



Summary of Final Board Determination

Rafael Espinal

Candidate, 2013, City Council District 37, Brooklyn
Program participant: \$81,682 in public funds received

1. Accepting an over-the-limit doing business contribution. \$250

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). When a campaign accepts a prohibited contribution, it must promptly return it by bank or certified check. *See* Board Rule 1-04(c)(1).

The Campaign accepted a \$300 contribution from an individual having business dealings with the City, according to the City’s Doing Business Database. The Campaign issued a \$50 refund, but because the Campaign did not use a bank or certified check, it was not credited until after the 20-day refund deadline.

The Board assessed a penalty of \$250 for this violation.

2. Accepting a contribution from a corporation. \$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. 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 paid Get Out The Vote, a corporation, \$694.14 for robocalls. The invoice, dated September 10, 2013, showed that a \$50 “set up” fee was waived, making this amount a corporate in-kind contribution.

The Board assessed a penalty of \$300 for this violation.

3. Accepting in-kind contributions from unregistered political committees. \$759

Campaigns may not accept a contribution from a political committee unless the political committee is registered with the CFB or registers with the CFB within 10 days of receipt of the contribution. *See* Admin. Code §§ 3-702(11), 3-703(1)(k), 3-707; Board Rules 1-04(c)(1), (d), (g), 1-05.



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The Campaign shared the use of a postage meter account, owned by the 54th Democratic Club (“54 DC”), with 54 DC and Friends of Gonzalez (“FOG”). 54 DC and FOG are political committees that were not registered with the CFB. The Campaign used postage meter services from this account totaling \$17,344.52, but paid only \$17,085.10 for these services. The \$259.42 difference consists of two in-kind contributions. FOG paid \$167.05 more for postage meter services than it used, resulting in a \$167.05 in-kind contribution to the Campaign. 54 DC paid for the remaining \$92.37 in services used by the Campaign. Thus, these amounts (\$167.05 and \$92.37) are in-kind contributions from unregistered political committees.

The Board assessed a penalty of \$759 for this violation.

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 contracted with A Better Living Resource Coalition, Inc. (“ABLRC”) to hire and track campaign workers. On the day of the primary election, CFB observers interviewed one worker handing out flyers who stated that he had been employed by the Campaign for seven days, and was working on Election Day as well. However, the records provided by the Campaign did not show that this individual was paid by ABLRC or the Campaign.

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