



## Summary of Final Board Determination

### Christopher Banks

Candidate, 2013, City Council District 42, Brooklyn

Program participant: \$71,004 in public funds received

**1. Failing to provide bank/ merchant account statements No Penalty**

Campaigns are required to provide copies of all bank and merchant account statements for accounts used for each election. *See* Admin. Code §§ 3-703(1)(d), (g), (11); Board Rule 4-01(f).

The Campaign did not provide statements from its Citibank checking account from December 2013-present or its Litle & Co. merchant account from January-September 2015.

The Board determined that this was a violation but did not assess a penalty.

**2. Failing to report transactions \$412**

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 multiple transactions totaling \$20,959.84. The Campaign misreported an advance of \$207.33 to an individual and did not properly amend its reporting to reflect the advance. The Campaign did not properly report its \$200 share of a joint fundraising event as an in-kind contribution from the individual who paid for the event.

The Board assessed a penalty of \$412 for these violations.

**3. Failing to demonstrate compliance with reporting requirements for disbursements \$500**

Campaigns are required to demonstrate compliance with the reporting requirements and are required to provide bank records, including bank statements and deposit slips. *See* Admin. Code §§ 3-703(1)(d), (g), (6), (11), (12); Board Rules 1-09, 3-03(c), (d), (e), 4-01.

The Campaign reported \$118,334.03 in disbursements, but the bank statements the Campaign has provided account for \$137,523.99 in disbursements, a variance of \$19,189.96 (-16.21%).

The Board assessed a penalty of \$500 for this violation.



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**4. Failing to demonstrate compliance with subcontractor reporting and documentation requirements \$100**

If a campaign makes an expenditure to a vendor that relied on subcontractors to provide the goods or services to the campaign, and the cost of the subcontracted goods or services provided by a single subcontractor exceeds \$5,000, the campaign must report, in addition to the expenditure, the name and address of the subcontractor, the amount(s) of the expenditure(s) to the subcontractor, and the purpose(s) of the subcontracting. The candidate must also obtain and maintain documentation from each vendor that used subcontractors. *See* Admin. Code §§ 3-703(1)(d), (g), (6), (11); Board Rules 3-03(e)(3), 4-01(h).

The Campaign paid a total of \$50,104.69 to Connective Strategies LLC, but failed to report subcontractors used by the vendor.

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

**5. Accepting contributions from corporation, limited liability companies, or partnerships \$4,300**

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.

The Campaign reported an expenditure of \$800 to Connective Strategies LLC that does not appear on the Campaign's bank statements. The outstanding liability is considered an in-kind contribution. The Campaign's contract with Hudson TG LLC provides for payments totaling \$21,000 for a six month period. The Campaign paid this vendor a total of \$18,000, \$3,000 less than the contracted amount, and the unpaid portion is considered an in-kind contribution.

The Board assessed total penalties of \$4,300 for these violations.

**6. 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 submitted a copy of a joint petition for the Candidate and two other candidates, but did not provide documentation for this joint expenditure.

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



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**7. Failing to demonstrate that spending was in furtherance of the campaign \$883**

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 reported expenditures totaling \$3,534.85 which, based on the reporting and/or documentation, appear to be non-campaign related.

The Board assessed a penalty of \$883 for these violations.

**8. Converting campaign funds to personal use \$574**

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 provided a BJ's Wholesale Club receipt for a debit card purchase of a printer, paper, and an air conditioning unit totaling \$459.47, which were purchased and returned for a cash refund on the same day. The Campaign did not report an expenditure refund, nor is one reflected on the Campaign's bank statements, indicating that the refund was converted to personal use.

The Board assessed a penalty of \$574 for this violation.

**9. Making impermissible post-election expenditures \$100**

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).

The Campaign made expenditures totaling \$384.25 that, based on their timing, amount, and/or purpose, are impermissible post-election expenditures.

The Board assessed a penalty of \$100 for these violations.



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### **10. Late response to the Initial Documentation Request**

**\$150**

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 responded to the Initial Documentation Request three days after the deadline.

The Board assessed a penalty of \$150 for this violation.