



Summary of Final Board Determination

Joan Flowers

Candidate, 2013, City Council District 27

Program non-participant: \$0 in public funds received

1. Failing to provide 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), 3-719(1); Board Rule 4-01(f). The Campaign failed to provide statements for its Democracy Engine merchant account.

The Board did not assess a penalty for this violation.

2. Late filing of disclosure statements \$150

Campaigns are required to file complete and timely disclosure statements on scheduled dates. *See* N.Y.C. Charter § 1052(a)(8); Admin. Code §§ 3-703(6), (12), 3-708(8), 3-719(1); Board Rules 1-09, 3-02. The Campaign filed Disclosure Statement 9 two days late and Statement 16 one day late.

The Board assessed a penalty of \$150 for these violations.

3. Late filing of daily pre-election disclosure statements \$100

Aggregate contributions and loans from a single source in excess of \$1,000, and aggregate expenditures to a single vendor in excess of \$20,000, received or made within 14 days of an election, must be disclosed to the Board within 24 hours. A pre-election disclosure filing made after the election is considered a failure to file. *See* Admin. Code §§ 3-703(6), (12), 3-708(8), 3-719(1); Board Rules 1-09, 3-02(e).

The Campaign failed to timely report a \$15,000 loan, a \$2,700 contribution, and expenditures totaling \$39,944.50 to Valentin Consulting, that were made within 14 days of the primary election.

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



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4. Failing to demonstrate compliance with subcontractor reporting and documentation requirements \$50

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 amounts of the expenditures to the subcontractor, and the purposes of the subcontracting. *See* Admin. Code §§ 3-703(1)(d), (g), (6), (11), 3-719(1); Board Rules 3-03(e)(3), 4-01(h).

The Campaign did not report subcontractors used by its vendor Valentin Consulting which provided services in excess of \$5,000.

The Board assessed a penalty of \$50 for this violation.

5. Accepting two in-kind contributions from corporations \$1,083

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), 3-719(2)(b); Board Rules 1-04(c)(1), (e), (g), 1-05. A forgiven debt is an in-kind contribution. Board Rules 1-01, 1-04(g)(5).

The Campaign reported expenditures of \$583.28 to two corporations without providing proof of payment; thus these debts were forgiven and were in-kind contributions.

The Board assessed a penalty of \$1,083 for these violations.

6. Failing to document an in-kind contribution \$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, 3-719(1)(b); Board Rules 1-09, 4-01(a), (c), (g), (k), 4-03.

The Campaign reported, but failed to provide in-kind contribution forms for two in-kind contributions totaling \$766.57.

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



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7. Failing to document loans \$3,074

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, 3-719(1)(b); Board Rules 1-09, 4-01(a), (c), (g), (k), 4-03. The Campaign failed to provide financial institution documentation sufficient to show the owner of the accounts that were the source of \$153,730 in loans reported as being from the Candidate.

The Board assessed a penalty of \$3,074 for this violation.

8. Late response to the Draft Audit Report \$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), 3-719(1)(b); Board Rules 1-09(a), 4-01, 4-05(a). The Campaign filed its response to the Draft Audit Report three days late.

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