



**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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Via C-Access  
September 21, 2016

Marjorie Velazquez  
Friends of Torres  
3707 East Tremont Avenue, #1B  
Bronx, NY 10465

Dear Marjorie Velazquez:

Please find attached the New York City Campaign Finance Board's ("CFB" or "Board") Final Audit Report for the 2013 campaign of Ritchie Torres (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 December 17, 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").

As detailed in the attached Final Board Determination, the Campaign must repay the following:

CATEGORY	AMOUNT
Public Funds Repayment	\$7,143.01
Penalties Assessed	\$1,711.00
Amount previously paid	(\$6,827.05)
Total Owed	\$2,026.96

The full amount owed must be paid no later than **October 21, 2016**. Please send a check in the amount of \$2,026.96, 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.

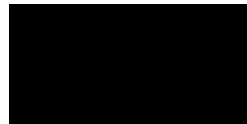
If the CFB is not in receipt of the full amount owed by **October 21, 2016**, the Candidate's name and the amount owed will be posted on the CFB's website. The CFB may also initiate a civil action to compel payment. In addition, the Candidate will not be eligible to receive public funds for any future election until the full amount is paid. Further information regarding liability for this debt can be found in the attached Final Board Determination.

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

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

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

Sincerely,



Signature on Original

Sauda S. Chapman  
Director of Auditing and Accounting

c: Ritchie Torres



Friends of Torres  
3707 East Tremont Avenue, #1B  
Bronx, NY 10465

Attachments



# **EC2013 Final Audit Report**

Friends of Torres

September 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 Ritchie Torres (the "Campaign") indicate findings of non-compliance with the Campaign Finance Act (the "Act") and Board Rules (the "Rules") as detailed below:

### ***Disclosure Findings***

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

- The Campaign did not report or inaccurately reported financial transactions to the Board (see Finding #1).
- The Campaign did not file, by the due date, a financial disclosure statement required by the Board (see Finding #2).
- The Campaign did not file the required daily disclosure statements during the two weeks preceding the 2013 primary and general elections (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 aggregate contributions exceeding the \$2,750 contribution limit for the 2013 election cycle (see Finding #4).
- The Campaign did not report that contributions were received through intermediaries and did not provide intermediary affirmation statements for contributions received through intermediaries (see Finding #5).
- The Campaign did not provide requested documentation related to reported 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 did not properly report and/or document its joint expenditures (see Finding #7).
- The Campaign made post-election expenditures that are not permissible (see Finding #8).

***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 is required to return its final bank balance (see Finding #9).

***Preliminary Other Findings***

- The Campaign did not respond timely to the Draft Audit Report (see Finding #10)

## 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: Ritchie Torres	Contribution Limit:
ID: 1710	\$2,750
Office Sought: City Council	
District: 15	Expenditure Limit:
	2010–2012: N/A
Committee Name: Friends of Torres	2013 Primary: \$168,000
Classification: Participant	2013 General: \$168,000
Certification Date: June 3, 2013	
	Public Funds:
Ballot Status: Primary, General	Received: \$143,460
Primary Election Date: September 10, 2013	Returned: \$22,819
General Election Date: November 5, 2013	
Party: Democratic, Working Families	Campaign Finance Summary:
	<a href="http://bit.ly/1yS6stj">http://bit.ly/1yS6stj</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. 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 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. 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 must repay public funds and committed violations subject to penalty. The Campaign chose 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.

**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
Hudson Valley Bank	XXXXXX2301	Checking	Feb 11, 2013 – Oct 16, 2014
Hudson Valley Bank <sup>1</sup>	XXXXXX3801	Checking	Oct 16, 2014 – July 31, 2015
Litle & Co.	XXXXXX7685	Merchant	Feb 27, 2013 – Jan 3, 2014
ActBlue <sup>2</sup>	Unknown	Processor	Mar 2013 – Nov 2013

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 following transaction that appears on its bank statement:

ACCOUNT #	NAME	CHECK NO./ TRANSACTION	PAID DATE	AMOUNT
XXXXXX2301	Juan Antigua	1111	12/30/13	\$1,283.34

<sup>1</sup> On June 30, 2015, Hudson Valley Bank (a subsidiary of Hudson Valley Holding Corp.) merged with Sterling National Bank (a subsidiary of Sterling Bankcorp).

<sup>2</sup> This account is the payment gateway linked to the Litle & Co. merchant account.

b) A comparison of the Campaign’s submitted bank statements with information reported in the Campaign’s disclosure statements revealed the following overall net discrepancy in reporting:<sup>3</sup>

RECEIPTS:

TOTAL REPORTED MONETARY RECEIPTS <sup>4</sup>	TOTAL CREDITS PER BANK STATEMENTS	DOLLAR VARIANCE	PERCENT VARIANCE	NOTE
\$284,339.37	\$272,885.76	\$11,453.61	4.03%	(1)

(1) The variance is primarily due to the Campaign failing to timely deposit its contributions. In response to the Notice of Alleged Violations and Recommended Penalties, the Campaign provided three deposit slips totaling \$10,404.17. The Campaign reported 33 contributions as being received between October 11, 2013 and January 3, 2014; however, the funds were not deposited into the Campaign’s account until February 7, 2014, after the last CFB disclosure statement period.

**Previously Provided Recommendation**

a) The Campaign must amend its disclosure statements to report the transaction. The Campaign must also provide documentation for the 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) The Campaign must compare information reported on its financial disclosure statements to bank statements and supporting documentation for contributions and expenditures to identify and resolve the listed discrepancies. The Campaign may need to amend its disclosure statements and provide additional bank statements. The individual reporting errors and missing documentation identified in other parts of this finding are the source of some, or all, of the variance cited, and as a result, responses to other parts of this finding will likely affect the cited variance. In responding to other parts of the finding, the Campaign should evaluate whether its response also addresses the overall discrepancy noted above.

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

<sup>3</sup> The percentage variance is determined by subtracting the Total Per Bank Statements amount from the Total Reported amount, and then dividing by the Total Reported amount. A positive variance indicates that the Total Reported amount exceeds the Bank Statements amount. A negative variance indicates that the Total Reported amount is less than the Bank Statements amount.

<sup>4</sup> Total Reported Monetary Receipts includes monetary contributions, other receipts, public funds payments, transfers-in, loans, and expenditure refunds.

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.<sup>5</sup>

### **Campaign's Response**

a) In response to the Draft Audit Report, the Campaign amended its disclosure statements to report several transactions. The Campaign stated, "all items with the exception of Check #1111 are recorded. Currently Hudson Valley Bank is looking into how the same check could be deposited and cleared twice." The Campaign provided a letter from Hudson Valley dated February 11, 2015, stating that check number 1111 was paid twice and was being investigated. The check cleared the account on September 16, 2013 and December 23, 2013. The Campaign reported the September 16, 2013 expenditure; however, it failed to report the December 23, 2013 transaction. In response to the Notice of Alleged Violations and Recommended Penalties, the Campaign provided a letter from Sterling National Bank (previously Hudson Valley Bank) dated September 8, 2015. The letter confirmed the details again and stated that the investigation was still open. However, campaigns cannot amend their disclosure statements with the CFB after their response to the Draft Audit Report.

b) In response to the Draft Audit Report, the Campaign did not respond to this finding. In response to the Notice of Alleged Violations and Recommended Penalties, the Campaign provided a Deposit Reconciliation showing a monthly deposit comparison between its bank statements and its reporting with the CFB. The Campaign indicated in the Explanation Section of its analysis that the deducted ActBlue fees<sup>6</sup> caused the variance. However, CFB staff reviewed the Campaign's bank account and ActBlue statements and concluded that the ActBlue fees did not cause the variance because the Campaign properly reported the deducted ActBlue fees. The variance calculation indicates that the total reported amount exceeds the total amount per the bank statements. CFB staff performed its reconciliation through the end of the last disclosure period, January 11, 2014. In its response, the Campaign also provided three deposit slips dated February 7, 2014 accounting for \$10,404.17 in receipts, comprised of thirty-five contributions received and reported prior to the election. Therefore, the variance is primarily due to the Campaign failing to timely deposit contributions. It reported contributions/receipts totaling \$10,404.17 as being received between October 11, 2013 and January 3, 2014; however, the Campaign did not deposit the contributions until February 7, 2014, after the date of the last CFB disclosure period, January 11, 2014. Campaigns are required to deposit all monetary contributions into the committee's bank account with 10 business days of receipt. *See* Board Rules 1-04(b).

### **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.

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<sup>5</sup> If the Campaign amends its reporting with the CFB, it must also submit amendments to the New York State Board of Elections.

<sup>6</sup> Because ActBlue deducts fees from contributions prior to transferring the funds into a campaign's bank account, campaigns are required to report the deducted fees as expenditures on their disclosure statements.



b) The Board found the Campaign in violation and assessed \$250 in penalties.

## 2. Failure to File and Late Filings

Campaigns are required to file disclosure statements on scheduled dates. *See* New York City Charter §1052(a)(8), Admin. Code §§ 3-703(6) and 3-708(8), and Rules 1-09(a) and 3-02.

The Campaign failed to file the following disclosure statement by the due date:

STATEMENT #	DUE DATE	DATE FILED	# DAYS LATE
15	12/02/13	12/03/13	1

### Previously Provided Recommendation

The Campaign may explain the lateness of the statement listed above. The Campaign may also provide documentation to support its explanation

### Campaign's Response

In response to the Draft Audit Report, the Campaign provided a copy of the disclosure statement submission confirmation receipt dated December 2, 2013. Although the confirmation receipt is dated December 2, 2013, the disclosure statement due date, the required backup documentation was received on December 3, 2013, one day after the due date. The confirmation receipt states that a disclosure statement is not considered timely and complete unless the required backup documentation is either received or postmarked by the disclosure statement due date. In response to the Notice of Alleged Violations and Recommended Penalties, the Campaign provided an email dated December 2, 2013 at 11:57 PM from indicating that the Campaign shared an item with the CFB via Google Drive<sup>7</sup>; however, the Campaign did not share the file with the CFB until December 3, 2013. As indicated in the CFB Electronic Submission of Campaign Documentation<sup>8</sup> guidance document, "Only when [the campaign has] clicked Share & Save will the CFB have access to your shared files, which will then be considered part of your response."

### Board Action

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

<sup>7</sup> Google Drive is an electronic file storage service that allows users to store and share files. Campaigns with Google Drive accounts may upload and share documentation with the CFB directly.

<sup>8</sup> See [https://www.nyccfb.info/PDF/guidance/electronic\\_submission\\_of\\_campaign\\_documentation.pdf](https://www.nyccfb.info/PDF/guidance/electronic_submission_of_campaign_documentation.pdf)

**3. 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 primary election daily disclosures to report the following transactions:

EXPENDITURES:

NAME	STATEMENT/ SCHEDULE/ TRANSACTION	DATE INCURRED	AMOUNT
Red Horse Strategies	12/F/R0001288	08/29/13	\$19,067.00
Red Horse Strategies	12/F/R0001486	09/04/13	\$12,118.95
Red Horse Strategies	12/F/R0001490	09/08/13	\$2,876.96

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

EXPENDITURES:

NAME	STATEMENT/ SCHEDULE/ TRANSACTION	DATE INCURRED	AMOUNT	NOTE
Red Horse Strategies	15/F/R0001676	10/22/13	\$28,765.32	(1)
Red Horse Strategies	15/F/R0001677	10/28/13	\$11,785.74	
Red Horse Strategies	15/F/R0001678	11/01/13	\$1,344.20	

(1) The Campaign filed the disclosure 11 days late.

**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 that it reported the expenditures after receiving invoices. However, Rule 3-02(e) states that if a candidate makes aggregate expenditures to a single vendor in excess of \$20,000, the candidate shall report all such expenditures to the Board in a disclosure, received by the Board within 24 hours after the expenditure that causes the total to exceed \$20,000 (in the case of expenditures) is accepted or made. Further, Rule 1-08 defines an expenditure as a disbursement made or liability incurred. Therefore, the Campaign failed to report aggregate liabilities incurred or payments made to Red Horse Strategies that exceeded \$20,000 within the 14 days prior to the election. In response to the Notice of Alleged Violations and Recommended Penalties, the Campaign did not contest this violation.

## **Board Action**

The Board found the Campaign in violation and assessed \$125 in penalties.

## ***Contribution Findings***

### **4. Prohibited Contributions – Contributions Over the Limit**

Campaigns may not accept contributions, either directly or by transfer, from any single source in excess of the applicable contribution limit for the entire election cycle. A single source includes, but is not limited to, any person or entity who or which establishes, maintains, or controls another entity and every entity so established, maintained, or controlled. *See* Rule 1-04(h). Cumulative contributions from a single source may include monetary contributions, in-kind contributions, and outstanding loans or advances, etc.

Candidates participating in the Program may contribute up to three times the contribution limit to their own campaign. *See* Admin. Code § 3-703(1)(h). Non-participating candidates are not limited in the amount they can contribute to their own campaign from their own money. *See* Admin. Code § 3-719(2)(b).



The Campaign accepted contributions in excess of the contribution limit in the following instance:

CONTRIBUTIONS OVER THE LIMIT				
NAME	STATEMENT/ SCHEDULE/ TRANSACTION	TRANSACTION TYPE	INCURRED/ RECEIVED/ REFUNDED DATE	AMOUNT
Mason Tenders DC PAC	8/ABC/R0000738	Monetary Contribution	05/10/13	\$2,750.00
Mason Tenders DC PAC	16/D/R0001848	In-kind Contribution	01/03/14	\$305.96
				\$3,055.96
Office Limit				(\$2,750.00)
Amount Over-the-Limit				\$305.96

**Previously Provided Recommendation**

The Campaign must address the outstanding contribution limit violation:

- The Campaign must refund the over-the-limit portion of each contribution by bank or certified check and provide the CFB with copies of the refund check or pay the New York City Election Campaign Fund (the “Public Fund”) an amount equal to the amount of the overage.
- If the Campaign disagrees with this finding, it must provide an explanation and documentation to demonstrate that it did not accept contributions in excess of the limit.

Even if the portion of the contribution in excess of the limit is refunded, accepting a contribution in excess of the limit 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, “Excess amount has not been refunded as the amount indicated has yet to be validated with a cost allocation documentation from the Mason Tenders. Once this document is produced a check will be issued for the validated overage.” The Campaign provided a letter from Mason Tenders’ District Council PAC stating that it reported to the New York State Board of Elections an in-kind contribution to the Campaign for \$305.96 for GOTV. The Campaign did not refund the over-the-limit portion of the contribution. In response to the Notice of Alleged Violations and Recommended Penalties, the Campaign provided a copy of a cashier’s check dated September 8, 2015 for \$305.96 made payable to Mason Tenders DC PAC.

**Board Action**

The Board found the Campaign in violation and assessed \$250 in penalties.

**5. Intermediary Statements and Possible Unreported Intermediaries**

Campaigns are required to report all contributions delivered or solicited by an intermediary. Intermediaries are people who solicit or deliver contributions to campaigns, not including spouses, domestic partners, parents, children or siblings of the persons making such contributions. See Admin. Code §§ 3-702(12), 3-703(6); Rules 3-03(c)(1), (7). Campaigns are required to provide a signed intermediary affirmation statement for each intermediary containing the intermediary’s name, residential address, employer and business address, names of the contributors, the amounts contributed and specific affirmation statements. See Rule 4-01(b)(5).

The transactions listed in the Campaign’s reporting as intermediated do not match the transactions listed on the intermediary statement.

TRANSACTIONS APPEARING ON AN INTERMEDIARY STATEMENT THAT WERE NOT REPORTED AS INTERMEDIATED

INTERMEDIARY ID	INTERMEDIARY NAME	STATEMENT/ SCHEDULE/ TRANSACTION	CONTRIBUTOR NAME	AMOUNT
14	Brad Lander 2013 <sup>9</sup>	14/ABC/R00001624	Kovner, Sarah	\$175.00

**Previously Provided Recommendation**

The Campaign must explain why the contributions reported as intermediated differ from those listed on the intermediary statements provided. The Campaign must obtain updated intermediary statements signed by the intermediary with the appropriate transactions listed, or amend its reporting to match the intermediary statements, as appropriate.

**Campaign’s Response**

In response to the Draft Audit Report, the Campaign provided an intermediary statement indicating that the Progressive Caucus Alliance intermediated a contribution from Sarah Kovner. However, the Campaign did not report the contribution as intermediated. The Campaign explained that it did not receive the contribution check timely because the check was misplaced and replaced. However, the Campaign did not explain why it failed to report the intermediary nor amend its disclosure statements to report the intermediary. In response to the Notice of Alleged Violations and Recommended Penalties, the Campaign did not contest this violation.

<sup>9</sup> The Campaign reported the intermediary as Brad Lander 2013; however, the documentation provided by the Campaign indicates that the intermediary is the Progressive Caucus Alliance.

**Board Action**

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

**6. Contribution 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); and Rule 4-01.

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

NAME	RECEIPT TYPE	STATEMENT/ SCHEDULE/ TRANSACTION	INCURRED/RECEIVED/ REFUNDED/PAID DATE	AMOUNT	NOTE
New Yorkers for de Blasio	GOTV Staging	16/E/R0001850	01/03/14	\$104.17	(1)

(1) The Campaign previously provided a copy of the front of the check from New Yorkers for de Blasio. The Campaign must provide complete documentation for the reimbursed expenditure(s), including invoice(s), timesheets, and/or literature samples, as applicable.

**Previously Provided Recommendation**

The Campaign must submit documentation for the transaction listed above.

**Campaign’s Response**

In response to the Draft Audit Report, the Campaign stated that it, “requested information from New Yorkers for de Blasio, it has yet to be provided.” The Campaign failed to submit the requested documentation.

**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*

### **7. Undocumented/Unreported Joint Expenditures**

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

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

The Campaign provided a copy of an invoice from Century Direct dated June 19, 2013 for \$608.50 for joint petitioning expenses (see Transaction ID 9/F/R0001079). A copy of this invoice is included as Exhibit I. However, the Campaign did not provide a copy of the petition or documentation demonstrating how its share of the joint expenditure was determined. Based on a review of this information, the Campaign did not fully account for the joint campaign activity.

### **Previously Provided Recommendation**

The Campaign must provide a copy of the petition. The Campaign must also provide a methodology for the cost allocations of each campaign's share and indicate whether the other campaigns have paid for their shares of the expenditure.

### **Campaign's Response**

In response to the Draft Audit Report, the Campaign provided a copy of the petition. The Campaign stated it was, "not able to attain the allocation of cost for the petitions due to...privacy concerns." Although, the invoice indicates the total amount billed to the Campaign, it does not include the total number of petitions ordered, the total cost of the expenditure, and the methodology for how the Campaign's share was determined. In response to the Notice of Alleged Violations and Recommended Penalties, the Campaign did not contest this violation.

### **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 II 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.

### **Campaign's Response**

In response to the Draft Audit Report, the Campaign explained that the expenditures were for “part of [the] wind down process by campaign staff.” The Campaign stated that one of the expenditures (check #1111) related to a check that was processed twice and was being investigated by the bank and that another expenditure (check #5048) was being investigated by the Campaign. However, the Campaign failed to provide any supporting documentation such as invoices to support its explanations. In addition, the Campaign's reporting to the New York State Board of Elections indicates that it has continued to make payments to Virgin Mobile for cellphone usage and Nation Builder, through October 2014. These expenditures are not routine activities involving nominal costs associated with winding up a campaign. In response to the Notice of Alleged Violations and Recommended Penalties, the Campaign reiterated that one of the expenditures (check #111) was being investigated by the bank and provided a letter dated September 8, 2015 from the bank stating that the investigation was still open. However, the Campaign has not recovered the funds. If the bank resolves this issue and returns the funds to the Campaign's bank account, the Campaign must return the funds to the New York City Campaign Finance Fund. Regarding the expenditures to Paychex, the Campaign provided six invoices from Paychex for missing data fees (state ID number fees and social security number fees) and minimum monthly billing fees. However, the documentation provided does not show that the fees were assessed for wage payments made before the election or wage payments for documented permissible post-election services. The Campaign did not address other transactions included in the exhibit in its response.

### **Board Action**

The Board found the Campaign in violation and assessed \$836 in penalties.

## ***Public Matching Funds Findings***

### **9. Return of Final Bank Balance**

Campaigns are required to return excess public funds after the election. *See* Admin. Code § 3-710(2)(c); Rule 5-03(e). Public funds are only intended to be used for campaign expenditures, and not every campaign will use all of the public funds it received. This may occur when additional contributions were received or a campaign spent less than anticipated. To ensure that excess public funds are not wasted, until excess public funds have been repaid the only disbursements allowed are those for the preceding election and routine post-election expenditures. Routine post-election expenditures are those involving nominal cost associated with winding up a campaign and responding to the post-election audit. *See* Rule 5-03(e)(2)(i), (ii).

The remaining balance in the Campaign's bank account was \$7,143.01, according to the Campaign's July 31, 2015 bank statement. Based on the activity reported by the Campaign and additional information obtained and reviewed in the course of this audit, the Campaign must return \$7,143.01 to the Public Fund as its final bank balance.

### **Previously Provided Recommendation**

The Campaign must respond to all findings in this Draft Audit Report, including providing additional bank statements if requested. The Campaign must repay the final bank balance above with a check payable to the "New York City Election Campaign Finance Fund." If the Campaign disagrees with the amount, it must provide documentation and explanation to show why the amount is not correct. The Campaign may reduce the amount it must return to the Public Fund by proving that outstanding loans or outstanding liabilities timely reported on Statement 16 and not previously documented are still outstanding.

### **Campaign's Response**

In response to the Draft Audit Report, the Campaign provided a check to the NYC Campaign Finance Fund for \$15,992.02 dated January 9, 2015 from account number ending in 3801, the ending bank balance as of January 31, 2014. However, the Campaign also provided its February 2014 bank statement from account ending in 2301, which shows a bank balance of \$25,518.54. In response to the Notice of Alleged Violations and Recommended Penalties, the Campaign provided bank statements for its Sterling National Bank<sup>10</sup> for checking account ending in 3801 through July 2015 showing a balance of \$7,143.01.

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<sup>10</sup> On June 30, 2015, Hudson Valley Bank (a subsidiary of Hudson Valley Holding Corp.) merged with Sterling National Bank (a subsidiary of Sterling Bankcorp). The Campaign provided a Change of Bank Account Form to disclose the new bank account information after the merger.

**Board Action**

The Board determined that the Campaign must repay \$7,143.01 to the Public Fund. The Campaign paid \$6,827.05 on November 23, 2015.

*Other Findings*

**10. Failure to Respond Timely**

Campaigns are required to respond timely to requests from the CFB. *See* Admin. Code § 3-703(1)(d); Rules 1-09, 4-01.

The Campaign failed to submit, by the due date, the following:

REQUEST	DUE DATE	DATE	# DAYS	NOTE
Draft Audit Report	01/09/15	01/12/15	3	(1)

(1) The CFB received a request, dated December 18, 2014 from the Campaign for additional time to respond to its October 10, 2014 Draft Audit Report. The CFB approved the request. As a result, the Campaign’s due date was extended to January 9, 2015. The CFB received the Campaign’s response to the Draft Audit Report on January 12, 2015.

**Previously Provided Recommendation**

For each of the CFB’s requests listed above, the Campaign may provide a written explanation for the lateness of its response. The explanation must be accompanied by documentation, such as a certified mail receipt, or other relevant documentation regarding its lateness.

**Campaign’s Response**

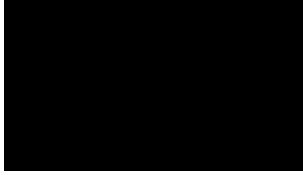
In response to the Notice of Alleged Violations and Recommended Penalties, the Campaign did not contest this violation.

**Board Action**

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

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

Souda S. Chapman

Director of Auditing and Accounting

Date: September 21, 2016

Staff: Selene Muñoz

Nailaja Mingo



**Exhibit I**  
**Friends of Torres**  
**Joint Expenditure Documentation – Invoice from Century Direct**  
**(see Finding #7)**

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

**Candidate:** Torres, Ritchie (ID:1710-P)**Office:** 5 (City Council)**Election:** 2013

1. Opening cash balance (All committees)		\$0.00
2. Total itemized monetary contributions (Sch ABC)		\$140,757.93
3. Total unitemized monetary contributions		\$0.00
4. Total in-kind contributions (Sch D)		\$1,015.46
5. Total unitemized in-kind contributions		\$0.00
6. Total other receipts (Sch E - excluding CFB payments)		\$121.44
7. Total unitemized other receipts		\$0.00
8. Total itemized expenditures (Sch F)		\$253,037.72
Expenditure payments	\$252,706.01	
Advance repayments	\$331.71	
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)		\$350.00
16. Total expenditures refunded (Sch L)		\$0.00
17. Total receipts adjustment (Sch M - excluding CFB repayments)		\$1,725.00
18. Total outstanding liabilities (Sch N - last statement submitted)		\$333.00
Outstanding Bills	\$333.00	
Outstanding Advances	\$0.00	
19. Total advanced amount (Sch X)		\$0.00
20. Net public fund payments from CFB		\$120,641.00
Total public funds payment	\$143,460.00	
Total public funds returned	(\$22,819.00)	
21. Total Valid Matchable Claims		\$24,560.00
22. Total Invalid Matchable Claims		\$3,080.00
23. Total Amount of Penalties Assessed		\$1,711.00
24. Total Amount of Penalty Payments		\$0.00
25. Total Amount of Penalties Withheld		\$0.00

**Exhibit I**  
**Friends of Torres**  
**Joint Expenditure Documentation – Invoice from Century Direct**  
**(see Finding #7)**

2/28/2014



Trans ID 1077

**CENTURY  
DIRECT**<sup>™</sup>

30-30 47th Avenue  
Long Island City, NY 11101-3415  
212.763.0600  
718.349.9528 Fax  
www.centurydirect.net

**INVOICE**



ORDERED BY Friends of Torres

INVOICE NO.	CUSTOMER ORDER NO.	DATE
1123		6-19-13

**Your proportional share of the 2013 Bronx Democratic County  
Designating petitions**

<b>NET INVOICE</b>	<b>558.90</b>
<b>SALES TAX</b>	<b>49.60</b>
<b>INVOICE TOTAL</b>	<b>608.50</b>

**Please remit payment to: Century Direct**

Mail / FedEx /UPS your payment to: Century Direct  
Att: Jayne Goldberg  
30-30 47<sup>th</sup> Avenue  
Long Island City, NY 11101

Century Direct thanks you for your business and hopes you feel justified  
in recommending its service to others.

**Exhibit II**  
**Friends of Torres**  
**Improper Post-Election Expenditures**  
**(see Finding #8)**

<b>Name</b>	<b>Statement/ Schedule/ Transaction ID</b>	<b>Purpose Code</b>	<b>Invoice Date</b>	<b>Paid Date</b>	<b>Amount</b>	<b>Notes</b>
Nation Builder	16/F/R0001831	PROFL	12/13/13	12/13/13	\$38 00	(1)
Virgin Mobile	16/F/R0001837	OFFCE	12/22/13	12/22/13	\$43 55	(2)
Virgin Mobile	16/F/R0001839	OFFCE	12/22/13	12/22/13	\$43 55	(2)
Virgin Mobile	16/F/R0001841	OFFCE	12/22/13	12/22/13	\$43 55	(2)
Virgin Mobile	16/F/R0001843	OFFCE	12/31/13	12/31/13	\$43 55	(2)
Virgin Mobile	16/F/R0001845	OFFCE	12/31/13	12/31/13	\$43 55	(2)
Paychex Inc	16/F/R0001847	PROFL	01/10/14	01/10/14	\$94 00	(3)
Check #1111	Unreported	N/A	N/A	12/30/13	\$1,283 34	(4)
Nation Builder	2014 July Periodic	PROFL	N/A	01/13/14	\$38 00	(1), (5)
Check #5048	Unreported	N/A	N/A	01/16/14	\$383 78	(6)
Actblue	2014 July Periodic	PROFL	N/A	01/16/14	\$0 50	(7)
Usps	2014 July Periodic	PROFL	N/A	01/10/14	\$78 00	(8)
Virgin Mobile	2014 July Periodic	OFFCE	N/A	01/22/14	\$43 55	(2)
Virgin Mobile	2014 July Periodic	OFFCE	N/A	01/22/14	\$43 55	(2)
Virgin Mobile	2014 July Periodic	OFFCE	N/A	01/22/14	\$43 55	(2)
Virgin Mobile	2014 July Periodic	OFFCE	N/A	01/31/14	\$43 55	(2)
Virgin Mobile	2014 July Periodic	OFFCE	N/A	01/31/14	\$43 55	(2)
Hudson Valley Bank	2014 July Periodic	OTHER	N/A	02/07/14	\$20 00	(5)
Nation Builder	2014 July Periodic	PROFL	N/A	02/13/14	\$38 00	(5)
Virgin Mobile	2014 July Periodic	OFFCE	N/A	02/24/14	\$43 55	(5)
Virgin Mobile	2014 July Periodic	OFFCE	N/A	02/24/14	\$43 55	(5)
Virgin Mobile	2014 July Periodic	OFFCE	N/A	02/24/14	\$43 55	(5)
Virgin Mobile	2014 July Periodic	OFFCE	N/A	03/03/14	\$43 55	(5)
Virgin Mobile	2014 July Periodic	OFFCE	N/A	03/03/14	\$43 55	(5)
Paychex Inc	2014 July Periodic	PROFL	N/A	03/10/14	\$94 00	(9)
Nation Builder	2014 July Periodic	PROFL	N/A	03/13/14	\$38 00	(5)
Virgin Mobile	2014 July Periodic	OFFCE	N/A	03/24/14	\$43 55	(5)
Virgin Mobile	2014 July Periodic	OFFCE	N/A	03/24/14	\$43 55	(5)
Virgin Mobile	2014 July Periodic	OFFCE	N/A	03/24/14	\$43 55	(5)
Virgin Mobile	2014 July Periodic	OFFCE	N/A	03/31/14	\$43 55	(5)
Virgin Mobile	2014 July Periodic	OFFCE	N/A	03/31/14	\$43 55	(5)
Paychex Inc	2014 July Periodic	PROFL	N/A	04/10/14	\$74 00	(9)
Nation Builder	2014 July Periodic	PROFL	N/A	04/14/14	\$38 00	(4)
Virgin Mobile	2014 July Periodic	OFFCE	N/A	04/22/14	\$43 55	(5)
Virgin Mobile	2014 July Periodic	OFFCE	N/A	04/22/14	\$43 55	(5)
Virgin Mobile	2014 July Periodic	OFFCE	N/A	04/22/14	\$43 55	(5)
Virgin Mobile	2014 July Periodic	OFFCE	N/A	04/22/14	\$43 55	(5)
Virgin Mobile	2014 July Periodic	OFFCE	N/A	05/01/14	\$43 55	(5)
Virgin Mobile	2014 July Periodic	OFFCE	N/A	05/01/14	\$43 55	(5)
Paychex Inc	2014 July Periodic	PROFL	N/A	05/12/14	\$14 00	(9)

**Exhibit II**  
**Friends of Torres**  
**Improper Post-Election Expenditures**  
**(see Finding #8)**

<b>Name</b>	<b>Statement/ Schedule/ Transaction ID</b>	<b>Purpose Code</b>	<b>Invoice Date</b>	<b>Paid Date</b>	<b>Amount</b>	<b>Notes</b>
Nation Builder	2014 July Periodic	PROFL	N/A	05/13/14	\$38 00	(5)
Virgin Mobile	2014 July Periodic	OFFCE	N/A	05/22/14	\$43 55	(5)
Virgin Mobile	2014 July Periodic	OFFCE	N/A	05/22/14	\$43 55	(5)
Virgin Mobile	2014 July Periodic	PROFL	N/A	05/22/14	\$43 55	(5)
Virgin Mobile	2014 July Periodic	OFFCE	N/A	06/02/14	\$43 55	(5)
Virgin Mobile	2014 July Periodic	OFFCE	N/A	06/02/14	\$43 55	(5)
Nation Builder	2014 July Periodic	PROFL	N/A	06/13/14	\$29 25	(5)
Virgin Mobile	2014 July Periodic	OFFCE	N/A	06/23/14	\$43 55	(5)
Virgin Mobile	2014 July Periodic	OFFCE	N/A	06/23/14	\$43 55	(5)
Virgin Mobile	2014 July Periodic	OFFCE	N/A	06/23/14	\$43 55	(5)
Virgin Mobile	2014 July Periodic	OFFCE	N/A	07/01/14	\$43 55	(5)
Virgin Mobile	2014 July Periodic	OFFCE	N/A	07/01/14	\$43 55	(5)
Nation Builder	2015 Jan Periodic	PROFL	N/A	07/14/14	\$38 00	(5)
Virgin Mobile	2015 Jan Periodic	OFFCE	N/A	07/22/14	\$43 55	(5)
Virgin Mobile	2015 Jan Periodic	OFFCE	N/A	07/22/14	\$43 55	(5)
Virgin Mobile	2015 Jan Periodic	OFFCE	N/A	07/22/14	\$43 55	(5)
Virgin Mobile	2015 Jan Periodic	OFFCE	N/A	07/31/14	\$43 55	(5)
Virgin Mobile	2015 Jan Periodic	OFFCE	N/A	07/31/14	\$43 55	(5)
Nation Builder	2015 Jan Periodic	PROFL	N/A	08/13/14	\$38 00	(5)
Virgin Mobile	2015 Jan Periodic	OFFCE	N/A	08/22/14	\$43 55	(5)
Virgin Mobile	2015 Jan Periodic	OFFCE	N/A	08/22/14	\$43 55	(5)
Virgin Mobile	2015 Jan Periodic	OFFCE	N/A	08/22/14	\$43 55	(5)
Virgin Mobile	2015 Jan Periodic	OFFCE	N/A	09/02/14	\$43 55	(5)
Virgin Mobile	2015 Jan Periodic	OFFCE	N/A	09/02/14	\$43 55	(5)
Nation Builder	2015 Jan Periodic	PROFL	N/A	09/15/14	\$38 00	(5)
Virgin Mobile	2015 Jan Periodic	OFFCE	N/A	09/22/14	\$43 55	(5)
Virgin Mobile	2015 Jan Periodic	OFFCE	N/A	09/22/14	\$43 55	(5)
Virgin Mobile	2015 Jan Periodic	OFFCE	N/A	09/22/14	\$43 55	(5)
Virgin Mobile	2015 Jan Periodic	OFFCE	N/A	10/01/14	\$43 55	(5)
Virgin Mobile	2015 Jan Periodic	OFFCE	N/A	10/01/14	\$43 55	(5)
Nation Builder	2015 Jan Periodic	PROFL	N/A	10/14/14	\$38 00	(5)
<b>Total</b>					<b><u>\$3,345.03</u></b>	

**Exhibit II**  
**Friends of Torres**  
**Improper Post-Election Expenditures**  
**(see Finding #8)**

Name	Statement/ Schedule/ Transaction ID	Purpose Code	Invoice Date	Paid Date	Amount	Notes
<b>Notes:</b>						
						(1) In response to the Draft Audit Report ("DAR"), the Campaign did not provide documentation for the transaction as evidence that the expenditure is a permissible post-election expense. In response to the Notice of Alleged Violations and Recommended Penalties ("NAV"), the Campaign did not respond or provide documentation for this transaction.
						(2) In response to the DAR, the Campaign did not provide documentation for the transaction as evidence that the expenditure is a permissible post-election expense. In response to the NAV, the Campaign did not respond or provide documentation for this transaction.
						(3) In response to the DAR, the Campaign stated, "Paychex continued to charge passed the 11 of January 2013, due to the processing of year end reports including W2s." However, the Campaign did not provide documentation for the transaction as evidence that the expenditure is a permissible post-election expense. In response to the NAV, the Campaign provided documentation for this transaction; however, the documentation provided does not fit the criteria for permissible post-election expenditures.
						(4) In response to the DAR and NAV, the Campaign provided letters from Sterling National bank indicating, "check #1111 in the amount of \$1283.34 was paid on 9/6/2013 and again on 12/30/2013... An investigation was opened to research the item." However, the documentation provided does not fit the criteria for permissible post-election expenditures. If the Bank resolves this issue and returns the funds to the Campaign's bank account, the Campaign must return the funds to the New York City Campaign Finance Fund. Therefore, the Board did not assess a penalty for this transaction. See also, Finding 1 a)
						(5) This transaction was reported to the New York State Board of Elections. In response to the NAV, the Campaign did not respond or provide documentation for this transaction.
						(6) In response to the DAR and NAV, the Campaign did not respond or provide documentation for this transaction.
						(7) The Campaign did not respond or provide documentation for this transaction.
						(8) In response to the DAR, the Campaign amended its disclosure reporting for statement 16 to report the transaction. However, the Campaign did not provide documentation for the transaction as evidence that the expenditure is a permissible post-election expense. In response to the NAV, the Campaign did not respond or provide documentation for this transaction.
						(9) This transaction was reported to the New York State Board of Elections. In response to the NAV, the Campaign provided documentation for this transaction; however, the documentation provided does not fit the criteria for permissible post-election expenditures.