



Summary of Final Board Determination

Kathleen Daniel

**Candidate, 2013, City Council District 41, Brooklyn
Program participant; no public funds received**

1. Failing to provide bank/merchant account statements. \$282

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 failed to submit statements for its TD Bank checking account for the period from August 2013 through October 2015, or either of its TD Bank merchant accounts.

The Board assessed a penalty of \$282 for these violations.

2. Failing to comply with reporting requirements for receipts. \$565

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 \$29,889.37 in receipts, but the bank statements the Campaign has provided only account for \$12,102.50 in receipts, a difference of \$17,786.85. This constitutes a variance of 59.51% between the receipts reported and documented by the Campaign.

The Board assessed a penalty of \$565 for this violation.

3. Failing to comply with reporting requirements for disbursements. \$282

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 \$29,606.10 in disbursements, but the bank statements the Campaign has provided only account for \$12,204.95 in disbursements, a difference of \$17,401.15. This constitutes a variance of 58.78% between the disbursements reported and documented by the Campaign.

The Board assessed a penalty of \$282 for this violation.



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4. Filing a late disclosure statement. \$28

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); Board Rules 1-09, 3-02.

The Campaign filed Disclosure Statement 10 on August 10, 2013, one day late.

The Board assessed a penalty of \$28 for this violation.

5. Failing to file a disclosure statement. \$425

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); Board Rules 1-09, 3-02.

The Campaign failed to file Disclosure Statement 12, which was due September 20, 2013.

The Board assessed a penalty of \$425 for this violation.

6. Failing to comply with subcontractor reporting and documentation requirements. \$28

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 the Advance Group \$13,402.74, but failed to report subcontractors used by the Advance Group or submit a completed Subcontractor Disclosure Form (or document its attempts to obtain the completed form from the Advance Group).

The Board assessed a penalty of \$28 for this violation.



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7. Accepting an over-the-limit contribution. \$340

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).

The Campaign reported two \$1,500 payments to an individual, on August 1, 2013 and August 2, 2013. Because the Campaign failed to submit bank statements showing these payments, these debts are in-kind contributions which together exceed the contribution limit by \$250.

The Board assessed a penalty of \$340 for this violation.

8. Accepting contributions from corporations, limited liability companies, or partnerships. \$3,669

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 reported expenditures totaling \$4,324.07 to five vendors. Because the Campaign failed to submit proof of these payments, such as cancelled checks and bank statements, these debts are in-kind contributions from corporations and a limited liability company.

The Campaign accepted a \$175 contribution from Kalba & Heslop, LLC, and promptly refunded it. The Campaign accepted a \$250 contribution from Massena Law, PC, and promptly refunded it. However, the Campaign failed to submit proof of these refunds.

The Board assessed penalties totaling \$3,669 for these violations.



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9. Accepting a contribution from an unregistered political committee. \$1,694

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.

On July 23, 2013, the Campaign accepted a \$2,750 contribution from Educational Fund, a political committee that was not registered with the CFB.

The Board assessed a penalty of \$1,694 for this violation.

10. Failing to document a transaction. \$56

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 \$593 loan repayment to Kathleen Daniel on August 22, 2013, but it failed to submit proof of the repayment.

The Board assessed a penalty of \$56 for this violation.

11. Failing to respond to the Initial Documentation Request. \$500

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 failed to submit a response to the Initial Documentation Request, which was due January 27, 2014.

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



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12. Failing to respond to the Draft Audit Report. \$500

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 failed to submit a response to the Draft Audit Report, which was due November 26, 2015.

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