



Summary of Final Board Determination

Carlos Menchaca

Candidate, 2013, City Council District 38, Brooklyn
Program participant: \$115,500 in public funds received

1. Failing to provide merchant account statements \$500

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 sufficient documentation from two merchant accounts. The Campaign provided a print out of search results showing no activity for one account and Excel files for the other, neither of which is a sufficient substitute for missing statements.

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

2. Failing to report transactions \$100

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 did not report transactions totaling \$5,006.39 that appear on its bank statements.

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

3. Failing to file pre-election disclosure statements \$100

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

The Campaign did not file the required daily disclosures to report a \$2,500 contribution from the United Brotherhood of Carpenters and Joiners of America, or three expenditures totaling \$33,103.85 to Red Horse Strategies.

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



Summary of Final Board Determination

4. Accepting contributions from unregistered political committees \$250

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.

The Campaign accepted a \$500 contribution from the New Kings Democrats and a \$1,500 contribution from Empire State Pride Agenda, neither of which was registered with the CFB. The Campaign promptly refunded the contributions upon notification by Board staff.

The Board assessed a penalty of \$250 for these violations.

5. 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. 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 a \$1,254.77 expenditure to the New York State Democratic Committee, but payment for the expenditure does not appear on the Campaign's bank statements, nor was it reported as an outstanding liability.

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



Summary of Final Board Determination

6. Making impermissible post-election expenditures \$851

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 \$3,406.18 that, based on their timing, amount, and/or purpose, are impermissible post-election expenditures. These expenditures included payments for cellphone bills, merchant account statements, and a payment to the campaign manager.

The Board assessed a penalty of \$851 for these violations.

7. Exceeding the expenditure limit \$412

Candidates who participate in the Campaign Finance Program may not spend in excess of the expenditure limits. See Admin. Code §§ 3-703(1)(i), (11), 3-706, 3-711(2)(a); Board Rules 1-08(c), (d), (l), 7-05(b).

The Campaign exceeded the expenditure limit by \$412.84.

The Board assessed a penalty of \$412 for this violation.