed additional improper post-election expenditures, some of which the Campaign addressed in its response to the Draft Audit Report:

The Campaign provided an email from First Data that indicates it will receive a refund for the \$19.95 expenditure on November 13, 2014. However, the email did not specify who was receiving the refund, and the Campaign did not provide any other supporting documentation to demonstrate that the refund was deposited into its account.

The Campaign did not provide documentation for the \$70.00 expenditure to Google on November 4, 2014.

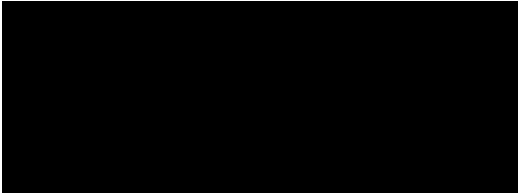
The Campaign stated that it requested and anticipated a refund for the \$37.99 expenditure to Network Solutions on December 3, 2014. However, it provided neither supporting documentation of the expenditure nor the refund.

Board Action

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

We performed this audit in accordance with the audit responsibilities of the CFB as set forth in Admin. Code § 3-710. We limited our review to the areas specified in this report's audit scope.

Respectfully submitted,



Jonnathon Kline, CFE

Director of Auditing and Accounting

signature on original

Date: December 17, 2015

Staff: Sauda Chapman

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

Candidate: Lancman, Rory I (ID:227-P)**Office:** 5 (City Council)**Election:** 2013

1. Opening cash balance (All committees)		\$0.00
2. Total itemized monetary contributions (Sch ABC)		\$157,161.00
3. Total unitemized monetary contributions		\$0.00
4. Total in-kind contributions (Sch D)		\$1,724.36
5. Total unitemized in-kind contributions		\$0.00
6. Total other receipts (Sch E - excluding CFB payments)		\$10.00
7. Total unitemized other receipts		\$0.00
8. Total itemized expenditures (Sch F)		\$319,500.85
Expenditure payments	\$316,370.79	
Advance repayments	\$3,130.06	
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)		\$16.20
17. Total receipts adjustment (Sch M - excluding CFB repayments)		\$2,675.00
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		\$164,857.00
Total public funds payment	\$177,510.00	
Total public funds returned	(\$12,653.00)	
21. Total Valid Matchable Claims		\$29,985.00
22. Total Invalid Matchable Claims		\$4,125.00
23. Total Amount of Penalties Assessed		N/A
24. Total Amount of Penalty Payments		\$0.00
25. Total Amount of Penalties Withheld		\$0.00

Exhibit I
Lancman 2013
Duplicate Transactions
(see Finding #1c)

Transaction ID	Payee	Account	Check No./ Transaction	Date	Amount	Duplicate Amount
R0001050	Jamaica Post Office	6057	Debit	09/03/13	\$46.00	
R0001145	Jamaica Post Office	6057	Debit	09/03/13		\$46.00
R0001178	Takachi Bakery	6057	Debit	09/24/13	\$7.57	
R0001394	Takahachi Bakery	6057	Debit	09/24/13		\$7.57
R0001354	Cornerstone Diner	6057	Debit	09/26/13	\$37.66	
R0001176	Cornerstone Diner	6057	Debit	09/27/13		\$37.66
Total						<u>\$91.23</u>

Exhibit II
Laucman 2013
Daily Pre-Election Disclosure
(see Finding #2)

Contributions

Name	Statement/ Schedule/ Transaction ID	Received Date	Amount	Notes
DRIVE	15/ABC/R0001550	11/1/2013	\$2,500.00	(1)

Expenditures

Name	Statement/ Schedule/ Transaction ID	Incurred Date	Amount	Notes
Berlin Rosen LTD	15/F/R0001661	10/25/13	\$684.00	
Berlin Rosen LTD	15/F/R0001662	10/25/13	\$684.00	
Berlin Rosen LTD	15/F/R0001663	10/25/13	\$684.00	
Berlin Rosen LTD	16/F/R0001688	10/25/13	\$556.38	(2)
Berlin Rosen LTD	16/F/R0001723	10/25/13	\$127.62	(2)
Berlin Rosen LTD	16/F/R0001742	10/25/13	\$757.00	(3)
Berlin Rosen LTD	15/F/R0001660	10/29/13	\$500.00	
Berlin Rosen LTD	15/F/R0001629	11/01/13	\$770.00	
Berlin Rosen LTD	15/F/R0001630	11/01/13	\$770.00	
Berlin Rosen LTD	15/F/R0001659	11/01/13	\$1,880.00	
Berlin Rosen LTD	15/F/R0001626	11/04/13	\$1,340.00	
Berlin Rosen LTD	15/F/R0001627	11/04/13	\$745.00	
Berlin Rosen LTD	15/F/R0001628	11/04/13	\$250.00	
Total			\$9,748.00	(4)

Notes:

- (1) The disclosure was filed 3 days late.
- (2) This expenditure was reported with amended disclosures submitted with the Campaign's response to the Draft Audit Report.

Exhibit II
Lancman 2013
Daily Pre-Election Disclosure
(see Finding #2)

- (3) In response to the Draft Audit Report, the Campaign stated this transaction replaced previously reported Transaction IDs 16/F/R0001724 and 16/F/R0001725.
- (4) The Campaign previously made \$81,320.89 in expenditures to Berlin Rosen LTD on October 24, 2013.

**Exhibit III
Lancman 2013**

**Improper Post-Election Expenditures
(see Finding #4)**

Name	Statement/ Schedule/ Transaction ID	Purpose Code	Invoice Date	Paid Date	Amount	Notes
Sarkissian, Masis	15/F/R0001658	WAGES	11/14/13	11/14/13	\$333.00	(1)
Network Solutions	15/F/R0001646	OFFCE	11/25/13	11/25/13	\$15.99	(2)
First Data	BOE Reporting	FUNDR	Unreported	11/03/14	\$19.95	(3)(4)
Google	BOE Reporting	OFFCE	Unreported	11/04/14	\$70.00	(3)(5)
Network Solutions	BOE Reporting	OTHER	Unreported	12/03/14	\$37.99	(3)(4)
Total					<u>\$476.93</u>	

Notes:

- (1) In response to the Draft Audit Report, the Campaign stated that this expenditure was for the payee's "services in the winding-up process to conclude the Campaign" and provided a contract that it had previously submitted to the CFB. However, the contract provided by the Campaign only covered the period from January 1, 2013 "until the last day of the last campaign in 2013 in which Rory Lancman shall appear on the ballot, except unless terminated sooner." The Campaign must provide a separate and/or amended contract or a wage record(s) for work performed after November 5, 2013.
- (2) In response to the Draft Audit Report, the Campaign stated that this expenditure was "to pay for services rendered in connection with the General Election. Network Solutions administered the Campaign's website." However, the billing history provided by the Campaign shows the expenditure made November 24, 2013 was for a one-year private registration renewal of rorylancman.com. The Campaign failed to explain how a one-year private registration renewal of rorylancman.com was for the general election.
- (3) The Campaign reported this expenditure to the New York State Board of Elections.
- (4) In response to the Draft Audit Report, the Campaign provided a printout of its bank activity showing the vendor debited the Campaign's account. The Campaign also stated that it later received a refund from this vendor in the same amount. However, the Campaign did not provide any documentation to show the refund was deposited into its bank account.
- (5) In response to the Draft Audit Report, the Campaign provided a printout of its bank activity showing the vendor debited the Campaign's account. However, the Campaign failed to provide supporting documentation from the vendor, such as in voice, to demonstrate this expenditure was for a permissible post-election purpose.