



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

Rose Gill Hearn
Chair

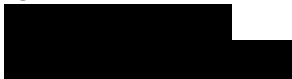
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Via C-Access
December 8, 2015

Susan LaForgia
Ignizio 2013



Dear Susan LaForgia:

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

The report concludes that the Campaign demonstrated substantial compliance with the Campaign Finance Act (the "Act") and the Board Rules (the "Rules"), with exceptions as detailed in the report.

The 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.

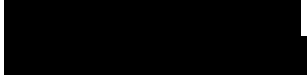
The CFB appreciates the Campaign's cooperation during the 2013 election cycle. Please contact the Audit Unit at 212-409-1800 or AuditMail@nycefb.info with any questions about the enclosed report.

Sincerely,

A large black rectangular redaction box covering the signature of Jonnathon Kline.

Jonnathon Kline, CFE
Director of Auditing and Accounting

c: Vincent M. Ignizio

A black rectangular redaction box covering contact information for Vincent M. Ignizio.

Ignizio 2013

A black rectangular redaction box covering contact information for Ignizio 2013.

Attachments



EC2013 Final Audit Report

Ignizio 2013

December 2015

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RESULTS IN BRIEF

The results of the New York City Campaign Finance Board's ("CFB" or "Board") review of the reporting and documentation of the 2013 campaign of Vincent M. Ignizio (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 file the required daily disclosure statements during the two weeks preceding the 2013 general election (see Finding #1).

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 an unregistered political committee (see Finding #2).
- The Campaign did not disclose an in-kind contribution received (see Finding #3).
- The Campaign did not report expenditures for basic campaign functions or activities, indicating that it received in-kind contributions (see Finding #4).

BACKGROUND

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

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

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

The table below provides detailed information about the Campaign:

Name: Vincent M. Ignizio	Contribution Limit:
ID: 1078	\$2,750
Office Sought: City Council	
District: 51	Expenditure Limit:
	2010–2012: \$45,000
Committee Name: Ignizio 2013	2013 Primary: N/A
Classification: Participant	2013 General: \$168,000
Certification Date: June 6, 2013	
	Public Funds:
Ballot Status: General	Received: \$92,400.00
	Returned: \$14,217.68
General Election Date: November 5, 2013	
Party: Republican, Independence, Conservative	Campaign Finance Summary:
	http://bit.ly/1yRZAMB

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 May 1, 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.

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

To determine if the Campaign adhered to contribution limits and prohibitions, we conducted a comprehensive review of the financial transactions reported in the Campaign's disclosure statements. Based on the Campaign's reported contributions, we assessed the total amount

contributed by any one source and determined if it exceeded the applicable limit. We also determined if any of the contribution sources were prohibited. We reviewed literature and other documentation to determine if the Campaign accounted for joint activity with other campaigns.

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

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

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

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

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

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

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

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

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

The Campaign was provided with a preliminary draft of this audit report and was asked to provide a response to the findings. The Campaign responded, and the CFB evaluated any additional documentation provided and/or amendments to reporting made by the Campaign in response. The Campaign was subsequently informed of its alleged violations and obligation to repay public funds, and was asked to respond. The Campaign responded and the CFB evaluated any additional information provided by the Campaign. After reviewing the Campaign's responses, CFB staff determined that the total recommended penalties for the Campaign's violations did not exceed \$500, and as a result the staff did not recommend enforcement action to the Board. The Board's determinations 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 finding, may have changed from the Draft Audit Report to the Final Audit Report.

OTHER MATTERS

During the 2013 election cycle, Ignizio 2009—another committee of Vincent M. Ignizio—made expenditures. As a result, the CFB attributed \$829.35 of the expenditures occurring between October 22, 2011 and September 12, 2012 to the Campaign.

The use of an entity other than the designated principal committee to aid in the election will result in the application of the Act and Board Rules, including the expenditure limit, to the other entity's activity. *See* Admin. Code §§ 3-702(2), (7), 3-703(1)(e); Rules 2-01(a), 1-08(c)(3). Expenditures are presumed to be made for the first election following the day they are made, with the exception of State or local election expenditures made before the first January 12 following the election, or federal election expenditures made before the first January 1 following the election. *See* Rule 1-08(c)(1).

The Campaign's expenditures—adjusted for relevant factors including spending by other committees—did not result in a finding that the Campaign had exceeded the applicable expenditure limit(s), and as a result the Campaign does not need to respond to this issue. However, candidates are reminded that if committees not reported to be involved in the election make expenditures, the Campaign has the burden of demonstrating that the expenditures were not related to the election.

AUDIT RESULTS

Disclosure Findings

1. 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 course of the election cycle. 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 following transactions:

CONTRIBUTION(S)/LOAN(S):

NAME	STATEMENT/ SCHEDULE/ TRANSACTION	RECEIVED DATE	AMOUNT
Amerosi, Gerald	15/D/R0001473	10/29/13	\$2,250.00

EXPENDITURE(S):

NAME	STATEMENT/ SCHEDULE/ TRANSACTION	DATE INCURRED	AMOUNT	NOTE
Staten Island Advance	15/F/R0001355	11/04/13	\$3,955.64	(1)

(1) The Campaign filed a daily disclosure statement on October 30, 2013, disclosing \$21,206.30 in expenditures to Staten Island Advance. Thereafter, the Campaign was required to file a daily disclosure statement for each additional liability incurred, or expenditure made, to Staten Island Advance prior to the date of the election.

Previously Provided Recommendation

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

Campaign’s Response

In the Campaign’s response to the Draft Audit Report, the Treasurer stated that she was a first time treasurer and not aware that she was required to file a daily disclosure report for this

transaction. The Campaign stated that its filing of a daily disclosure report on October 30, 2013, mentioned in note (1) above, occurred only due to instructions from CFB staff.

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.

Contribution Findings

2. Prohibited Contributions – Unregistered Political Committees

Participating campaigns may not, either directly or by transfer, accept any contribution, loan, guarantee, or other security for a loan from any political committee, unless it is registered with the CFB, or registers within ten days of receipt of the contribution. *See* Admin. Code §§ 3-703(1)(k), 3-707; Rule 1-04(d).

A list of registered political committees can be viewed on the CFB’s website, www.nyccfb.info. Political committees are often required to register with governmental agencies other than the CFB; however, registering with those agencies does not register them with the CFB.

The Campaign accepted contributions from an unregistered political committee in the following instance:

CONTRIBUTIONS FROM UNREGISTERED POLITICAL COMMITTEES				
NAME	STATEMENT/ SCHEDULE/ TRANSACTION	RECEIVED DATE	AMOUNT	NOTE
Republican County Committee	Unreported	Unknown	\$53.13	(1)

(1) In its response to the Draft Audit Report, the Campaign disclosed that the petitioning process was run out of the Republican County Committee Headquarters. The Campaign stated that the Republican County Committee provided both the petitions and the volunteers to obtain petition signatures.

Previously Provided Recommendation

This finding was identified as a result of the Campaign’s September 26, 2014 response to its Draft Audit Report.

Campaign's Response

This finding was identified as a result of the Campaign's response to its August 23, 2014 Draft Audit Report. In response to the Enforcement Notice, the Campaign provided an invoice from Luke's Copy Shop made out to the Richmond County Republican Committee for its petition printing costs. The Campaign calculated its percentage of the total cost based on the number of petitions that carried its name and how many other campaigns were included on each. The total petition printing cost, which the printer's invoice misstates, totals \$1,275. Using this figure and the Campaign's methodology, the Campaign's share of the petition printing costs is \$53.13. The Campaign issued a timely refund via certified bank check to the Richmond County Republican Committee for its share of the petition printing and provided a copy of the refund check. In addition, the Campaign provided a snapshot of its bank account, which shows the refund debited from the account.

Board Action

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

3. 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 Joe Lhota for Mayor printed, paid for, and circulated several petitions which included the Candidate. While Joe Lhota for Mayor did not request that the Candidate pay its share of the joint petition, such expenditure is presumed to have advanced the election of the Candidate and is considered an in-kind contribution to the Campaign. Based on the methodology provided, the Campaign's share was \$449.79. However, the Campaign did not report the in-kind contribution.

Previously Provided Recommendation

This finding was identified after the Notice of Alleged Violations was sent to the Campaign.

Campaign's Response

This finding was identified after the Notice of Alleged Violations was sent to the Campaign.

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. 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 expenditures with the following purpose code: petitioning. Past elections cycles have proven that active campaigns for elected office engage in certain basic activities, and as a result, they generally incur expenditures described using the purpose code 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 reported with the purpose code of petitioning.

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 goods or services used for this purpose were provided to the Campaign free of charge, amend the Campaign's disclosure statements to report the amount of each as an in-kind contribution(s) and provide documentation to demonstrate the value of the in-kind contribution(s).

If volunteers provided services such as petitioning, or the Campaign performed printing itself, the Campaign must provide an explanation and supporting documentation describing who performed the work, when it was performed, and note the transaction IDs for the purchase of any necessary supplies.

Campaign's Response

In response to the Draft Audit Report, the Campaign stated that it did not incur any petitioning expenses as the petitioning process was run out of the Republican County Committee Headquarters. The Republican County Committee provided both the petitions and the volunteers to obtain signatures. The Campaign failed to report this in-kind contribution. In response to the Enforcement Notice, the Campaign provided an invoice from Luke's Copy Shop made out to the Richmond County Republican Committee for petition printing costs for Ignizio and several other candidates endorsed by the Party (see Finding #2). Furthermore, the Campaign provided a methodology for calculating its share of the cost, and refunded the Richmond County Republican Committee that amount. However, the activity remains unreported.

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

Date: December 8, 2015

Staff: Hannah Golden

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

Candidate: Ignizio, Vincent M (ID:1078-P)**Office:** 5 (City Council)**Election:** 2013

1. Opening cash balance (All committees)		\$0.00
2. Total itemized monetary contributions (Sch ABC)		\$67,115.00
3. Total unitemized monetary contributions		\$0.00
4. Total in-kind contributions (Sch D)		\$8,264.07
5. Total unitemized in-kind contributions		\$0.00
6. Total other receipts (Sch E - excluding CFB payments)		\$489.50
7. Total unitemized other receipts		\$0.00
8. Total itemized expenditures (Sch F)		\$152,610.76
Expenditure payments	\$147,697.61	
Advance repayments	\$4,913.15	
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)		\$10,214.89
17. Total receipts adjustment (Sch M - excluding CFB repayments)		\$3,537.82
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		\$78,183.00
Total public funds payment	\$92,400.00	
Total public funds returned	(\$14,217.00)	
21. Total Valid Matchable Claims		\$24,465.00
22. Total Invalid Matchable Claims		\$2,100.00
23. Total Amount of Penalties Assessed		N/A
24. Total Amount of Penalty Payments		\$0.00
25. Total Amount of Penalties Withheld		\$0.00