



New York City Campaign Finance Board

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

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Via C-Access
September 30, 2016

Avis J. Jones
Committee to Elect Robert M. Waterman
736 Lexington Avenue
Brooklyn, NY 11221

Dear Avis Jones:

Please find attached the New York City Campaign Finance Board's ("CFB" or "Board") Final Audit Report for the 2013 campaign of Robert M. Waterman (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 October 8, 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 was assessed penalties totaling \$3,870.

The full amount owed must be paid no later than **October 31, 2016**. Please send a check in the amount of \$3,870, 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.

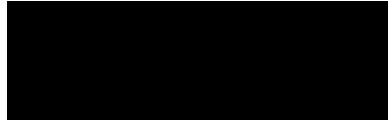
If the CFB is not in receipt of the full amount owed by **October 31, 2016**, the Candidate's name and the amount owed will be posted on the CFB's website. The CFB may also initiate a civil action to compel payment. In addition, the Candidate will not be eligible to receive public funds for any future election until the full amount is paid. Further information regarding liability for this debt can be found in the attached Final Board Determination.

The January 15, 2014 disclosure statement (#16) was the last disclosure statement the Campaign was required to file with the CFB for the 2013 elections. The Campaign is required to maintain its records for six years after the election, and the CFB may require the Campaign to demonstrate

ongoing compliance. *See* Rules 3-02(b)(3), 4-01(a), and 4-03. In addition, please contact the New York State Board of Elections for information concerning its filing requirements.

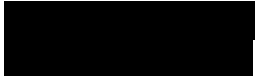
The CFB appreciates the Campaign's cooperation during the 2013 election cycle. Please contact the Audit Unit at 212-409-1800 or AuditMail@nyccfb.info with any questions about the enclosed report.

Sincerely,



Sauda S. Chapman
Director of Auditing and Accounting

c: Robert M. Waterman



Committee to Elect Robert M. Waterman
736 Lexington Avenue
Brooklyn, NY 11221

Attachments



EC2013 Final Audit Report

Committee to Elect Robert M. Waterman

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 Robert M. Waterman (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 disclose all of its bank accounts on the Certification (see Finding #1).
- The Campaign did not report or inaccurately reported financial transactions to the Board (see Finding #2).
- The Campaign did not file the required daily disclosure statements during the two weeks preceding the 2013 primary election (see Finding #3).

Contribution Findings

All campaigns are required to abide by contribution limits and adhere to the ban on contributions from prohibited sources. Further, campaigns are required to properly disclose and document all contributions. Findings in this section relate to the Campaign’s failure to comply with the requirements for contributions under the Act and Rules.

- The Campaign accepted a contribution from a prohibited source (see Finding #4).
- The Campaign did not disclose in-kind contributions received (see Finding #5).
- The Campaign did not report expenditures for basic campaign functions or activities, indicating that it received in-kind contributions (see Finding #6).

Expenditure Findings

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

- The Campaign made cash disbursements greater than \$100 (see Finding #7).
- The Campaign did not properly report and/or document its joint expenditures (see Finding #8).
- The Campaign made expenditures that were not in furtherance of the Campaign (see Finding #9).

BACKGROUND

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

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

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

The table below provides detailed information about the Campaign:

Name: Robert M. Waterman	Contribution Limit:
ID: 1209	\$2,750
Office Sought: City Council	
District: 36	Expenditure Limit:
	2010–2012: \$45,000
Committee Name: Committee to Elect Robert M. Waterman	2013 Primary: \$168,000
Classification: Participant	2013 General: N/A
Certification Date: May 15, 2013	
	Public Funds:
Ballot Status: Primary	Received: \$92,400
Primary Election Date: September 10, 2013	Returned: \$0
Party: Democratic	
	Campaign Finance Summary:
	http://bit.ly/1yS71mR

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 24, 2013. Based on various criteria, we also selected the Campaign for an onsite review, and visited the Campaign's location to observe its activity and review its recordkeeping. After the election, we performed an audit of all financial disclosure statements submitted for the election (see summary of activity reported in these statements at Appendix #1).

To verify that the Campaign accurately reported and documented all financial transactions, we requested all of the Campaign's bank statements and reconciled the financial activity on the bank statements to the financial activity reported on the Campaign's disclosure statements. We identified unreported, misreported, and duplicate disbursements, as well as reported disbursements that did not appear on the Campaign's bank statements. We also calculated debit and credit variances by comparing the total reported debits and credits to the total debits and credits amounts appearing on the bank statements. Because the Campaign reported that more than 10% of the dollar amount of its total contributions were in the form of cash contributions, we compared the total cash contributions reported to the total of cash deposits on itemized deposit slips.

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

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

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

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

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

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

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

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

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

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

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 was subsequently informed of its alleged violations, and was asked to respond. The Campaign responded and the CFB evaluated any additional information provided by the Campaign. CFB staff recommended that the Board find that the Campaign committed violations subject to penalty. The Campaign chose not to contest the CFB staff recommendations. The Board's actions are summarized as a part of each Finding in the Audit Results section. The finding numbers and exhibit numbers, as well as the number of transactions included in the findings, may have changed from the Draft Audit Report to the Final Audit Report.

AUDIT RESULTS

Disclosure Findings

1. Bank Accounts – Identifying Information

Campaigns are required to report all bank, depository, and merchant accounts used for campaign purposes on their Certification. *See* Admin. Code § 3-703(1)(c); Rules 1-11(d), 2-01(a) and 2-06(a).

The bank statements provided by the Campaign revealed that information concerning a PayPal account (account number unknown) and a Litle & Co. account (account number unknown), were not reported to the CFB as part of the Candidate’s Certification.

Previously Provided Recommendation

The Campaign must explain why it failed to disclose each account listed above and amend its Certification using a Change of Bank Account Form to include all missing account information. The form can be downloaded at http://www.nyccfb.info/PDF/forms/change_of_bank_account.pdf.

Campaign’s Response

In response to the Draft Audit Report, the Campaign stated, “Pay Pal, Litle & Co.[,] & Act Blue were test accounts that were never used.” However, the Campaign did not disclose the accounts to the CFB and did not provide documentation from the merchant processors to show that no activity occurred. In response to the Notice of Alleged Violations and Recommended Penalties, the Campaign reiterated that the accounts were used for test purposes. The Campaign provided emails from The Advance Group to PayPal and Vantiv¹ requesting confirmation that the accounts were closed and/or never utilized. However, processing fees to these entities are present on the bank statements provided by the Campaign and show that both the Litle & Co. and PayPal accounts were linked to the Campaign’s bank account . Moreover, the Candidate’s ActBlue donation portal was live and able to accept contributions throughout the 2013 election cycle. Act Blue is the payment gateway linked to the Litle & Co merchant account. The Campaign failed to amend its Certification to disclose the accounts, or provide documentation confirming that the accounts were not used this finding is not resolved.

Board Action

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

¹ Vantiv, the company that acquired Litle & Co.

2. 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:²

BANK	ACCOUNT #	ACCOUNT TYPE	STATEMENT PERIOD
Citibank	XXXXX3309	Checking	March 14, 2008 – December 12, 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 must provide the bank statements listed below:

BANK	ACCOUNT #	STATEMENT PERIOD
PayPal	Unknown	Inception – Present
Litle & Co.	Unknown	Inception – Present
ActBlue ³	Unknown	Inception – Present

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

ACCOUNT #	NAME	CHECK NO./ TRANSACTION	PAID DATE	AMOUNT
XXXXX3309	John Funeral Home	11264005	06/12/13	\$100.00

² The Campaign's bank statement ending on December 12, 2013 shows a closing balance of negative \$0.20, following an account service charge by Citibank.

³ This account is the payment gateway linked to the Litle & Co. merchant account.

c) The Campaign reported the following transaction that does not appear on its bank statements:

NAME	CHECK NO./ TRANSACTION	STATEMENT/ SCHEDULE/ TRANSACTION	PAID DATE	AMOUNT
Walls, Otis	1047	9/F/R0001618	06/21/13	\$100.00

Previously Provided Recommendation

- a) The Campaign must provide all pages of the requested bank statements.
- b) The Campaign must amend its disclosure statements to report these transactions. The Campaign must also provide documentation for each transaction. Because bank statements provide limited information about a transaction, the Campaign should review invoices or other records to obtain all of the information necessary to properly report the transaction.
- c) For each transaction reported in the Campaign's disclosure statements that does not appear on the Campaign's bank statements, the Campaign must provide evidence to show that the transaction cleared the bank (i.e., a copy of the front and back of the check, and the bank statement showing the payment). Alternatively, the Campaign may provide evidence that the transaction was reported in error, or amend the Campaign's disclosure statement to void the check. For each voided check, the Campaign must either issue a replacement check or forgive the expenditure payment. Any forgiven liabilities will be considered in-kind contributions, which could result in contribution limit violations, or be considered contributions from a prohibited source. The Campaign may need to contact the payee to determine why the transaction did not clear.

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 16.⁴

⁴ 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 that the PayPal and ActBlue/Little & Co. accounts were only test accounts and not used. In response to the Notice of Alleged Violations and Recommended Penalties, the Campaign reiterated that the accounts were used for test purposes. The Campaign provided emails from The Advance Group to PayPal and Vantiv requesting confirmation that the accounts were closed and/or never utilized. However, the Campaign did not provide documentation from the entities to support its claim. The processing fees present on bank statements provided by the Campaign indicate that these entities were linked to the Campaign's bank account. Additionally, the Candidate's ActBlue donation portal was live and able to accept contributions throughout the 2013 election cycle.

b) In response to the Draft Audit Report, the Campaign failed to report four of eighteen unreported transactions cited in its Draft Audit Report. In addition, in response to an under-reported disbursement cited in the Draft Audit Report, the Campaign submitted a copy of a bank check issued to John Funeral Home on June 12, 2013 for \$100.00. The check accounted for the under-reported \$100.00 cited as misreported for a \$360.00 withdrawal that occurred on June 12, 2013. However, the Campaign did not amend its disclosure to report this transaction.

c) In its Draft Audit Report response, the Campaign stated that the transaction was incorrectly reported as a check and was actually paid in cash. The Campaign previously provided a copy of a timesheet and a copy of the front of the check (Check #1047). The copy included a handwritten note stating that cash was given at a fundraiser held on June 21, 2013. However, the Campaign failed to amend its disclosure statements to disclose the actual method of payment. Further, the Campaign's bank statements do not show a cash withdrawal on or around the date of the reported payment.

Board Action

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

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

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.

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 daily disclosures to report the expenditures listed on Exhibit I.

Previously Provided Recommendation

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

Campaign's Response

In response to the Draft Audit Report, the Campaign did not address the expenditure transactions on Exhibit I or provide documentation demonstrating that it was not required to file the daily disclosure statements for the listed expenditures.

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

Board Action

The Board found the Campaign in violation and assessed \$200 in penalties.

Contribution Findings

4. Prohibited Contributions – Corporate/Partnership/LLC

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

a) Prior to the election, the Campaign accepted contributions from entities listed on the New York State Department of State's website as corporations, partnerships, and/or LLCs in the following instances. After notification from the CFB, the Campaign refunded the contributions.

PREVIOUSLY REFUNDED CONTRIBUTIONS FROM PROHIBITED SOURCES				
NAME	STATEMENT/ SCHEDULE/ TRANSACTION	INCURRED/ RECEIVED/ REFUNDED DATE	AMOUNT	NOTE
57 Oldtimer's Inc.	6/ABC/R0001138	09/15/12	\$100.00	
57 Oldtimer's Inc.	7/M/R0001274	03/08/13	(\$100.00)	
Paul, Shauna	8/ABC/R0001452	04/16/13	\$150.00	(1)
Paul, Shauna	9/M/R0001487	06/12/13	(\$150.00)	

(1) Although the Campaign reported the contribution as shown, the documentation provided indicates that this contribution was from "Saint Paul's, Inc."

b) The Campaign accepted contributions from entities listed on the New York State Department of State's website as corporations, partnerships, and/or LLCs in the following instances:

CONTRIBUTIONS FROM PROHIBITED SOURCES				
NAME	STATEMENT/ SCHEDULE/ TRANSACTION	RECEIVED DATE	AMOUNT	NOTE
Brooklyn Exposure	Various	N/A	\$15.00	(1)

(1) The Campaign submitted a \$600.00 invoice from Brooklyn Exposure for an event that occurred on September 5, 2013. A review of the itemized components of the invoice revealed that the grand total should be \$615.00 instead of \$600.00. Thus, the Campaign received a \$15.00 discount from the vendor (see Exhibit II). See also Finding #5a.

Previously Provided Recommendation

a) The Campaign previously refunded these prohibited contributions and no further response is necessary at this time. However, the Campaign may still be penalized for accepting these contributions. If the Campaign disagrees with this finding, it must provide an explanation and documentation to demonstrate that its acceptance of the contribution was not a violation.

b) The Campaign must address each transaction individually:

- The Campaign must refund each prohibited contribution by bank or certified check, and provide the CFB with a copy of the refund check, or pay the Public Fund an amount equal to the contribution.

- Alternatively, the Campaign may provide documentation or evidence showing that the contribution was not from a prohibited entity.
- For outstanding liabilities, the Campaign may provide documentation showing that the debt remains an outstanding liability and that the creditor is attempting to collect the debt. Such documentation may include current invoices, collection notices, and/or letters from creditors that demonstrate a consistent and ongoing collection effort.

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

Campaign's Response

a) In response to the Draft Audit Report, the Campaign re-submitted copies of the bank checks issued to the entities listed above. The Campaign timely refunded Shauna Paul after notification from the CFB on June 6, 2013. However, the Campaign failed to timely refund 57 Oldtimer's Inc. after notification from the CFB on February 20, 2013. In response to the Notice of Alleged Violations and Recommended Penalties, the Campaign stated it contacted its CFB liaison and was advised to refund the contributions as soon as possible. However, Campaigns may still be penalized for receiving prohibited contributions that are refunded in response to notification from the CFB.

b) In response to the Draft Audit Report, the Campaign provided a narrative and documentation showing that an event took place at Brooklyn Exposure. However, the Campaign failed to explain why the itemized components of the invoice total \$15.00 more than the amount billed.

Board Action

a) The Board found the Campaign in violation and assessed \$275 in penalties.

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

5. Undocumented or Unreported In-Kind Contributions

In-kind contributions are goods or services provided to a campaign for free, paid by a third party, or provided at a discount not available to others. The amount of the in-kind contribution is the difference between the fair market value of the goods or services and the amount the Campaign paid. Liabilities for goods and services for the Campaign which are forgiven, in whole or part, are also in-kind contributions. In addition, liabilities for goods and services outstanding beyond 90 days are in-kind contributions unless the vendor has made commercially reasonable attempts to collect. An in-kind contribution is both a contribution and expenditure subject to both the

contribution and expenditure limits. Volunteer services are not in-kind contributions. In-kind contributions are subject to contribution source restrictions. *See* Admin. Code § 3-702(8); Rules 1-02 and 1-04(g). Campaigns may not accept contributions from any corporation, partnership, limited liability partnership (LLP), or limited liability company (LLC). *See* Admin. Code § 3-703(1)(l).

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

a) Invoices for the expenditures listed below indicate that the Campaign received a discount in connection with the goods/services being provided.

NAME	STATEMENT/ SCHEDULE/ TRANSACTION	INVOICE DATE	AMOUNT	DISCOUNTED AMOUNT	NOTES
Brooklyn Exposure*	11/F/R0001753	08/19/13	\$300.00		(1)
BE*	12/F/R0001935	09/05/13	\$200.00		(1)(2)
BE*	12/F/R0001933	09/06/13	\$100.00	\$15.00	(1)(2)

*This may also be a prohibited corporate contribution. *See* Admin. Code §§ 3-703(1)(l), 3-719(2)(b); Rule 1-04(e).

(1) The Campaign reported three expenditures totaling \$600.00 and provided an invoice from Brooklyn Exposure for an event which occurred on September 5, 2013. The invoice indicates that a deposit was made of \$300.00 (Transactions 12/F/R0001935 and 12/F/R0001933). A review of the itemized components of the invoice revealed that the grand total should be \$615.00 instead of \$600.00. Thus, the Campaign received a \$15.00 discount from the vendor (see Exhibit II). *See* also Finding #3b.

(2) The Campaign reported two disbursements to "BE" for \$200.00 and \$100.00 that appear on the Campaign's bank statements as ATM withdrawals on September 5, 2013 for \$201.75 and \$101.75. The total of \$303.50 (\$201.75 + \$101.75) represent the \$300 deposit that was made in cash and the fees for withdrawing the money from an ATM. *See* also Finding #7.

b) Documentation obtained by the CFB indicates that one or more expenditures were made to advance the election of the Candidate. However, the Campaign did not report the expenditures.

DESCRIPTION OF ITEM	EXHIBIT #	NOTE
Two-sided Mailer	III	
Two-sided Flyer	IV	
Large Outdoor Banner	V	
Canvass Walk List	VI	(1)

(1) The Campaign must state whether the list was authorized or used by the Campaign and provide the information requested in the Recommendation.

Previously Provided Recommendation

a) The Campaign must provide an explanation for the discount noted in the documentation. If the discount is routinely available to the general public or others, the Campaign must provide written confirmation from the vendor. If the discount is not routinely available to others, the Campaign must report the amount of the discount as an in-kind contribution from the vendor and submit an amendment to Statement 16. If the vendor is a prohibited source, the Campaign must pay the amount of the discount to the vendor by bank or certified check and provide the CFB with copies of the refund check or pay the Public Fund an amount equal to the amount of the prohibited contribution.

b) For each transaction, the Campaign must provide a written explanation describing how the good or service was purchased or provided. If the purchase was previously reported, the Campaign must identify the relevant Transaction ID(s) of the purchase. If the Campaign purchased the goods or services listed, it must provide invoices, contracts, and any other documentation related to the purchase. If a third party purchased or donated the good or service, the Campaign must submit an in-kind contribution form completed by the contributor. If not previously reported, the Campaign must enter the bill and bill payment or in-kind contribution in C-SMART and submit an amendment to Statement 16. Further, for the canvass walk list, the Campaign must state whether the list was authorized or used by the Campaign and answer the following questions.

1) If the list was authorized or used by the Campaign, provide the following information:

- State how, and from whom, the list was obtained.
- State how, when, and by whom the list was used.
- Identify the Transaction ID(s) associated with the purchase of the list, or explain why no such transaction(s) was reported.
- Identify any other voter list-related goods and services that were used by the Campaign. For each such good or service, identify the associated Transaction ID(s), or explain why no such transaction was reported.

2) If the list was not authorized by the Campaign, provide the following information:

- Is the Campaign aware of how or by whom this list was created or used?
- Did the Campaign engage in any door-to-door canvassing? If so, explain how the walk lists for that canvassing were obtained and identify the associated Transaction ID(s).
- The list appears to have been created from an account in the VAN (Voter Activation Network) registered to an employee of The Advance Group.
 - Do the Candidate, Campaign or any of the Campaign's agents have a VAN account? If so, identify each user and any use in the 2013 election cycle.

- o Did the Campaign obtain VAN goods or services or any other voter list-related goods or services from The Advance Group? If so, identify each such good or service. For each such good or service, identify the associated Transaction ID(s), or explain why no such transaction was reported.

Campaign's Response

a) In response to the Draft Audit Report, the Campaign provided a narrative and documentation showing that an event took place at Brooklyn Exposure. However, the Campaign failed to explain why the itemized components of the invoice total \$15.00 more than the amount billed.

b) In response to the Draft Audit Report, the Campaign stated that the Advance Group provided the goods and services referenced in the exhibits. However, the Campaign did not provide a complete response as it failed to address the questions asked in the Recommendation section above. The Campaign did not contest this finding in response to the Notice of Alleged Violations and Recommended Penalties.

Board Action

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

b) The Board found the Campaign in violation and assessed \$400 in penalties.

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

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

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

The Campaign did not report any expenditures for utilities for the Campaign's office between June 1, 2013 and the date it vacated the space. However, section #10 of the Campaign's lease states that the "Tenant shall be responsible for arranging for and paying for all utility services required on the Premises." Past election cycles have proven that active campaigns for elected office engage in certain basic activities, and as a result, they generally incur expenditures of the

type described above. The absence of such expenditures in the Campaign's reporting indicates that these goods or services may have been provided free of charge or paid for by a third party.

Previously Provided Recommendation

The Campaign must explain why it did not incur any expenses for the utilities used by the Campaign from June 1, 2013 to the date it vacated the space. In addition, the Campaign must indicate the date its lease ended and provide documentation.

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

If utilities used for the Campaign office were provided to the Campaign free of charge, amend the Campaign's disclosure statements to report the amount of each as in-kind contributions and provide documentation to demonstrate the value of the in-kind contributions.

Campaign's Response

In response to the Draft Audit Report, the Campaign directed CFB staff to a lease previously provided by the Campaign. This lease agreement also states that the Tenant is responsible for utility expenditures. In response to the Notice of Alleged Violations and Recommended Penalties, the Campaign stated, "The rental 450.00 monthly covered the utilities bills payable to Canticles lounge." However, the Campaign did not provide documentation to support its argument.

Board Action

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

Expenditure Findings

7. Cash Disbursements Exceeding \$100

Campaigns are prohibited from maintaining a petty cash fund greater than \$500. *See* Rule 4-01(e)(2). Campaigns are also prohibited from spending amounts greater than \$100 except by checks from a bank account reported to the CFB and signed by the Campaign's authorized signatory. *See* Rule 1-08(i).

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

NAME	STATEMENT/ SCHEDULE/ TRANSACTION	DATE	AMOUNT	NOTE
BE	12/F/R0001935	09/05/13	\$200.00	(1)
BE	12/F/R0001933	09/06/13	\$100.00	(1)

(1) Documentation indicates that the Campaign made this expenditure in cash, although the Campaign reported another method of payment.

Previously Provided Recommendation

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

Campaign's Response

In response to the Draft Audit Report, the Campaign stated that the payments to Brooklyn Exposure were debit transactions. However, the Campaign did not provide supporting documentation for its assertion, and the Campaign's bank statement reflects two ATM withdrawals on September 5, 2013 for \$201.75 and \$101.75. The total of \$303.50 (\$201.75 + \$101.75) represent the \$300 deposit that was made in cash and the fees for withdrawing the money from an ATM. The Campaign did not contest this finding in response to the Notice of Alleged Violations and Recommended Penalties.

Board Action

The Board found the Campaign in violation and assessed \$50 in penalties.

8. 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.

a) The Advance Group, Inc. produced 5,000 door hangers featuring Robert Waterman, Letitia James, Eliot Spitzer and Charles Hynes. The invoice (#6164) is dated September 6, 2013 and totals \$1,400.00. Although all four candidates are featured equally on the door hanger, \$700.00 was billed to the Waterman Campaign and \$700.00 was billed to the Hynes Campaign. Because the door hangers feature all four of the candidates equally, and state “Paid for” by all four campaigns, it is reasonable to expect the Campaign’s proportion was 25% of the total. Instead, the Campaign was billed, and paid, 50% of the total cost (see Transaction ID 12/F/R0001851). A copy of this literature, invoice, and check #1074 are included as Exhibit VII. Based on a review of this information, the Campaign did not accurately account for the joint campaign activity with Letitia James, Eliot Spitzer and Charles Hynes.

b) In response to the Draft Audit Report, the Campaign stated that Letitia James Committee 2013 issued the Campaign a \$1,500 payment “for joint campaign activities such as literature, drops & Election Day.” The Campaign provided a copy of the front of a \$1,500.00 check issued by the Letitia James 2013 campaign. Although the Letitia James’ campaign reported the transaction as an expenditure to “Comm to Elect Robert M Waterma” with the explanation “Primary Day Workers,” the Campaign did not provide documentation, such as an invoice, showing the check was for a joint expenditure, the total cost of the joint expenditure or the methodology for the cost allocation of each campaign’s share.

Previously Provided Recommendation

a) The Campaign must explain its methodology for the cost allocation of the door hanger. From the documentation provided, the Campaign appears to have overpaid its share. The Campaign must explain why it paid for 50% of the cost when it was not featured on 50% of the piece.

b) The Campaign must provide records documenting that the payment from the James campaign was for a joint expenditure, the total costs of such expenditure, all campaigns involved in making such expenditure, and a cost allocation methodology for the expenditure. For each expenditure, the Campaign must provide copies of all relevant campaign literature or other materials, worker timesheets, invoices, and payment documentation (e.g., cancelled checks) that it has previously not provided to the Board.

Campaign’s Response

a) In its 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 the same invoice that it previously provided. However, the Campaign failed to provide an explanation or methodology for the cost allocation of the door hangers.

b) In response to the Notice of Alleged Violations and Recommended Penalties, the Campaign stated, “The campaign received \$1500 from the Tish James campaign. This was used to print the palm cards and [l]iterature drops. Please see attached documentation.” However, the Campaign did not provide any additional documentation to substantiate its response.

Board Action

a –b) The Board found the Campaign in violation and assessed \$200 in penalties.

9. Expenditures – Not In Furtherance of the Campaign

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

The Campaign reported the expenditures listed on Exhibit VIII which—based on the reporting and/or documentation—are non-campaign related.

Previously Provided Recommendation

For the James Caldwell expenditures, the Campaign must provide records describing the specific services provided by Caldwell, the days and hours worked, and the rate of pay. For the September 12, 2013 payments, the Campaign must explain why Caldwell was paid twice, as well as when the services were provided. If the services were provided after the primary election, the Campaign must explain how they were routine activities involving nominal cost associated with winding up a campaign or responding to the post-election audit. For the Jennifer Joseph expenditures, the Campaign must provide time sheets, receipts, and proof of payment (e.g., cancelled checks) for the items purchased by Joseph on the Campaign’s behalf. The Campaign must also explain the basis for the \$3,342 in payments to Joseph that were not addressed in the Draft Audit Report response, and provide all relevant documentation.

Campaign’s Response

In the Draft Audit Report, the Campaign was required to provide a detailed agreement for payments made to Jennifer Joseph in her role as a petition consultant as well as an amended contract or an affirmation from Ms. Joseph describing her Election Day consulting services. The

agreement provided previously by the Campaign lacked details. Additionally, the Campaign was asked to explain the substantial increase in the cost of Election Day consulting services compared to petition consulting services. In response to the Draft Audit Report, the Campaign provided a letter from Ms. Joseph stating that she was a volunteer and was not paid for the services she provided to the campaign as an Election Day consultant. The letter also states that she received \$28,000 and provides a breakdown of how the funds were used, including hiring staff to distribute literature, poll workers, area coordinators and usage of vans. However, the Campaign failed to explain the substantial increase in the cost of Election Day consulting, address payments to Jennifer Joseph for non-election day work such as petitioning, or provide timesheets to substantiate the Election Day expenses. In response to the Notice of Alleged Violations and Recommended Penalties, the Campaign provided timesheets for Election Day workers and a notarized letter from Jennifer Joseph explaining the substantial increase in the cost of Election Day consulting. Additionally, the letter stated that Jennifer Joseph also functioned as a petition consultant and payments to her in the months of June and July were used to pay petition workers. However, the Campaign failed to provide supporting documentation for petition consultant expenses, petty cash, or other campaign worker wages paid to Jennifer Joseph. Due to lack of documentation, the use of the funds paid to Jennifer Joseph listed on Exhibit VIII could not be substantiated.

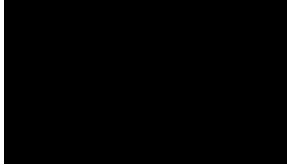
Regarding James Caldwell, the Campaign provided an unsigned contract in its response to the Notice of Alleged Violations and Recommended Penalties. The contract did not include a specific rate of pay or dates. In addition, the Campaign failed to address why Mr. Caldwell was paid twice and why he was paid for services dated after the election.

Board Action

The Board found the Campaign in violation and assessed \$1,595 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,



Souda S. Chapman

Director of Auditing and Accounting

Date: September 30, 2016

Staff: Selene Muñoz

Hormis Thaliath

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

Candidate: Waterman, Robert M (ID:1209-P)**Office:** 5 (City Council)**Election:** 2013

1. Opening cash balance (All committees)		\$12,815.99
2. Total itemized monetary contributions (Sch ABC)		\$49,921.81
3. Total unitemized monetary contributions		\$0.00
4. Total in-kind contributions (Sch D)		\$695.87
5. Total unitemized in-kind contributions		\$0.00
6. Total other receipts (Sch E - excluding CFB payments)		\$0.00
7. Total unitemized other receipts		\$0.00
8. Total itemized expenditures (Sch F)		\$136,019.23
Expenditure payments	\$136,019.23	
Advance repayments	\$0.00	
9. Total unitemized expenditures		\$0.00
10. Total transfers-In (Sch G)		\$0.00
Type 1	\$0.00	
Type 2a	\$0.00	
Type 2b	\$0.00	
11. Total transfers-out (Sch H)		\$0.00
Type 1	\$0.00	
Type 2a	\$0.00	
Type 2b	\$0.00	
12. Total loans received (Sch I)		\$0.00
13. Total loan repayments (Sch J)		\$0.00
14. Total loans forgiven (Sch K)		\$0.00
15. Total liabilities forgiven (Sch K)		\$0.00
16. Total expenditures refunded (Sch L)		\$0.00
17. Total receipts adjustment (Sch M - excluding CFB repayments)		\$1,328.00
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		\$92,400.00
Total public funds payment	\$92,400.00	
Total public funds returned	\$0.00	
21. Total Valid Matchable Claims		\$24,357.00
22. Total Invalid Matchable Claims		\$175.00
23. Total Amount of Penalties Assessed		\$3,870.00
24. Total Amount of Penalty Payments		\$0.00
25. Total Amount of Penalties Withheld		\$0.00

Exhibit I
Committee to Elect Robert M. Waterman
Daily Pre-Election Disclosure - Expenditures
(see Finding #3)

Name	Statement/ Schedule/ Transaction ID	Incurred/ Received/ Paid Date	Amount
The Advance Group Inc	12/F/R0001839	09/03/13	\$6,305.98
The Advance Group Inc	12/F/R0001841	09/03/13	\$6,025.98
The Advance Group Inc	12/F/R0001843	09/03/13	\$6,025.98
The Advance Group Inc	12/F/R0001845	09/04/13	\$4,852.25
The Advance Group Inc	12/F/R0001849	09/04/13	\$197.30
The Advance Group Inc	12/F/R0001847	09/06/13	\$236.25
The Advance Group Inc	12/F/R0001851	09/09/13	\$1,530.00
Total			<u>\$25,173.74</u>
JOSEPH, JENNIFER	12/F/R0001853	09/06/13	\$200.00
JOSEPH, JENNIFER	12/F/R0001855	09/06/13	\$10,000.00
JOSEPH, JENNIFER	12/F/R0001861	09/06/13	\$120.00
JOSEPH, JENNIFER	12/F/R0001857	09/07/13	\$10,000.00
Total			<u>\$20,320.00</u>

Exhibit II
Committee to Elect Robert M. Waterman
Unreported In-Kind Contributions – Brooklyn Exposure Invoice
(see Findings 4 and #5a)

1401 Bedford Avenue Brooklyn, NY 11216
718-783-8220 [Fax: 718-783-2780]

ny 1932
ny 29133

FOOD AND SERVICE ORDER FOR CATERED EVENTS

Client's Name: Committee to Elect Rev. Dr. Robert Waterman **Telephone:** 518-95691929
Address: **email:** muh707@aol.com
Date of Event: September 5, 2013 **Beginning Time:** 6pm **End Time:** 9pm
Type of Event: Fundraiser for Robert Waterman **# of Guests:** 40-50 ppl

<u><i>Appetizer Platters</i></u>		Amount	
<input checked="" type="checkbox"/> Honey BBQ Wings *	50 pieces @ \$45	2	\$ 90.00
<input checked="" type="checkbox"/> Sweet Jerk Wings *	50 pieces @ \$45	2	\$ 90.00
<input type="checkbox"/> Buffalo Wings - <input type="checkbox"/> Hot <input type="checkbox"/> Mild	50 pieces @ \$45		\$ -
<input type="checkbox"/> Chicken Tenders *	25 pieces @ \$45		\$ -
<input checked="" type="checkbox"/> Codfish Cakes (cocktail size) *	32 pieces @ \$55	2	\$ 110.00
<input type="checkbox"/> Catfish Strips *	20 pieces @ \$60		\$ -
<input type="checkbox"/> Rosemary Chicken *	Half Pan - \$65each		\$ -
<input type="checkbox"/> Tilapia *	Half Pan - \$65each		\$ -
<input checked="" type="checkbox"/> Peas & Rice *	Half Pan - \$35each	3	\$ 105.00
<input type="checkbox"/> Yellow Rice *	Half Pan - \$35each		\$ -
<input type="checkbox"/> Macaroni & Cheese	Half Pan - \$60each		\$ -
<input type="checkbox"/> French Fries	32 pieces @ \$25		\$ -
<input type="checkbox"/> Collard Greens	Half Pan - \$45each		\$ -
<input type="checkbox"/> Candied Yams	Half Pan - \$35each		\$ -
<input checked="" type="checkbox"/> Mixed Green Salad *	Large Bowl - \$35each	2	\$ 70.00
<input checked="" type="checkbox"/> Corn Bread *	Half Pan - \$25each	1	\$ 25.00
<input checked="" type="checkbox"/> Soft Drinks plastic cups	Soft Drinks-Pitcher - \$8 each		\$ 25.00
One server and 1 bartender			
		Total food	\$ 515.00

You may choose any 3 meats, 1 starch, mixed green salad, corn bread & soft drinks for your package.

Private Event (Includes Space & Appetizer Package - up to 70 people) \$1,600
Private Space (Includes Space Unstairs & Appetizer Package - up to 40 people) \$850
Other: Open Bar (1 Hour)

House Drink Package	House - \$10 pp	\$ -
Top Shelf Drink Package	Premium - \$12 pp	\$ -
Premium Drink Package	Top Shelf - \$14 pp	\$ -
A 50% deposit is required for all bar gurantees		Total bar gurantee

Total (minium order is \$500)		\$ 515.00
20% Gratuity		\$ 100.00
Tax		
Grand Total		\$ 600.00
Deposit		\$ 300.00
Balance Due		\$ 300.00

Please read the reverse side of this document before signing below.

_____ Date _____
 _____ Date 9/5/13
 cost with a minimum of \$300 is your event. The remainder is due

NYCCTB 2014-1-14

Exhibit III
Committee to Elect Robert M. Waterman
Unreported In-Kind Contributions – Two-sided Mailer
(see Finding #5b)

Robert Waterman for City Council District 36

"As a Brooklyn resident, activist, teacher and pastor, I have worked to strengthen our schools, created programs for seniors and our youth and fought to ensure all residents have access to vital social services. As your City Councilman, I will fight for the best education, high-paying jobs and better conditions for our workers, and safer neighborhoods.

I hope you will join me on September 10th in making Bedford-Stuyvesant and North Crown Heights the best place to live, work and raise a family."

- Robert Waterman



"We need a strong voice to improve the quality of life in our community. Robert Waterman is committed to funding senior centers, allowing access to quality and affordable healthcare and the empowerment of our youth by improving schools. I hope you will join me in supporting Robert Waterman, September 10th!"

- Congressman Ed Towns

Make Your Voice Heard - Vote for Robert Waterman

**ROBERT
WATERMAN
CITY COUNCIL
36TH DISTRICT**



Democratic Primary 9/6/13
for City Council
Tuesday, September 10

Polls are open from 6am until 9pm.
If you need help finding your poll site or need a ride
to the polls, please call (347) 675-4765

COMMITTEE TO ELECT ROBERT M. WATERMAN
207 LEWIS AVE., BROOKLYN NY, 11221



PRESORTED STANDARD
US POSTAGE PAID
BROOKLYN, NY
PERMIT #757



*****5-DIGIT 11221



Exhibit IV
Committee to Elect Robert M. Waterman
Unreported In-Kind Contributions – Two-Sided Flyer
(see Finding #5b)

ROBERT WATERMAN

CITY COUNCIL

36TH DISTRICT



As your Council Member I will work to:

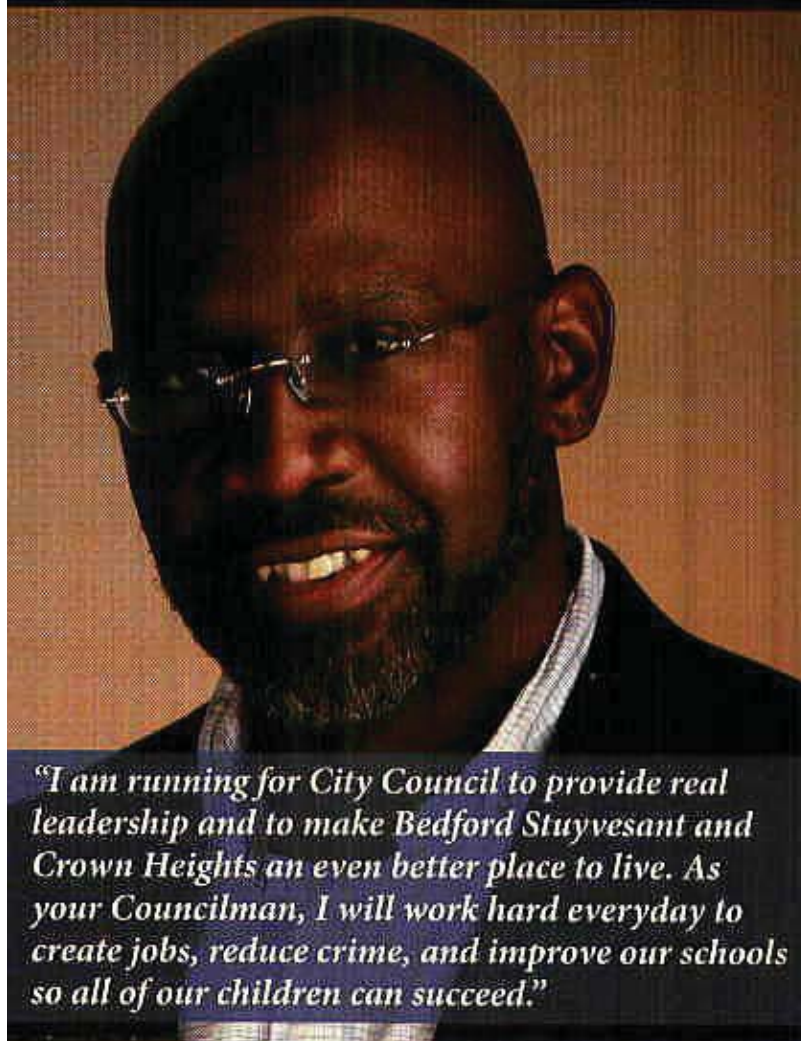
- Expand access to affordable healthcare and work to keep our hospitals open.
- Lead in the efforts to bring businesses and good paying jobs to our area.
- Work to restore cuts to our bus and subway service.
- Work to strengthen relationships between law enforcement and our community.
- Create new affordable housing for middle and low income families.
- Improve our schools by reducing overcrowding and increasing parent and community involvement.

Endorsed by Former Congressman Ed Towns

Democratic Primary Sept. 10

Paid for by the Committee to Elect Robert M. Waterman





"I am running for City Council to provide real leadership and to make Bedford Stuyvesant and Crown Heights an even better place to live. As your Councilman, I will work hard everyday to create jobs, reduce crime, and improve our schools so all of our children can succeed."

ROBERT WATERMAN CITY COUNCIL

- ★ Pastor at Antioch Baptist Church for the past 11 years
- ★ Public School Math Teacher and UFT Member
- ★ Community Board 3 Member and former Chair of the Ecumenical and Transportation Committees
- ★ Member of the 81st Precinct Community Council
- ★ Chairman of the African American Clergy and Elected Officials Organization of Brooklyn (AACEO)

Endorsed by Former Congressman Ed Towns

Democratic Primary Sept. 10

Join our Campaign!

**Visit RobertMWaterman.com • (347) 587-9595
207 Lewis Ave. Brooklyn, New York 11221**

Exhibit V
Committee to Elect Robert M. Waterman
Unreported In-Kind Contributions – Outdoor Banner
(see Finding #5b)



ELECT
ROBERT
WATERMAN
Democratic Primary Sept. 12
CITY COUNCIL
10TH DISTRICT
robertmwaterman.com

10TH AVENUE
SHIRAZ LIVING / CAFE
COMMUNITY CENTER

A storefront with three closed metal roll-up shutters. The building is red brick with a dark green cornice. A small tree is planted in front of the building.

Exhibit VI
Committee to Elect Robert M. Waterman
Unreported In-Kind Contributions – Canvass Walk List
(see Finding #5b)

Turf Packet Summary – Cand 56/41-55

Script: Walk Script

List Number	Turf	People	Doors	Canvasser	Phone	Out	In	Attempts	Contacts	
1753979-41234	Turf 01	102	88							
1753980-37157	Turf 02	135	120							
1753981-26618	Turf 03	126	101							
1753982-40469	Turf 04	100	78							
1753983-35239	Turf 05	82	69							
1753984-55746	Turf 06	124	98							
1753985-95180	Turf 07	99	84							
1753986-89725	Turf 08	94	80							
1753987-76577	Turf 09	90	74							
1753988-17891	Turf 10	104	88							
1753989-45305	Turf 11	104	76							
1753990-72490	Turf 12	94	79							
1753991-75853	Turf 13	95	79							
1753992-93545	Turf 14	114	84							
1753993-63051	Turf 15	82	73							
1753994-88962	Turf 16	118	88							
1753995-16576	Turf 17	91	78							
1753996-43871	Turf 18	104	85							

1753997-39976	Turf 19	108	82							
1753998-77674	Turf 20	100	85							
1753999-33015	Turf 21	114	90							
1754000-52825	Turf 22	84	74							
1754001-58702	Turf 23	123	100							
1754002-42539	Turf 24	120	95							
1754003-40702	Turf 25	63	49							

Cand 56/41-55 Turf 01

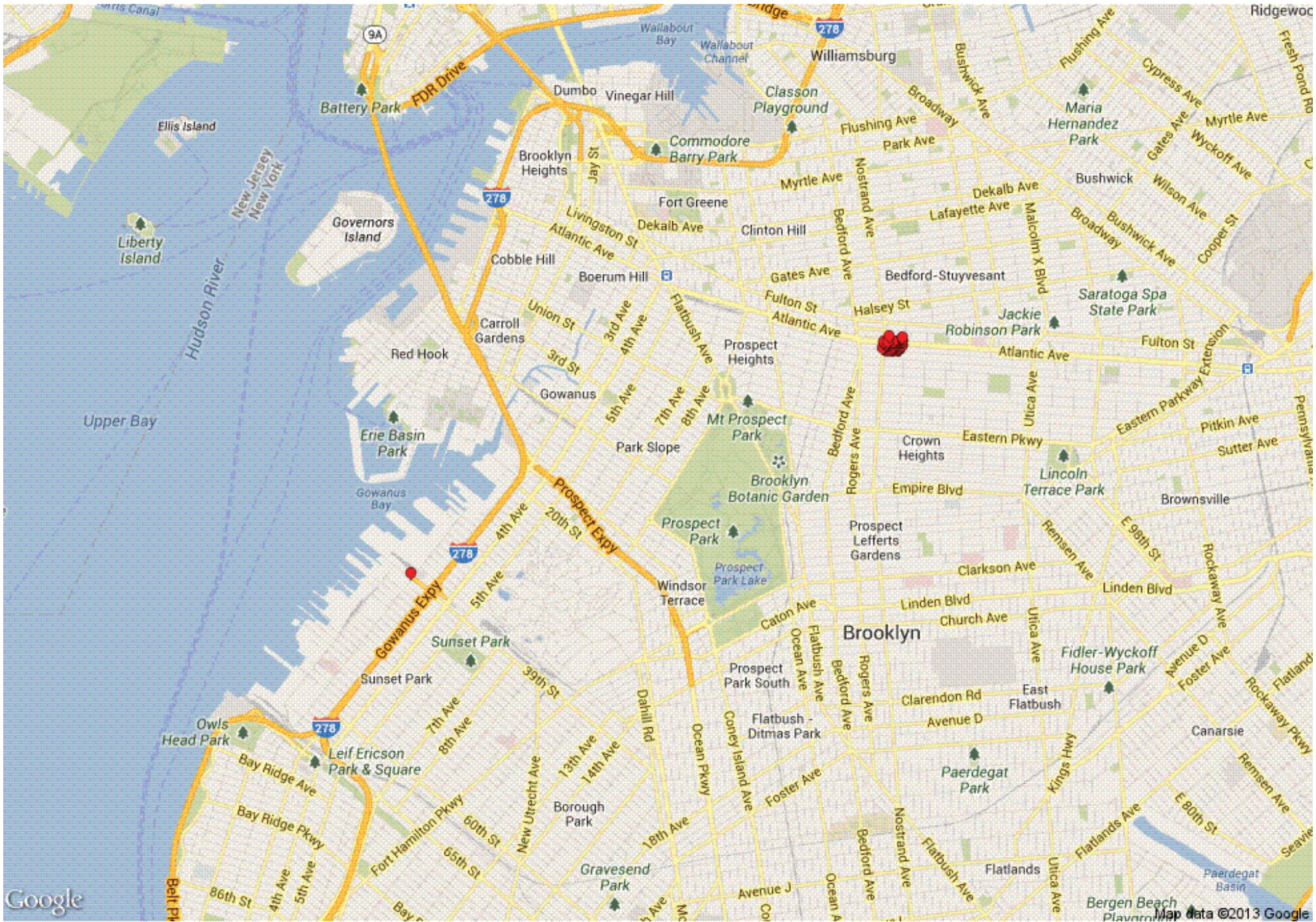
Script: **Walk Script**

People: **102**

Doors: **88**

Canvass Results Key		
Not Home = NH	Deceased = DC	Spanish = SP
Refused = RF	Moved = MV	Left Message = LM

Action: Do you support Robert Waterman?



Google

Map data ©2013 Google

Cand 56/41-55 Turf 01

List 1753979-41234

8890136



Hamilton, Catherine



NH DC SP ID
RF MV LM

Email:

Exhibit VII

Committee to Elect Robert M. Waterman

Undocumented/Unreported Joint Expenditures – Joint Door-hanger

(see Finding #8a)

12/1850.

The Advance Group, Inc



39 Broadway, Suite 1740
New York, NY 10006

Invoice

Date	Invoice #
9/6/2013	6164

Bill To
Committee to Elect Robert Waterman 207 Lewis Ave Brooklyn NY 11221

Terms	Due Date
Due on receipt	9/6/2013

Quantity	Description	Rate	Amount
5,000	Campaign Door Hangers Slate: Waterman / Spitzer / James / Hynes (Total \$1,400.00 split equally 2 ways. Cost to each campaign \$700.00) Door Hangers - Waterman 1/2 Door Hangers - Hynes 1/2	700.00	700.00
		Total	\$700.00
		Payments/Credits	\$0.00
		Balance Due	\$700.00

Phone #
(212) 239-7323

NYCCFE 2814-1-14

12 / 1851



NYCCFB 2014-1-14

COMMITTEE TO ELECT ROBERT M.
207 LEWIS AVENUE
BROOKLYN, NY 11221

XXXXXXXX309
INT CKG

Item Information :

Date Posted : 09/13/2013
Type : Check #1074,
Description : Check #1074,
Amount : \$1,530.00

1074

COMMITTEE TO ELECT ROBERT M WATERMAN
207 LEWIS AVE
BROOKLYN, NY 11221-1809

DATE 9/9/13 1-8710

PAY TO THE ORDER OF THE ADVANCE GROUP INC \$ 1530-

ONE THOUSAND FIVE HUNDRED THIRTY ~~XX~~ DOLLARS

citibank
207 LEWIS AVE
BROOKLYN, NY 11221-1809

FOR INVOICES # 6179 & 6164

ENDORSE HERE

VOTE! TUESDAY,
SEPTEMBER 10TH

DEMOCRATIC PRIMARY
POLLS OPEN: 6AM - 9PM



Robert M.
Waterman

CITY COUNCIL



Letitia
James

PUBLIC ADVOCATE



Eliot
Spitzer

COMPTROLLER



Charles J.
Hynes

DISTRICT ATTORNEY

Call (347) 965-2221 for polling location
or a ride to the polls.



VOTE! TUESDAY,
SEPTEMBER 10TH

DEMOCRATIC PRIMARY
POLLS OPEN: 6AM - 9PM



Robert M.
Waterman

CITY COUNCIL



Letitia
James

PUBLIC ADVOCATE



Eliot
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COMPTROLLER



Charles J.
Hynes

DISTRICT ATTORNEY

Paid for by Letitia James 2013

Paid for by Spitzer 2013

Paid for by Committee to Elect Robert M. Waterman

Paid for by the Friends of Charles J. Hynes

Exhibit VIII
Committee to Elect Robert M. Waterman
Non-Campaign Related Expenditures
(see Finding #9)

Name	Statement/ Schedule/ Transaction ID	Purpose Code	Invoice Date	Paid Date	Amount	Notes
JOSEPH, JENNIFER	9/F/R0001635	PETIT	06/07/13	06/07/13	\$815.00	(1)
JOSEPH, JENNIFER	9/F/R0001637	PETIT	06/14/13	06/14/13	\$1,455.00	(1)
JOSEPH, JENNIFER	9/F/R0001639	PETIT	06/21/13	06/21/13	\$512.00	(1)
JOSEPH, JENNIFER	9/F/R0001641	PETIT	07/01/13	07/01/13	\$240.00	(1)
JOSEPH, JENNIFER	12/F/R0001853	OTHER	09/06/13	09/06/13	\$200.00	(1),(2)
JOSEPH, JENNIFER	12/F/R0001861	WAGES	09/06/13	09/06/13	\$120.00	(1),(3)
CARDWELL, JAMES	12/F/R0001883	WAGES	09/10/13	09/10/13	\$960.00	(4)
CARDWELL, JAMES	12/F/R0001885	CMAIL	09/12/13	09/12/13	\$1,500.00	(4)
CARDWELL, JAMES	16/F/R0001968	WAGES	09/11/13	09/12/13	\$580.00	(4)
Total					<u>\$6,382.00</u>	

Notes:

- (1) In response to the Draft Audit Report or Notice of Alleged Violations and Recommended Penalties, the Campaign failed to provide timesheets, receipts, and proof of payment (e.g., cancelled checks) for non-election day items purchased and employees paid by Jennifer Joseph on the Campaign's behalf. Due to the lack of documentation, these expenditures are considered non-campaign related.
- (2) The Campaign provided documentation indicating that this was a petty cash expenditure. The Campaign failed to provide a Petty Cash Journal or an explanation for this transaction.
- (3) The Campaign provided documentation indicating that this payment to Jennifer Joseph was for "phone bankers." However, the Campaign and/or the consultant failed to provide detailed wage records for any "phone bankers" in response to the Draft Audit Report or Notice of Alleged Violations and Recommended Penalties.

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- (4) The Campaign failed to provide records describing the specific services provided by Caldwell; the days and hours worked, and the rate of pay. For the expenditures paid on September 12, 2013, the Campaign included the description of "assistant to the campaign consultant/coordinator" in its reporting, however, the Campaign failed to explain when the services were provided. In addition, the Campaign failed to explain how potential services provided after the primary election were routine activities involving nominal cost associated with winding up the campaign or responding to the post-election audit.