



Summary of Final Board Determination

Maria Arroyo

Candidate, 2013, City Council District 17, Bronx

Program participant: \$64,650 in public funds received

1. Failing to report transactions \$110

Campaigns are required to properly report all financial transactions to the Board. *See* Admin. Code §§ 3-703(1)(d), (g), (6), (11), (12); Board Rules 1-09, 3-03(c), (d), (e), 4-01.

The Campaign failed to report transactions totaling \$4,751.56 that appear on its bank statements. Additionally, the Campaign did not properly report the name of the vendor(s) for an advance repayment of \$895.81 to the Candidate.

The Board assessed a penalty of \$110 for these violations.

2. Accepting over-the-limit contributions \$500

Campaigns are prohibited from accepting contributions in excess of the applicable contribution limit. *See* Admin. Code §§ 3-702(8), 3-703(1)(f), (11); Board Rules 1-04(c)(1), (h), 1-07(c). In addition, campaigns may not accept contributions in excess of the “doing business” contribution limits from individuals or entities that have business dealings with the City: \$250 for candidates for City Council. *See* Admin. Code §§ 3-702(8), (18), (20), 3-703 (1-a), (1-b); Board Rules 1-04(c)(1), (h).

The campaign accepted two over-the-limit contributions that it refunded after the deadline.

The Board assessed a penalty of \$500 for these violations.

3. Accepting contributions from corporations, limited liability companies, or partnerships \$1,325

Campaigns may not accept, either directly or by transfer, a campaign contribution or loan, or guarantee or other security for such loan, from any corporation, limited liability company (LLC), or partnership. *See* N.Y.C. Charter § 1052(a)(13); Admin. Code §§ 3-702(8), 3-703(1)(l); Board Rules 1-04(c)(1), (e), (g), 1-05. Creditors who extend credit beyond 90 days are considered to have made a contribution equal to the credit extended, unless the creditor continues to seek payment of the debt. Outstanding liabilities that are forgiven or settled for less than the amount owed are also considered contributions. *See* Board Rules 1-04(g)(4), (5).

The Campaign accepted a contribution from Michael O’Brien, and promptly refunded it. The Campaign also accepted contributions from Robert Taglia and Waste Management of NY and refunded them after the deadline.



Summary of Final Board Determination

The Campaign accepted in-kind contributions from The Clock Bar & Café that it did not refund.

The Board assessed a penalty of \$1,325 for these violations.

4. Failing to document a transaction \$100

Campaigns are required to document all financial transactions, including loans, in-kind contributions, and joint expenditures. *See* Admin. Code §§ 3-703(1)(d), (g), (11), (12), 3-715; Board Rules 1-09, 4-01(a), (c), (g), (k), 4-03.

The Campaign reported a \$100 expenditure that does not appear on its bank statements, nor was it reported as an outstanding liability, indicating that a third party paid for the transaction or that the goods or services were provided by the reported payee for free.

The Board assessed a penalty of \$100 for this violation.

5. Failing to report and document basic campaign functions or activities \$500

Campaigns are required to report and document all financial transactions, including basic categories of expenditures such as postage, printing, rent, and petitioning. *See* Admin. Code §§ 3-702(8), 3-703(1)(d), (g), (6), (11), (12); Board Rules 1-02, 1-04(g), 1-08(a), (b), (c), (h), 1-09, 3-02, 3-03(e), 4-01.

The Campaign reported expenditures totaling \$3,581 towards fundraising but provided a list that was incomplete and/or indicated that some expenditures related to fundraising were paid for by third parties or provided by vendors at no cost. Additionally, those costs do not account for the total amount of fundraising expenditures reported.

The Board assessed a penalty of \$500 for these violations.

6. Failing to demonstrate compliance with intermediary reporting and documentation requirements \$100

Campaigns are required to report the intermediary for each contribution that was delivered or solicited by an intermediary. In addition, campaigns are required to provide a signed intermediary affirmation statement for each intermediated contribution. *See* Admin. Code §§ 3-703(1)(d), (g), (6), (11), 3-719(1); Board Rules 3-03(c)(7), 4-01(b)(5).

The Campaign indicated that an individual collected and delivered \$700 in contributions, but failed to amend its reporting to disclose this intermediary.



Summary of Final Board Determination

The Board assessed a penalty of \$100 for this violation.

7. Making cash expenditures greater than \$100 **No Penalty**

Campaigns are prohibited from making an expenditure greater than \$100 using cash. *See* Board Rules 1-08(i), 4-01(e)(2).

The Campaign made cash expenditures of \$752 and \$127.

The Board did not assess a penalty for this violation.

8. Failing to demonstrate that spending was in furtherance of the campaign **\$410**

Campaigns are required to demonstrate that all spending was in furtherance of the campaign. *See* Admin. Code §§ 3-702(21)(a), (b); 3-703(1)(d), (g), (6), (11); Board Rules 1-03(a), 4-01(e).

The Campaign made expenditures totaling \$1,643.59 that appear to be non-campaign related. These include expenditures to gas stations for which no mileage logs were provided, and bus fare for residents of the Borinquen Court Tenants Association to and from a casino.

The Board assessed a penalty of \$410 for these violations.

9. Converting campaign funds to a personal use **\$334**

Campaigns are prohibited from converting campaign funds to a personal use. *See* Admin. Code §§ 3-702(21)(b); Board Rules 1-03(a), 2-02.

The Campaign made a \$267.97 vehicle-related expenditure, which is considered conversion to personal use.

The Board assessed a penalty of \$334 for this violation.

10. Making impermissible post-election expenditures **\$1,063**

After an election and before repaying leftover campaign funds to the Board, participants may spend campaign funds only to pay campaign-related expenses incurred in the preceding election and for “routine activities involving nominal cost associated with winding up a campaign and responding to the post-election audit.” *See* Admin. Code §§ 3-702(21)(a)(8), 3-703(1)(d), (g), (6), (11), 3-710(2)(c); Board Rules 1-03(a), 1-08(b), 5-03(e)(2). A campaign may only hold a



Summary of Final Board Determination

single post-election event for staff, volunteers and/or supporters within thirty days of the election. *See* Admin. Code § 3 702(21)(a)(8); Board Rule 5-03(e)(2)(ii).

The Campaign made expenditures totaling \$4,252.28, including expenditures for tickets for community events, multiple post-election events that occurred more than 30 days after the election, and a trip to the Somos el Futuro conference in Puerto Rico after the election, among other unsubstantiated post-election payments.

The Board assessed a penalty of \$1,063 for these violations.

11. Late response to the DAR \$1,293

Campaigns are required to maintain records, such as copies of checks, invoices, and bank records, to verify financial transactions reported in disclosure statements, and campaigns are required to provide such records to the Board upon request and to respond to specific questions regarding compliance with the Act and Rules. *See* Admin. Code §§ 3-703(1)(d), (g), (6), (11), (12), 3-708(5), 3-710(1); Board Rules 1-09(a), 4-01, 4-05(a).

The Campaign submitted a response to the Draft Audit Report 50 days after the deadline.

The Board assessed a penalty of \$1,293 for this violation.