



**New York City Campaign Finance Board**

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Rose Gill Hearn  
Chair

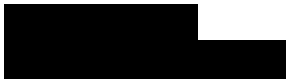
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Via C-Access  
November 19, 2015

John H. O'Donnell  
Sal 2013



Dear John H. O'Donnell:

Please find attached the New York City Campaign Finance Board's ("CFB" or "Board") Final Audit Report for the 2013 campaign of Sal F. Albanese (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 September 24, 2015 (attached). As detailed in the report, the Campaign failed to demonstrate compliance with the Campaign Finance Act (the "Act") and the Board Rules (the "Rules").

As detailed in the attached Final Board Determination, the Campaign was assessed penalties totaling \$10,425.

The full amount owed must be paid no later than **December 21, 2015**. Please send a check in the amount of \$10,425, 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 **December 21, 2015**, 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. If the Campaign raises additional contributions to pay outstanding liabilities, please note that all 2013 election requirements,

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

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

Sincerely,



Jonnathon Kline, CFE  
Director of Auditing and Accounting

signature on original

c: Sal F. Albanese



Sal 2013



Attachments



# **EC2013 Final Audit Report**

Sal 2013

November 2015

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## **RESULTS IN BRIEF**

The results of the New York City Campaign Finance Board's ("CFB" or "Board") review of the reporting and documentation of the 2013 campaign of Sal F. Albanese (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 aggregate contributions exceeding the \$14,850 candidate contribution limit for the 2013 election cycle (see Finding #4).
- The Campaign accepted contributions from prohibited sources (see Finding #5).

### ***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 provide requested documentation related to reported expenditures (see Finding #6).

## BACKGROUND

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

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

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

The table below provides detailed information about the Campaign:

Name: Sal F. Albanese	Contribution Limit:
ID: AU	\$4,950
Office Sought: Mayor	
	Expenditure Limit:
	2010–2012: \$303,000
Committee Name: Sal 2013	2013 Primary: \$6,426,000
Classification: Participant	2013 General: N/A
Certification Date: June 7, 2013	
	Public Funds:
Ballot Status: Primary	Received: \$0
Primary Election Date: September 10, 2013	Returned: N/A
Party: Democratic	
	Campaign Finance Summary:
	<a href="http://bit.ly/1k8B1I9">http://bit.ly/1k8B1I9</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. 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 26, 2013. After the election, we performed an audit of all financial disclosure statements submitted for the election (see summary of activity reported in these statements at Appendix #1).

To verify that the Campaign accurately reported and documented all financial transactions, we requested all of the Campaign's bank statements and reconciled the financial activity on the bank statements to the financial activity reported on the Campaign's disclosure statements. We identified unreported, misreported, and duplicate disbursements, as well as reported disbursements that did not appear on the Campaign's bank statements. We also calculated debit and credit variances by comparing the total reported debits and credits to the total debits and credits amounts appearing on the bank statements. Because the Campaign reported that more than 25% of the dollar amount of its total contributions were in the form of credit card contributions—or had a variance between the total credit card contributions reported and the credits on its merchant account statements of more than 4%—we reconciled the transfers on the submitted merchant account statements to the deposits on the bank account statements.

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

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

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

We 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 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 to contest the CFB staff recommendations. The Campaign appeared before the Board on September 10, 2015. The Board's actions are summarized as a part of each Finding in the Audit Results section.

## 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 CyberSource merchant account, numbers XXXXX2973 was 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 merchant 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](http://www.nyccfb.info/PDF/forms/change_of_bank_account.pdf).

#### **Campaign's Response**

In response to the Draft Audit Report dated October 30, 2014, the Campaign stated that it was a "clerical error" and that the "Campaign submitted change of Bank Account document for Cyber source and thought that was sufficient."<sup>1</sup> The Campaign also provided a Change of Bank Account form to add its American Express merchant account ending in 7582. However, the Campaign did not provide a Change of Bank Account form for its CyberSource merchant account ending in 2973.

In response to the Notice of Alleged Violations and Recommended Penalties dated July 17, 2015, the Campaign stated that it "filed a change of bank account agreement on January 14, 2013 for Cybersource, also known as Authorize.net." However, Cybersource and Authorize.net are two separate accounts, as evidenced by the different account numbers. Further, the Cybersource account is a merchant account. The Campaign did not provide a Change of Bank Account form to disclose its CyberSource merchant account ending in 2973.

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<sup>1</sup> On January 15, 2013, the Campaign submitted a Change of Bank Account form for its Authorize.net merchant account ending in 7553.

## Board Action

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

## 2. Financial Disclosure Reporting - Discrepancies

Campaigns are required to report every disbursement made, and every contribution, loan, and other receipt received. *See* Admin. Code § 3-703(6); Rule 3-03. In addition, campaigns are required to deposit all receipts into an account listed on the candidate's Certification. *See* Admin. Code § 3-703(10); Rule 2-06(a). Campaigns are also required to provide the CFB with bank records, including periodic bank statements and deposit slips. *See* Admin. Code §§ 3-703(1)(d), (g); Rules 4-01(a), (b)(1), (f).

The Campaign provided the following bank statements:

BANK	ACCOUNT #	ACCOUNT TYPE	STATEMENT PERIOD
JP Morgan Chase	XXXXX0614	Checking	Dec 2012 – Jan 2014
JP Morgan Chase	XXXXX2341	Savings	Dec 2012 – Jan 2014
CyberSource	XXXXX2973	Merchant	Jan 2013 – Oct 2013
American Express	XXXXX7582	Merchant	Feb 2013 – Mar 2013 May 2013 – Sep 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 provide the bank statements listed below:

BANK	ACCOUNT #	STATEMENT PERIOD
CyberSource	XXXXX2973	Nov 2013 – Jan 2014
American Express	XXXXX7582	Jan 2013 Apr 2013

b) The Campaign reported duplicate transactions as listed below:

NAME	CHECK NO./ TRANSACTION	STATEMENT/ SCHEDULE/ TRANSACTION	PAID DATE	AMOUNT	DUPLICATE REPORTED AMOUNT
MTA	Debit	10/F/R0003097	07/23/13	\$40.00	
MTA	Debit	10/F/R0003100	07/23/13		\$40.00

### Previously Provided Recommendation

a) The Campaign must provide all pages of the requested bank statements.

b) For duplicate transactions, the Campaign must delete the duplicate transactions in C-SMART and submit amended disclosure statements. If the transactions are not duplicates, the Campaign must explain why the transactions are not duplicates, and provide supporting documentation. The Campaign may also need to amend its disclosure statements if it did not report transactions accurately.

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.<sup>2</sup>

### Campaign's Response

a) In its response to the Draft Audit Report dated October 30, 2014, the Campaign did not provide the requested statements for its CyberSource merchant account ending in 2973. The Campaign also failed to provide the January 2013 and April 2013 statements for its American Express merchant account ending in 7582.

In response to the Notice of Alleged Violations and Recommended Penalties dated July 17, 2015, the Campaign again failed to provide the requested merchant account statements, and stated that it did not receive any campaign donations after September; therefore, it believes that this violation does not warrant a penalty, especially since the campaign received no matching money

<sup>2</sup> If the Campaign amends its reporting with the CFB, it must also submit amendments to the New York State Board of Elections.

from the CFB. However, all campaigns are required to provide the CFB with bank records, including merchant account statements, whether or not they receive public funds.

b) In response to the Draft Audit Report dated October 30, 2014, the Campaign amended its disclosure statements to delete three out of the four cited transactions. The Campaign did not delete the duplicate transaction or explain why the transaction was not a duplicate. The finding numbers and exhibit numbers, as well as the number of transactions included in the finding, may have changed from the Draft Audit Report to the Final Audit Report.

### Board Action

- a) The Board found the Campaign in violation and assessed \$50 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.

### 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 disclosure to report the following transaction:

LOAN:

NAME	STATEMENT/ SCHEDULE/ TRANSACTION	RECEIVED DATE	AMOUNT
Albanese, Sal F.	12/I/R0003558	09/09/13	\$30,000.00

### Previously Provided Recommendation

If the Campaign believes it filed the required daily disclosure 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 is not a violation, but it cannot file daily pre-election disclosures now.

## **Campaign's Response**

In response to the Draft Audit Report dated October 30, 2014, the Campaign stated that the failure to disclose the transaction above was a campaign error. In addition, the Campaign stated that it was unaware that it was required to report a loan accepted during the 14 days preceding the election as a part of the daily pre-election disclosure.

In response to the Notice of Alleged Violations and Recommended Penalties dated July 17, 2015, the Campaign stated that it did not “receive matching money from the CFB; therefore, this minor oversight does not warrant a penalty.” The Campaign also stated that it was not “trying to hide anything since [it] reported the loan in [its] regular filing.” However, during the two-week period before the primary and general elections, campaigns must disclose aggregate contributions from a single contributor over \$1,000, loans over \$1,000, and aggregate expenditures from a single vendor over \$20,000 (whether paid or incurred) within 24 hours of the transaction taking place. Further, although the Campaign reported the loan in a disclosure statement, the statement was submitted after the election. The daily disclosure requirement allows the public to review—in advance of the election—significant financial activity occurring in the final two weeks before election day.

## **Board Action**

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

A loan not repaid by the day of the election is considered a contribution subject to the contribution limit. Loans that are forgiven or settled for less than the amount owed are also considered contributions. *See* Admin. Code § 3-702(8); Rules 1-05(a), (j).

The Campaign accepted contributions in excess of the contribution limit in the instance detailed in Exhibit I.

### **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.
- For loans, the Campaign may provide copies of the front and back of cancelled loan repayment checks showing that the Campaign repaid the loan before the date of the election.

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 dated October 30, 2014, the Campaign stated that the over the limit contribution was due to the candidates’ loans, which were not repaid.

In response to the Notice of Alleged Violations and Recommended Penalties dated July 17, 2015, the Campaign stated that it is “vehemently opposed to the \$10,000 fine that the NYC Campaign Finance Board staff is proposing against the campaign.” The Campaign also stated that it was faced with a scenario where it must either fail to meet obligations to its staff and vendors, or have the candidate pay those obligations out of pocket. The Campaign “chose the latter and subsequently forgave the loan.” However, candidates who choose to join the Program, as Mr. Albanese did, are subject to the requirements that all participants must follow, even if they do not ultimately qualify for public funds. Further, while Mr. Albanese suggested that the loans in question were made late in the campaign to pay his staff and vendors, the reporting shows that the bulk of the loans were made nearly a year before the election. Therefore, the Candidate’s explanation does not resolve the finding.

### **Board Action**

The Board found the Campaign in violation and assessed \$10,000 in penalties.

## 5. 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).

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
Giordano, John	7/ABC/R0000919	03/06/13	\$250.00	(1)
Giordano, John	8/M/R0000923	05/01/13	(\$250.00)	

(1) Although the Campaign reported the contribution as shown, the documentation provided indicates that this contribution was from John M. Giordano P.C.

### Previously Provided Recommendation

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.

### Campaign’s Response

The Campaign did not respond to this finding in response to the Draft Audit Report; but in response to the Notice of Alleged Violations and Recommended Penalties dated July 17, 2015, the Campaign stated that the “Campaign failed to flag a \$125 contribution from an attorney’s check that was difficult to interpret as a corporation. As soon as the CFB notified the campaign that they deemed it, a corporate check it was immediately returned. [...] In light of the fact that the campaign received no matching money from taxpayers the penalty should be waived.” However, the CFB was able to determine that the contribution was from a prohibited source based on the documentation provided by the Campaign, and contributions from prohibited sources are subject to penalty even if they are refunded after notice from the CFB, regardless of whether the campaign receives public funds.



## Board Action

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

### *Expenditure Findings*

## 6. Expenditure Documentation

Campaigns are required to provide copies of checks, bills, or other documentation to verify all transactions reported in their disclosure statements. *See* Admin. Code §§ 3-703(1)(d), (g); Rule 4-01.

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

NAME	TRANSACTION TYPE	STATEMENT/ SCHEDULE/ TRANSACTION	RECEIVED DATE	AMOUNT
Time Warner Cable NYC	Expenditure Refund	16/L/R0003590	12/04/13	\$114.37

## Previously Provided Recommendation

The Campaign must submit documentation for the listed transaction.

## Campaign's Response

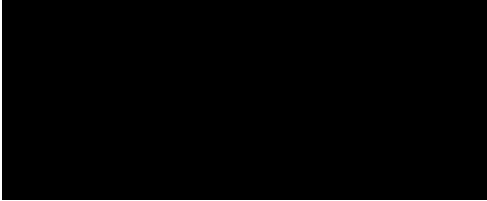
In response to the Draft Audit Report dated October 30, 2014, the Campaign stated that Time Warner Cable issued a credit after closing the account. The Campaign submitted a summary of activity from 07/25/13 to 08/24/13 for its Time Warner Cable account, which appears to show a credit of \$141.74 due to overpayment on prior invoices. The Campaign's January 2014 bank statement shows a \$114.37 bank teller deposit on January 9. However, the Campaign did not submit any document showing the reported expenditure refund. It is unclear if the \$141.74 credit on the Time Warner Cable NYC account summary relates to the \$114.37 that was deposited into the Campaign's bank account, and if so why the amounts differ.

## Board Action

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

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

Respectfully submitted,



Jonnathon Kline, CFE

Director of Auditing and Accounting  
signature on original

Date: November 19, 2015

Staff: Selene Muñoz

Nailaja Mingo

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

**Candidate:** Albanese, Sal F (ID:AU-P)**Office:** 1 (Mayor)**Election:** 2013

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1. Opening cash balance (All committees)		\$0.00
2. Total itemized monetary contributions (Sch ABC)		\$185,498.35
3. Total unitemized monetary contributions		\$0.00
4. Total in-kind contributions (Sch D)		\$0.00
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)		\$337,090.50
Expenditure payments	\$336,972.84	
Advance repayments	\$117.66	
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)		\$155,000.00
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)		\$114.37
17. Total receipts adjustment (Sch M - excluding CFB repayments)		\$3,130.00
18. Total outstanding liabilities (Sch N - last statement submitted)		\$189.00
Outstanding Bills	\$0.00	
Outstanding Advances	\$189.00	
19. Total advanced amount (Sch X)		\$0.00
20. Net public fund payments from CFB		\$0.00
Total public funds payment	\$0.00	
Total public funds returned	\$0.00	
21. Total Valid Matchable Claims		\$62,568.00
22. Total Invalid Matchable Claims		\$10,300.00
23. Total Amount of Penalties Assessed		\$10,425.00
24. Total Amount of Penalty Payments		\$0.00
25. Total Amount of Penalties Withheld		\$0.00

**Exhibit I**  
**Sal 2013**  
**Contributions Over the Limit**  
 (see Finding #4)

<b>Name</b>	<b>Statement/Schedule/ Transaction ID</b>	<b>Transaction Type</b>	<b>Incurred/ Received/ Refunded Date</b>	<b>Amount</b>	<b>Notes</b>
Albanese, Sal F	6/ABC/R0000071	Monetary Contribution	01/09/13	\$4,950.00	
Albanese, Sal F	6/ABC/R0000077	Monetary Contribution	01/11/13	\$4,950.00	
Albanese, Sal F	6/ABC/R0000076	Monetary Contribution	01/11/13	\$4,950.00	
Albanese, Sal F	6/I/R0000168	Loan	12/12/12	\$100,000.00	
Albanese, Sal F	11/I/R0003404	Loan	08/10/13	\$25,000.00	
Albanese, Sal F	12/I/R0003558	Loan	09/09/13	\$30,000.00	
		Total		\$169,850.00	
		Office Limit		\$14,850.00	(1)
		<b>Amount Over the Limit</b>		<b>\$155,000.00</b>	

**Notes:**

(1) The contribution limit for the candidate is three times the office limit of \$4,950.00, or \$14,850.00.