



**New York City Campaign Finance Board**

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Via C-Access

June 16, 2015

Angela U. Nunez-Milane  
Ruiz 2013



Dear Angela Nunez-Milane:

Please find attached the New York City Campaign Finance Board's ("CFB" or "Board") Final Audit Report for the 2013 campaign of William Ruiz (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 May 14, 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 \$1,960.

The full amount owed must be paid no later than **July 16, 2015**. Please send a check in the amount of \$1,960, 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.

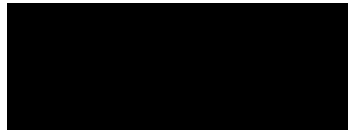
If the CFB is not in receipt of the full amount owed by **July 16, 2015**, the Candidate's name and the amount owed will be posted on the CFB's website. The CFB may also initiate a civil action to compel payment. In addition, the Candidate will not be eligible to receive public funds for any future election 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,

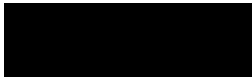


Jonnathon Kline, CFE  
Director of Auditing and Accounting  
signature on original

c: William Ruiz



Ruiz 2013



Attachments



# **EC2013 Final Audit Report**

Ruiz 2013

June 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 William Ruiz (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).

### ***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 cash contribution greater than \$100 (see Finding #2).
- The Campaign did not disclose in-kind contributions 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).

### ***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 must provide requested documentation related to reported expenditures (see Finding #5).

*Other Findings*

- The Campaign did not respond timely to the Initial Documentation Request and failed to respond to the Draft Audit Report (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: William Ruiz	Contribution Limit:
ID: 1770	\$2,750
Office Sought: City Council	
District: 32	Expenditure Limit:
	2010–2012: N/A
Committee Name: Ruiz 2013	2013 Primary: \$168,000
Classification: Participant	2013 General: N/A
Certification Date: May 23, 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/1ySSUUn">http://bit.ly/1ySSUUn</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. After the election, we performed an audit of all financial disclosure statements submitted for the election (see summary of activity reported in these statements at Appendix #1).

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

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



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

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

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

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

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

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

Following an election, campaigns may only make limited winding up expenditures and are not going concerns. Because the activity occurring after the post-election audit is extremely limited,

the audit focused on substantive testing of the entire universe of past transactions. The results of the substantive testing served to establish the existence and efficacy of internal controls. The CFB also publishes and provides to all campaigns guidance regarding best practices for internal controls.

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

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. However, the Campaign did not respond to the audit report. The Campaign was subsequently informed of its alleged violations, and was asked to respond. The Campaign did not respond. CFB staff recommended that the Board determine that the Campaign committed violations subject to penalty. The Board's actions are summarized as a part of each Finding in the Audit Results section.

**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
Capital One Bank	XXXXXX2957	Checking	May 2013 – Nov 2013

Below are the discrepancies and the additional records needed, as identified by a comparison of the records provided and the activity reported by the Campaign on its disclosure statements.

a) The Campaign must provide the bank statements listed below:

BANK	ACCOUNT #	STATEMENT PERIOD
Capital One Bank	XXXXXX2957	Dec 2013 – Present

b) The Campaign did not report the following transactions that appear on its bank statements:

ACCOUNT #	NAME	CHECK NO./ TRANSACTION	PAID DATE	AMOUNT
XXXXXX2957	Miscellaneous Fee	Debit	09/09/13	\$40.00
XXXXXX2957	Unknown	Check	09/09/13	\$275.00
XXXXXX2957	Overdraft Charge	Debit	11/05/13	\$35.00
<b>Total</b>				<b>\$350.00</b>

c) The Campaign reported the following transactions that do not appear on its bank statements:

NAME	CHECK No./ TRANSACTION	STATEMENT/ SCHEDULE/ TRANSACTION	PAID DATE	AMOUNT
AB&C Creations	010	12/F/R0000463	09/09/13	\$90.00
Shobolova, Evgeniya	017	12/F/R0000478	09/12/13	\$40.00
<b>Total</b>				<b>\$130.00</b>

d) The Campaign reported duplicate transactions as listed on Exhibit I.

e) The Campaign must provide copies of the itemized deposit slips listed below:

DATE OF DEPOSIT	DOLLAR AMOUNT
05/20/13	\$250.00
07/09/13	\$110.00
07/12/13	\$1,005.00
09/03/13	\$50.00

f) A review of the Campaign’s deposit slips revealed the following discrepancy:<sup>1</sup>

TOTAL REPORTED CASH RECEIPTS	TOTAL CASH PER DEPOSIT SLIPS	DOLLAR VARIANCE	PERCENT VARIANCE
\$4,144.00	\$3,802.00	\$342	8.25%

Also see Finding e) above.

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

DISBURSEMENTS:

TOTAL REPORTED MONETARY DISBURSEMENTS <sup>3</sup>	TOTAL DEBITS PER BANK STATEMENTS	DOLLAR VARIANCE	PERCENT VARIANCE
\$8,386.16	\$7,708.08	\$678.08	8.09%

Also see Finding a) above.

**Previously Provided Recommendation**

- a) The Campaign must provide all pages of the requested bank statements.
- b) The Campaign must amend its disclosure statements to report these transactions. The Campaign must also provide documentation for each transaction. Because bank statements provide limited information about a transaction, the Campaign should review invoices or other records to obtain all of the information necessary to properly report the transaction.
- c) For each transaction reported in the Campaign’s disclosure statements that does not appear on the Campaign’s bank statements, the Campaign must provide evidence to show that the transaction cleared the bank (i.e., a copy of the front and back of the check, and the bank statement showing the payment). Alternatively, the Campaign may provide evidence that the transaction was reported in error, or amend the Campaign’s disclosure statement to void the

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

<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 Disbursements includes bill payments, transfers-out, loan repayments, returns of public funds, and contribution refunds.

check. For each voided check, the Campaign must either issue a replacement check or forgive the expenditure payment. Any forgiven liabilities will be considered in-kind contributions, which could result in contribution limit violations, or be considered contributions from a prohibited source. The Campaign may need to contact the payee to determine why the transaction did not clear.

d) 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.

e) The Campaign must provide copies of requested itemized deposit slips.

f) To resolve the listed discrepancies, the Campaign must compare the cash receipts reported in its financial disclosure statements to supporting documentation, including deposit slips, bank statements, and any documentation not previously submitted. 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.

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

Please note that any newly entered transactions that occurred during the election cycle (01/12/10—01/11/14) will appear as new transactions in an amendment to Disclosure Statement 16, even if the transaction dates are from earlier periods. Any transactions dated after the election cycle will appear in disclosure statements filed with the New York State Board of Elections. Also note that the Campaign must file an amendment for each disclosure statement in which transactions are being modified. Once all data entry is completed, the Campaign should run the Modified Statements Report in C-SMART to identify the statements for which the Campaign must submit amendments. The C-SMART draft and final submission screens also display the 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>4</sup>

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<sup>4</sup> If the Campaign amends its reporting with the CFB, it must also submit amendments to the New York State Board of Elections.

## Campaign's Response

a-g) The Campaign did not respond to this finding.

## Board Action

- a) The Board found the Campaign in violation and assessed \$500 in penalties.
- b) The Board has taken no further action on this matter other than to make this a part of the Candidate's record with the Board.
- c) The Board has taken no further action on this matter other than to make this a part of the Candidate's record with the Board.
- 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 has taken no further action on this matter other than to make this a part of the Candidate's record with the Board.
- f) The Board found the Campaign in violation and assessed \$85 in penalties.
- g) The Board found the Campaign in violation and assessed \$125 in penalties.

## Contribution Findings

### 2. Prohibited Contributions – Cash Contributions Greater Than \$100

Campaigns may not accept cash contributions that total more than \$100 from a single contributor. See New York State Election Law § 14-118(2).

The Campaign reported receiving a cash contribution that exceeded \$100 from the following contributor:

NAME	STATEMENT/ SCHEDULE/ TRANSACTION	RECEIVED/ REFUNDED DATE	AMOUNT	AMOUNT OVER-THE- CASH-LIMIT
Roman, Gladys	11/ABC/R0000417	08/08/13	\$10.00	\$0.00
Roman, Gladys	12/ABC/R0000504	08/31/13	\$100.00	\$10.00

### **Previously Provided Recommendation**

The Campaign must refund the portion of the contribution that exceeds \$100 to the contributor by bank or certified check, provide a copy of each refund check (front and back); or pay the Public Fund an amount equal to the overage. If the Campaign disagrees with this finding, it must provide an explanation and documentation to demonstrate why the finding is not a violation.

### **Campaign's Response**

The Campaign did not respond to this finding.

### **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. 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).



The Campaign reported the following expenditures. However, the reported payments for these expenditures are not present on any of the bank statements provided by the Campaign, nor are they reported as outstanding liabilities. (See also Finding #1c.) As a result, the Campaign’s reporting and documentation indicate that a third party paid for these transactions, or that the goods or services were provided by the reported payee for free.

NAME	REPORTED CHECK NO./ TRANSACTION	STATEMENT/ SCHEDULE/ TRANSACTION	PAID DATE	AMOUNT
AB&C Creations	010	12/F/R0000463	09/09/13	\$90.00
Shobolova, Evgeniya	017	12/F/R0000478	09/12/13	\$40.00
<b>Total</b>				<b>\$130.00</b>

**Previously Provided Recommendation**

For each transaction the Campaign must provide a written explanation describing how the good or service was purchased, or provided, and who paid for it. If the Campaign paid the expenditure, it must provide evidence to show that the transaction cleared the bank (i.e., a copy of the front and back of the check, and the bank statement showing the payment). Alternatively, the Campaign may provide evidence that the transaction was reported in error. If the reported payee donated the goods or services, or they were purchased or donated by a third party, the Campaign must submit an in-kind contribution form completed by the contributor, and report the item as an in-kind contribution by submitting an amendment to Statement 16. (See also Finding #1c.)

**Campaign’s Response**

The Campaign did not respond to this finding.

**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: office. Past election 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 codes 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 following purpose code: office.

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 IDs for the expenditures 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 and provide documentation to demonstrate the value of the in-kind contribution.

### **Campaign's Response**

The Campaign did not respond to this finding.

### **Board Action**

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

### ***Expenditure Findings***

## **5. 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.

a) The Campaign provided a Campaign Consultant Agreement between Alexis Mateo and the Campaign for a seven-month period, beginning June 15, 2013 and ending on January 15, 2014

(see Exhibit II). The contract specifies total compensation of \$15,000 for services during that period. To date, the Campaign has paid Mr. Mateo \$750 and has an outstanding liability of \$14,250.

b) The Campaign reported a payment of \$350 to Juan Rodriguez and has an outstanding liability of \$5,650 for “recruit operations.” The Campaign did not provide a copy of a contract with Mr. Rodriguez.

### **Previously Provided Recommendation**

a) For each duty included in Mr. Mateo’s contract (listed below), describe in detail the services provided, submit a breakdown of the hours worked, and provide samples of the work product:

1. Develop and coordinate the implementation of campaign strategy and plan.
2. Conduct research and analysis of voter turnout and establish a voter turnout goal to win the democratic campaign.
3. Design a campaign organizational structure.
4. Write, design and coordinate the production and distribution of all communication tools including posters, flyers, brochures, mailings, palm cards and audio scripts.
5. Assist in filing disclosure statements to the Campaign Finance Board.
6. Advise the Campaign as necessary on a day-to-day basis.

In addition, the Campaign must obtain a notarized sworn statement from Mr. Mateo explaining how he divided his time between three different campaigns.<sup>5</sup>

b) The Campaign must submit documentation for these expenditures including a contract, an explanation detailing the services provided, a breakdown of hours worked, and samples of the work product. In addition, the Campaign must obtain a notarized sworn statement from Mr. Rodriguez explaining how he divided his time between two different campaigns.<sup>6</sup>

### **Campaign’s Response**

The Campaign did not respond to this finding.

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<sup>5</sup> Mr. Mateo was contracted to work for Humberto Soto for New York City Council 2013 from May 30, 2013 to September 10, 2013. Mr. Mateo also worked for Santiago NYC 2013.

<sup>6</sup> Mr. Rodriguez was contracted to work for Mateo 2013 from March 30, 2013 to September 12, 2013.

## 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.

## Other Findings

### 6. Failure to Respond Timely

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

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

REQUEST	DUE DATE	DATE SUBMITTED	# DAYS LATE
Initial Documentation Request	12/27/13	01/15/14	18
Draft Audit Report	12/12/14	N/A	N/A

### Previously Provided Recommendation

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

### Campaign's Response

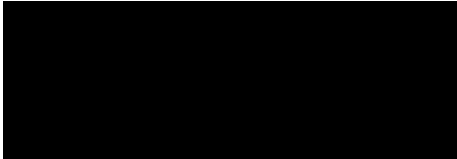
The Campaign did not respond to the failure to respond timely to the Initial Documentation Request finding. The Campaign failed to respond to the Draft Audit Report.

## Board Action

The Board found the Campaign in violation and assessed \$750 in penalties.

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

Respectfully submitted,



Jonnathon Kline, CFE

Director of Auditing and Accounting  
signature on original

Date: June 16, 2015

Staff: Hannah Golden

Yasmin Vega

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

**Candidate:** Ruiz, William (ID:1770-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)		\$7,424.00
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)		\$8,386.16
Expenditure payments	\$8,386.16	
Advance repayments	\$0.00	
9. Total unitemized expenditures		\$0.00
10. Total transfers-In (Sch G)		\$0.00
Type 1	\$0.00	
Type 2a	\$0.00	
Type 2b	\$0.00	
11. Total transfers-out (Sch H)		\$0.00
Type 1	\$0.00	
Type 2a	\$0.00	
Type 2b	\$0.00	
12. Total loans received (Sch I)		\$0.00
13. Total loan repayments (Sch J)		\$0.00
14. Total loans forgiven (Sch K)		\$0.00
15. Total liabilities forgiven (Sch K)		\$0.00
16. Total expenditures refunded (Sch L)		\$0.00
17. Total receipts adjustment (Sch M - excluding CFB repayments)		\$0.00
18. Total outstanding liabilities (Sch N - last statement submitted)		\$19,900.00
Outstanding Bills	\$19,900.00	
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		\$4,906.00
22. Total Invalid Matchable Claims		\$1,523.00
23. Total Amount of Penalties Assessed		\$1,960.00
24. Total Amount of Penalty Payments		\$0.00
25. Total Amount of Penalties Withheld		\$0.00

**Exhibit I**  
**Ruiz 2013**  
**Duplicate Transactions**  
 (see Finding #1d)

Account	Statement/ Schedule/ Transaction ID	Name	Check No./ Transaction	Paid Date	Amount	Duplicate Amount
XXXXXX2957	12/F/R0000456	Content Critical	003	05/31/13	\$ 408.08	\$ -
XXXXXX2957	9/F/R0000133	Board of Elections	002	05/31/13	\$ -	\$ 408.08
XXXXXX2957	12/F/R0000455	Rodriguez, Juan c	002	05/31/13	\$ 350.00	\$ -
XXXXXX2957	9/F/R0000137	Board of Elections	004	06/03/13	\$ -	\$ 350.00
XXXXXX2957	12/F/R0000457	ITG Print Shop	004	06/01/13	\$ 140.00	\$ -
XXXXXX2957	9/F/R0000135	Board of Elections	003	06/01/13	\$ -	\$ 140.00
<b>Total</b>						<b>\$ 898.08</b>

**Exhibit II**  
**Ruiz 2013**  
**Expenditure Documentation**  
**(see Finding #5a)**



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## Campaign Consultant Agreement

Agreement made as of the 01<sup>st</sup> day of June, 2013 between the Ruiz 2013 Campaign,  
(hereafter Ruiz) and Alexis Mateo, Consultant (hereafter AM)

### WITNESSETH

#### Services

AM agrees to provide the following services to Ruiz.

1. Develop and coordinate the implementation of campaign strategy and plan.
2. Conduct research and analysis of voter turnout and establish a voter turnout goal to win the democratic campaign.
3. Design a campaign organizational structure
4. Write, design and coordinate the production and distribution of all communication tools; including posters, flyers, brochures, mailings, palm cards and audio scripts.
5. Assist in filing disclosure statements to the Campaign Finance Board.
6. Advise the campaign as necessary on a day to day basis.

#### Compensation

As compensation for AM services, Ruiz agrees to pay AM a total of \$15,000.

#### Terms

1. Ruiz agrees to pay AM the sum of \$3,000 as a retainer and \$12,000 on or before January 15, 2014.
2. Ruiz agrees to pay all printing, mailing and postage costs, as well as the production costs of other communication materials.
3. This contract will be for a seven months period beginning June 15, 2013 and ending on January 15, 2014.

#### Arbitration

Any claim, dispute or controversy arising out of or in connection with this letter of agreement, or any breach thereof, shall be subject to arbitration before the American Arbitration Association in New York City. Judgment may be entered on the award of any court having jurisdiction thereof.

#### Cancellation

This contract is cancellable by either party, ten (10) days after providing written notice.

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IN WITNESS WHEREOF, Ruiz and AM have executed this agreement as of the day and year first  
written above.

Ruiz 2013

By: Angela U. Nunez Milane

Angela U. Nunez-Milane, Treasurer

By: Alexis Mateo

Alexis Mateo, Consultant

ENCLOSURE 2014-2-14