



**New York City Campaign Finance Board**

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Via C-Access  
February 23, 2016

Ian Jones  
Friends of Sylvia Kinard



Dear Ian Jones:

Please find attached the New York City Campaign Finance Board's ("CFB" or "Board") Final Audit Report for the 2013 campaign of Sylvia G. Kinard (the "Campaign"). CFB staff prepared the report based on a review of the Campaign's financial disclosure statements and documentation submitted by the Campaign. Based on various factors—including the level of activity reported by the Campaign on its verified disclosure statements and the results of pre-election statement reviews—we performed a limited review.

This report incorporates the Board's final determination of August 13, 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 \$1,540.

The full amount owed must be paid no later than **March 24, 2016**. Please send a check in the amount of \$1,540, 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 **March 24, 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. 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

c: Sylvia G. Kinard



Friends of Sylvia Kinard



Attachments



# **EC2013 Final Audit Report**

Friends of Sylvia Kinard

February 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 Sylvia Kinard (the “Campaign”) indicate findings of non-compliance with the Campaign Finance Act (the “Act”) and Board Rules (the “Rules”) as detailed below:

### ***Disclosure Findings***

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

- The Campaign did not report or inaccurately reported financial transactions to the Board (see Finding #1).
- The Campaign did not file, by the due dates, financial disclosure statements required by the Board (see Finding #2).

### ***Contribution Findings***

All campaigns are required to abide by contribution limits and adhere to the ban on contributions from prohibited sources. 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 an anonymous contribution (see Finding #3).
- The Campaign accepted a contribution from a prohibited source (see Finding #4).
- The Campaign did not disclose in-kind contributions received (see Finding #5).

**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: Sylvia G. Kinard                    | Contribution Limit:                                       |
| ID: 1769                                  | \$2,750   |
| Office Sought: City Council               |   |
| District: 40                              | Expenditure Limit:  |
|   | 2010–2012: N/A  |
| Committee Name: Friends of Sylvia Kinard  | 2013 Primary: \$168,000                                   |
| Classification: Participant               | 2013 General: \$168,000                                   |
| Certification Date: May 31, 2013          |   |
|   | Public Funds:   |
| Ballot Status: Primary, General           | Received: \$0   |
| Primary Election Date: September 10, 2013 | Returned: N/A   |
| General Election Date: November 5, 2013   |   |
| Party: Democratic, Rent is 2 Damn High    | Campaign Finance Summary:                                 |
|   | <a href="http://bit.ly/1yS005K">http://bit.ly/1yS005K</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.

Based on various factors—including the level of activity reported by the Campaign on its verified disclosure statements and the results of pre-election statement reviews—we performed a limited review. Prior to the election, we performed preliminary reviews of the Campaign's compliance with the Act and Rules. We evaluated the eligibility of each contribution for which the Campaign claimed matching funds, based on the Campaign's reporting and supporting documentation. We also determined the Candidate's eligibility for public funds by ensuring the Candidate was on the ballot for an election, was opposed by another candidate on the ballot, and met the two-part threshold for receiving public funds. After the election, we performed an audit of all financial disclosure statements submitted for the election (see summary of activity reported in these statements at Appendix #1).

To verify that the Campaign accurately reported and documented all financial transactions, we requested all of the Campaign's bank statements and reconciled the financial activity on the bank statements to the financial activity reported on the Campaign's disclosure statements. We identified unreported, misreported, and duplicate disbursements, as well as reported disbursements that did not appear on the Campaign's bank statements. We also calculated debit and credit variances by comparing the total reported debits and credits to the total debits and credits amounts appearing on the bank statements.

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

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.

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).

Finally, we determined if the Campaign submitted timely responses to post-election audit requests sent by the CFB.

Following an election, campaigns are not going concerns. Because the activity occurring after the post-election audit is extremely limited, the audit focused on substantive testing of the Campaign's previous activity. 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 August 13, 2015. The Board's actions are summarized as a part of each Finding in the Audit Results section. The finding numbers and exhibit numbers, as well as the number of transactions included in the findings, may have changed from the Draft Audit Report to the Final Audit Report.

**AUDIT RESULTS**

*Disclosure Findings*

**1. Financial Disclosure Reporting - Discrepancies**

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

The Campaign provided the following bank statements:

| BANK    | ACCOUNT #  | ACCOUNT TYPE | STATEMENT PERIOD    |
|---------|------------|--------------|---------------------|
| TD Bank | XXXXXX7168 | Checking     | May 2013 – Dec 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 #  | ACCOUNT TYPE     | STATEMENT PERIOD    |
|------------------|------------|------------------|---------------------|
| Democracy Engine | XXXXXX4219 | Merchant Account | Inception – Present |

b) The Campaign did not report the transactions listed on Exhibit I that appear on its bank statements.

c) The Campaign did not report the following transaction:

| NAME           | TRANSACTION TYPE | CHECK NO./<br>TRANSACTION | PAID<br>DATE | AMOUNT     | NOTE |
|----------------|------------------|---------------------------|--------------|------------|------|
| Kinard, Sylvia | Loan             | N/A                       | 06/03/13     | \$1,500.00 | (1)  |

(1) This transaction was identified from documentation provided by the Campaign in response to the Notice of Alleged Violations and Recommended Penalties (see Exhibit II) but was not identified as a deposit on the bank statements provided by the Campaign.

d) A review of the Campaign’s merchant account statements revealed the following discrepancy:<sup>1</sup>

| TOTAL REPORTED CREDIT CARD RECEIPTS | TOTAL CREDIT CARD RECEIPTS PER STATEMENTS | DOLLAR VARIANCE | PERCENT VARIANCE |
|-------------------------------------|---|-----------------|------------------|
| \$2,475.00                          | \$0.00                                    | \$2,475.00      | 100%             |

See also Finding a) above.

e) A comparison of the Campaign’s submitted bank statements with information reported in the Campaign’s disclosure statements revealed the following overall net discrepancies in reporting:<sup>2</sup>

RECEIPTS:

| TOTAL REPORTED MONETARY RECEIPTS <sup>3</sup> | TOTAL CREDITS PER BANK STATEMENTS | DOLLAR VARIANCE | PERCENT VARIANCE |
|---|-----------------------------------|-----------------|------------------|
| \$8,599.00                                    | \$10,267.12                       | (\$1,668.12)    | -19%             |

DISBURSEMENTS:

| TOTAL REPORTED MONETARY DISBURSEMENTS <sup>4</sup> | TOTAL DEBITS PER BANK STATEMENTS | DOLLAR VARIANCE | PERCENT VARIANCE |
|--|----------------------------------|-----------------|------------------|
| \$1,727.37   | \$10,267.12                      | (\$8,539.75)    | -494%            |

**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

<sup>1</sup> The percentage variance is determined by subtracting the Total Credit Card Receipts Per Statements from the Total Reported Credit Card Receipts, and then dividing by the Total Reported Credit Card Receipts. A positive variance indicates that the Total Reported Credit Card Receipts exceeds the Total Credit Card Receipts Per Statements. A negative variance indicates that the Total Reported Credit Card Receipts is less than the Total Credit Card Receipts Per Statements.

<sup>2</sup> The percentage variance is determined by subtracting the Total Per Bank Statements amount from the Total Reported amount, and then dividing by the Total Reported amount. A positive variance indicates that the Total Reported amount exceeds the Bank Statements amount. A negative variance indicates that the Total Reported amount is less than the Bank Statements amount.

<sup>3</sup> Total Reported Monetary Receipts includes monetary contributions, other receipts, public funds payments, transfers-in, loans, and expenditure refunds.

<sup>4</sup> Total Reported Monetary Disbursements includes bill payments, transfers-out, loan repayments, returns of public funds, and contribution refunds.

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) This finding was identified after the Campaign's response to the Notice of Alleged Violations and Recommended Penalties dated June 16, 2015.

d) To resolve the listed discrepancies, the Campaign must compare the credit card receipts reported in its financial disclosure statements to supporting documentation, including merchant account statements, deposit slips, bank statements, and any documentation not previously submitted. The Campaign should ensure it has disclosed all depository and merchant accounts, and provided all statements from inception through present for those accounts. The Campaign should also review documentation to ensure that it correctly characterized the instrument type (i.e., Cash, Credit Card, Check, etc.) of each receipt it reported. The Campaign may need to amend its disclosure statements as a result.

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

Please note that any newly entered transactions that occurred during the election cycle (01/12/10—01/11/14) will appear as new transactions in an amendment to Disclosure Statement 16, even if the transaction dates are from earlier periods. Any transactions dated after the election cycle will appear in disclosure statements filed with the New York State Board of Elections. Also note that the Campaign must file an amendment for each disclosure statement in which transactions are being modified. Once all data entry is completed, the Campaign should run the Modified Statements Report in C-SMART to identify the statements for which the Campaign must submit amendments. The C-SMART draft and final submission screens also display the statement numbers for which the Campaign should file amendments. If the Campaign added any new transactions, it must submit an amendment to Disclosure Statement 16.<sup>5</sup>

### **Campaign's Response**

a) The Campaign responded to the Notice of Alleged Violations and Recommended Penalties and stated it no longer had access to its Democracy Engine account and that the account is closed. Further, the Campaign stated it sent numerous requests to Nation Builder requesting access to its merchant account information, but that Nation Builder failed to provide the requested documentation. The Campaign's response is inadequate. Campaigns are required to maintain and

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

provide such documentation upon request. The Campaign’s failure to obtain this documentation in a contemporaneous manner does not absolve it of the responsibility to do so.

b) In response to the Notice of Alleged Violations and Recommended Penalties, the Campaign provided a contract from Radyo Panou Inc. (*see* also Findings #4 and #5) and a service agreement from Sustainable Initiatives. However, the Campaign’s response is inadequate because it failed to report the transactions listed in Exhibit I.

c) This finding was identified as a result of the Campaign’s response to the Notice of Alleged Violations and Recommended Penalties dated June 16, 2015.

d) The Campaign did not address the discrepancy and responded to the Draft Audit Report stating it no longer had access to its Democracy Engine account and that the account is closed, but that it would request the information from NationBuilder. However, the Campaign failed to address the variance.

e) The Campaign did not respond to this finding.

**Board Action**

a) The Board found the Campaign in violation and assessed \$306 in penalties.

b) The Board found the Campaign in violation and assessed \$104 in penalties.

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.

d) 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.

e) The Board found the Campaign in violation and assessed \$764 in penalties.

**2. Failure to File and Late Filings**

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

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

| STATEMENT # | DUE DATE | DATE FILED | # DAYS LATE |
|-------------|----------|------------|-------------|
| 10          | 08/09/13 | 08/10/13   | 1           |
| 14          | 10/25/13 | 10/31/13   | 6           |

**Previously Provided Recommendation**

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

**Campaign’s Response**

The Campaign responded to the Draft Audit Report and stated it did not know it needed to file Statement 14 until informed by its Candidate Services Liaison. The Campaign did not provide a response regarding the lateness of Statement 10.

**Board Action**

The Board found the Campaign in violation and assessed \$213 in penalties.

*Contribution Findings*

**3. Prohibited Contributions – Anonymous Contributions**

Campaigns are prohibited from accepting anonymous contributions. Any anonymous contribution accepted by a campaign must be paid to the Office of the New York State Comptroller or returned to the contributor if his/her identity becomes known. *See* New York State Election Law § 14-128.

The Campaign reported the following anonymous contribution:

| REPORTED CONTRIBUTOR | STATEMENT/<br>SCHEDULE/<br>TRANSACTION | DATE RECEIVED | AMOUNT  |
|----------------------|--|---------------|---------|
| Kmel, ?              | 9/ABC/R000070                          | 05/30/13      | \$10.00 |

**Previously Provided Recommendation**

The Campaign must relinquish the anonymous contribution by paying an amount equal to the total anonymous contribution received to the New York State Comptroller by certified or bank check. Alternatively, if the contributor has been identified, the Campaign may either amend their disclosure to report the required information, or refund each contribution by certified or bank check. If paid to the New York State Comptroller or refunded to the contributor, the Campaign must provide a copy of the certified or bank check.

**Campaign’s Response**

In response to the Draft Audit Report, the Campaign provided a copy of a cashier’s check dated April 8, 2015 from the candidate made payable to NYS Comptroller in the amount of \$10.00.

**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.

**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. Codes § 3-703(1)(l), 3-719(d); Rules 1-04(c), (e).

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

| CONTRIBUTIONS FROM PROHIBITED SOURCES |  |                  |            |         |  |
|---------------------------------------|--|------------------|------------|---------|--|
| NAME                                  | STATEMENT/<br>SCHEDULE/<br>TRANSACTION | RECEIVED<br>DATE | AMOUNT     | NOTE    |  |
| Karvay, Rudolph                       | 9/ABC/R0000076                         | 05/30/13         | \$500.00   | (1),(2) |  |
| Langaigne, Kevin                      | 10/D/R0000141                          | 07/15/13         | \$860.00   | (3)     |  |
| Radyo Panou Inc.                      | Unreported                             | 09/01/13         | \$1,000.00 | (4)     |  |

- (1) Although the Campaign reported the contribution as shown, the documentation provided indicates that this contribution was from Berkman, Henoeh, Peterson, Peddy & Fenchel, P.C.
- (2) The Campaign was previously informed of this finding on January 29, 2013.
- (3) Although the Campaign reported the contribution as being from Kevin Langaigne in the amount of \$680, the documentation provided (see Exhibit III) indicates that this contribution was from KMax Professional LLC and that the amount of the in-kind contribution was \$860. *See* also Finding #5.
- (4) In response to the Notice of Alleged Violations and Recommended Penalties, the Campaign provided a contract between the Campaign and Radyo Panou Inc. for advertisement airtime. Per the contract, the Campaign should have paid \$1,000 to the vendor. However, the Campaign did not report any expenditures to Radyo Panou Inc. *See* also Finding #5.

## Previously Provided Recommendation

The Campaign must address the transaction:

- The Campaign must refund the 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.

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

## Campaign's Response

In response to the Draft Audit Report, the Campaign provided a copy of a cashier's check dated April 8, 2015 from the candidate made payable to Berkman, Henoeh, Peterson, Peddy + Fenchel, PC. in the amount of \$500.00. This contribution is considered to be timely refunded, but is subject to penalty.

The findings related to Kevin Languigne and Radyo Panou Inc. were identified after the Campaign's response to the Notice of Alleged Violations and Recommended Penalties dated June 16, 2015.

## Board Action

The Board found the Campaign in violation and assessed \$153 in penalties for the contribution from Rudolph Karvay. The Board has taken no further action concerning the contributions from Kevin Languigne and Radyo Panou Inc., other than to make them 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).

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

| DESCRIPTION OF ITEM       | EXHIBIT # | NOTE |
|---------------------------|-----------|------|
| Domain names for one year | III       | (1)  |
| Airtime Advertisement     | IV        | (2)  |

(1) The Campaign reported an in-kind contribution from Kevin Languaine in the amount of \$680. However, per documentation provided by the Campaign for this transaction, KMax Professional LLC donated \$860 in services to the Campaign. *See* also Finding #4.

(2) In response to the Notice of Alleged Violations and Recommended Penalties, the Campaign provided a contract between the Campaign and Radyo Panou Inc. for airtime advertisements. Per the contract, the Campaign should have paid \$1,000 to the vendor. However, the Campaign did not report any expenditures to Radyo Panou Inc. *See* also Finding #4.

**Previously Provided Recommendation**

These findings were identified after the Campaign’s response to the Notice of Alleged Violations and Recommended Penalties dated June 16, 2015.

**Campaign’s Response**

These findings were identified after the Campaign’s response to the Notice of Alleged Violations and Recommended Penalties dated June 16, 2015.

**Board Action**

The Board has taken no further action on these matters other than to make them 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

Date: February 23, 2016

Staff: Danielle Willemin

Angel Daniels, CFE

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

**Candidate:** Kinard, Sylvia G (ID:1769-P)**Office:** 5 (City Council)**Election:** 2013

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|  |            |            |
|--|------------|------------|
| 1. Opening cash balance (All committees)                             |            | \$0.00     |
| 2. Total itemized monetary contributions (Sch ABC)                   |            | \$7,599.00 |
| 3. Total unitemized monetary contributions                           |            | \$0.00     |
| 4. Total in-kind contributions (Sch D)                               |            | \$913.00   |
| 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)                               |            | \$1,727.37 |
| Expenditure payments   | \$1,727.37 |            |
| 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)                                     |            | \$1,000.00 |
| 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)                              |            | \$0.00     |
| 17. Total receipts adjustment (Sch M - excluding CFB repayments)     |            | \$0.00     |
| 18. Total outstanding liabilities (Sch N - last statement submitted) |            | \$2,078.51 |
| Outstanding Bills  | \$2,078.51 |            |
| Outstanding Advances   | \$0.00     |            |
| 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                                     |            | \$660.00   |
| 22. Total Invalid Matchable Claims                                   |            | \$2,329.00 |
| 23. Total Amount of Penalties Assessed                               |            | \$1,540.00 |
| 24. Total Amount of Penalty Payments                                 |            | \$0.00     |
| 25. Total Amount of Penalties Withheld                               |            | \$0.00     |

**Exhibit I**  
**Friends of Sylvia Kinard**  
**Unreported Transactions**  
**(see Finding #1b)**

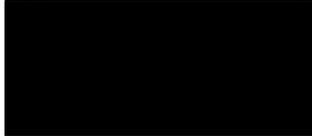
| <b>Payee</b>         | <b>Check No./<br/>Transaction</b> | <b>Paid Date</b> | <b>Amount</b> |
|----------------------|-----------------------------------|------------------|---------------|
| Unknown              | 129                               | 06/19/13         | \$160.00      |
| Unknown              | 128                               | 06/24/13         | \$50.00       |
| Withdrawal           | Debit                             | 06/24/13         | \$81.50       |
| Withdrawal           | Debit                             | 06/24/13         | \$41.50       |
| Withdrawal           | Debit                             | 06/24/13         | \$21.50       |
| TD Bank              | Debit                             | 06/24/13         | \$2.00        |
| TD Bank              | Debit                             | 06/24/13         | \$2.00        |
| TD Bank              | Debit                             | 06/24/13         | \$2.00        |
| Withdrawal           | Debit                             | 06/25/13         | \$181.50      |
| TD Bank              | Debit                             | 06/25/13         | \$2.00        |
| TD Bank              | Debit                             | 06/28/13         | \$8.00        |
| Unknown              | 173                               | 07/01/13         | \$125.00      |
| Unknown              | 102                               | 07/03/13         | \$80.00       |
| Unknown              | 127                               | 07/03/13         | \$125.00      |
| Unknown              | 103                               | 07/05/13         | \$120.00      |
| Unknown              | 105                               | 07/09/13         | \$125.00      |
| Unknown              | 104                               | 07/11/13         | \$102.07      |
| Unknown              | 106                               | 07/25/13         | \$150.00      |
| Unknown              | 149                               | 07/29/13         | \$125.00      |
| TD Bank              | Debit                             | 07/31/13         | \$8.00        |
| Nationbuilder        | Debit                             | 08/05/13         | \$158.00      |
| GotPrint.com         | Debit                             | 08/08/13         | \$446.75      |
| Taverna Dibacco      | Debit                             | 08/09/13         | \$217.50      |
| Taverna Dibacco      | Debit                             | 08/09/13         | \$49.65       |
| Unknown              | 107                               | 08/13/13         | \$75.00       |
| Unknown              | 108                               | 08/16/13         | \$455.85      |
| Unknown              | 109                               | 08/16/13         | \$74.00       |
| Unknown              | 126                               | 08/19/13         | \$150.00      |
| The New BBF Printing | Debit                             | 08/20/13         | \$75.00       |
| Unknown              | Debit                             | 08/20/13         | \$21.86       |
| Unknown              | 133                               | 08/22/13         | \$471.00      |
| Unknown              | 134                               | 08/22/13         | \$100.00      |
| Unknown              | 110                               | 08/23/13         | \$100.00      |
| Prime New York       | Debit                             | 08/28/13         | \$152.95      |
| Withdrawal           | Debit                             | 08/30/13         | \$120.99      |
| TD Bank              | Debit                             | 08/30/13         | \$2.00        |
| TD Bank              | Debit                             | 08/30/13         | \$8.00        |
| Unknown              | 112                               | 09/03/13         | \$200.00      |
| Nationbuilder        | Debit                             | 09/03/13         | \$158.00      |
| Withdrawal           | Debit                             | 09/03/13         | \$60.00       |
| Unknown              | 111                               | 09/04/13         | \$125.00      |
| Unknown              | 113                               | 09/04/13         | \$1,000.00    |
| Unknown              | 174                               | 09/05/13         | \$445.00      |
| Unknown              | 175                               | 09/05/13         | \$200.00      |
| Withdrawal           | Debit                             | 09/06/13         | \$40.00       |
| Unknown              | 176                               | 09/09/13         | \$60.00       |
| Unknown              | 177                               | 09/09/13         | \$100.00      |
| Unknown              | 178                               | 09/09/13         | \$80.00       |

**Exhibit I**  
**Friends of Sylvia Kinard**  
**Unreported Transactions**  
**(see Finding #1b)**

| <b>Payee</b>         | <b>Check No./<br/>Transaction</b> | <b>Paid Date</b> | <b>Amount</b>            |
|----------------------|-----------------------------------|------------------|--------------------------|
| VIP Bar and Lounge   | Debit                             | 09/09/13         | \$139.76                 |
| The New BBF Printing | Debit                             | 09/09/13         | \$75.00                  |
| The New BBF Printing | Debit                             | 09/10/13         | \$550.00                 |
| TD Bank              | Debit                             | 09/10/13         | \$175.00                 |
| TD Bank              | Debit                             | 09/11/13         | \$35.00                  |
| Unknown              | 114                               | 09/16/13         | \$50.00                  |
| TD Bank              | Debit                             | 09/17/13         | \$35.00                  |
| TD Bank              | Debit                             | 09/20/13         | \$20.00                  |
| Unknown              | 131                               | 09/27/13         | \$60.00                  |
| TD Bank              | Debit                             | 09/30/13         | \$35.00                  |
| TD Bank              | Debit                             | 09/30/13         | \$8.00                   |
| Nationbuilder        | Debit                             | 10/16/13         | \$158.00                 |
| Unknown              | 132                               | 10/29/13         | \$264.97                 |
| TD Bank              | Debit                             | 10/30/13         | \$35.00                  |
| TD Bank              | Debit                             | 10/31/13         | \$8.00                   |
| Unknown              | 135                               | 11/04/13         | \$90.00                  |
| Nationbuilder        | Debit                             | 11/04/13         | \$19.00                  |
| Unknown              | 116                               | 11/05/13         | \$50.00                  |
| TD Bank              | Debit                             | 11/06/13         | \$35.00                  |
| TD Bank              | Debit                             | 11/29/13         | \$8.00                   |
| Withdrawal           | Debit                             | 12/18/13         | \$30.40                  |
| <b>Total</b>         |                                   |                  | <b><u>\$8,539.75</u></b> |

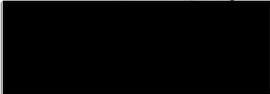
**Exhibit II**  
**Friends of Sylvia Kinard**  
**Loan Documentaion**  
**(see Finding #1c)**

Sylvia Gail Kinard, Esq.



June 3, 2013

Friends of Sylvia Kinard



**RE: UNSECURED NON-INTEREST BEARING LOAN**

**WITNESSETH:**

**THIS UNSECURED NON-INTEREST BEARING LOAN AGREEMENT** (hereinafter referred to as "LOAN") is entered into this 3 of June, 2013 by and between FRIENDS OF SYLVIA KINARD (hereinafter referred to as "BORROWER"), whose business address is James E Davis Station, PO Box 250229, Brooklyn, NY 11225 and Sylvia Gail Kinard (hereinafter referred to as "LENDER") residing at 1740 Ocean Avenue, Apt. 3K, Brooklyn, NY 11230.

**RECITALS**

LOAN AMOUNT: \$1,500.00  
LOAN REPAYMENT: \$1,500.00  
INTEREST: \$0  
LOAN TERM:

Within sixty (60) days from the conclusion of the September 10, 2013 primary; or in the event that candidate is on the ballot for the general election, within sixty (60) days from the conclusion of the November 5, 2013 General Election.

**WHEREAS;** Any indebtedness of Borrower now or in the future is and shall be subordinated to this loan; and

**WHEREAS;** Borrower hereby absolutely, unconditionally and irrevocably guarantees to Lender the full and prompt payment when due, whether at maturity or earlier, by reason of acceleration or otherwise, and at all times thereafter, of all amounts for which Borrower is liable; and

**WHEREAS;** Borrower's obligations under this Loan shall constitute an unconditional guaranty of payment; and

**WHEREAS;** This Agreement constitutes the entire understanding of the parties and supersedes all prior discussions, negotiations, Agreements and understandings, whether oral or written, with respect to its subject matter.

**WHEREAS;** No change, modification or waiver of this Agreement shall be valid unless it is in writing and signed by all the parties who are bound by the terms of this Agreement.

**WHEREAS;** If any provision of this Agreement is held invalid, unenforceable, or void by a court of competent jurisdiction, this Agreement shall be considered divisible as to such provision, and the remainder of the Agreement shall be valid and binding as though such provision were not included in this Agreement.

**WHEREAS;** Should a lawsuit be necessary to enforce this Agreement the parties agree that jurisdiction and venue are waived and suit shall be brought in Kings County, New York.

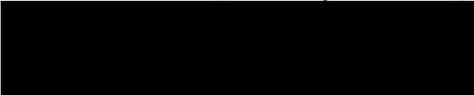
**WHEREAS;** Borrower warrants that the Loan agreement shall be executed by a person with the authority to bind Borrower to a legal agreement.

**IN WITNESS WHEREOF;** the undersigned have executed this loan agreement;

X 

FOR: Friends of Sylvia Kinard  
("Borrower")

6/3/2013  
DATE:

X 

Sylvia Gail Kinard ("Lender")

June 3, 2013  
DATE:

**Exhibit III**

**Friends of Sylvia Kinard**

**Kevin Languigne In-Kind Contribution**

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

Trinikevin Languaine  
to Ian Jones

7/15/2013 3:43 PM

domain names for Sylvia

**KMAX Professional, LLC.**

111-44 205<sup>th</sup> Street – Saint Albans, NY 11412  
KevinL@KmaxProfessional.com Tel. 917-340-8045

Products & Services donated by KMAX Professional to Sylvia Kinard 2013

Domain names and expiration dates for Ms. Sylvia

Domain names for one year = \$180.00 (donated)

sylviaaalkinard.com

03/18/2014

sylviaaalkinard.info

03/18/2014

sylviaaalkinard.net

03/18/2014

sylviaaalkinard.org

03/18/2014

sylviaaalkinard2013.com

03/18/2014

sylviaaalkinard2013.info

03/18/2014

7/15/2013

sylviaakinard2013.net

03/18/2014

sylviaakinard2013.org

03/18/2014

sylviaakinard.com

03/18/2014

sylviaakinard.info

03/18/2014

sylviaakinard.net

03/18/2014

sylviaakinard.org

03/18/2014

Palm Card Design

\$120.00 (donated)

Logo Design

\$150.00 (donated)

Photo shoot

\$400.00 (donated)

Kevin Languigne

Trinkevin@gmail.com

Mobile 917-340-8045

7/15/2013

This message and attachment(s) are intended solely for use by the addressee and may contain information that is privileged, confidential or otherwise exempt from disclosure under applicable law. If you are not the intended recipient or agent thereof responsible for delivering this message to the intended recipient, you are hereby notified that any dissemination, distribution or copying of this communication is strictly prohibited. If you have received this communication in error, please notify the sender immediately by telephone and with a 'reply' message. Thank you for your co-operation.

**Exhibit IV**

**Friends of Sylvia Kinard**

**Radyo Panou In-Kind Contribution**

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

RADYO PANOU INC  
101.9 FM /SCA  
1685 NOSTRAND AVENUE  
BROOKLYN NY 11226  
PHONE: 718) 940-3861  
FAX: 718) 469-0774

Live Broadcast: [www.radyopanou.com](http://www.radyopanou.com)  
Airtime Advertisement Contract  
[Radyopanou1685@yahoo.com](mailto:Radyopanou1685@yahoo.com)

Business Name Friends of Sylvia Kinard

Street Address 

City 

Business Principal/ Agent Sylvia Kinard.

Salesperson Name 

Phone: 

Do you want both text & recording Handled by Radyo Panou  
Promotion fee: \$ 1,000

Monthly Price \$ 9-01-2013 9-10-13

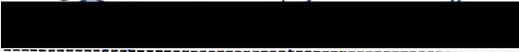
Starting on \_\_\_\_\_ Expire on 9-10-13

Length of Announcement 30 Seconds ( ) 60 Seconds

Please check the appropriate box below for the duration of your contract:  
3 Months ( ) 6 Months ( ) 9 Months ( ) 12 Months

- 1 Airtime \_\_\_\_\_
- 2 Spots \_\_\_\_\_
- 3 Spots \_\_\_\_\_
- 4 Spots 5 - 6 Spots \_\_\_\_\_

I agree to advertise my business with Radyo Panou for the fees specified herein. I understand and agree that payment is due and payable before service is provided or a suitable arrangement is made. In addition, if I default or cancel my service with Radyo Panou before the expiration date, a refund will not be given and I will pay all remaining balance due.

Signed By:  BUSINESS AUTHORIZED REPRESENTATIVE  
 Radyo Panou Salesperson

Date 9/1/2013. Date 9-1-2013

Rules of this contract are abided by and not broken consequences are given for any rules that are broken

