



## Summary of Final Board Determination

### Donovan Richards

Candidate, 2013, City Council District 31

Program participant: \$39,372 in public funds received

**1. Failing to report a merchant account used for campaign purposes \$250**

Campaigns are required to report all bank, merchant, and depository accounts used for campaign purposes. *See* Admin. Code §§ 3-703(1)(c), (d), (g), (6), (10), (11), 3-719(1); Board Rules 1-11(d), 2-06, 4-01(f). The Campaign failed to report a Little & Co. merchant account used for campaign purposes.

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

**2. Failing to provide bank/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 any statements for its Chase merchant account.

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

**3. Failing to disclose a political committee used in furtherance of the campaign No penalty**

Campaigns are required to disclose to the Board the existence of all political committees that were active during the covered election. *See* Admin. Code §§ 3-703(1)(d), (e), (g), (6), (11), (12); Board Rules 1-08(c), 1-11, 2-01, 4-01. The Campaign failed to disclose four authorized, active committees of the Candidate on its Certification.

The Board did not assess a penalty for this violation.



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### **4. Accepting contributions from corporations \$358**

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, 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 a \$108.63 expenditure to Traditions, Inc., but payment for this expenditure does not appear in the Campaign's bank records.

The Board assessed a penalty of \$358 for this violation.

### **5. Failing to demonstrate that spending was in furtherance of the campaign \$181**

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 made an \$80 expenditure to an individual for a networking and professional development seminar for people working in the entertainment industry. It also reported a \$647.35 advance repayment to an individual for an expenditure to Zipcar, but did not provide proof that the individual paid or used Zipcar.

The Board assessed a penalty of \$181 for these violations.

### **6. Making impermissible post-election expenditures \$552**

After an election and before repaying leftover campaign funds to the Board, participating candidates 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 impermissible post-election expenditures totaling \$2,208.50. These included expenditures to a state Senate committee, food purchases, and expenditures related to post-election events.

The Board assessed a penalty of \$552 for these violations.



## **Summary of Final Board Determination**

**7. Commingling campaign funds accepted for a different election \$1,525**

Campaigns are required to establish and maintain a separate bank account and to report all bank, merchant, and depository accounts used for campaign purposes. *See* Admin. Code §§ 3-703(1)(c), (d), (g), (6), (10), (11); Board Rules 1-11(d), 2-06, 4-01(f). Campaigns are prohibited from commingling funds accepted for one election with funds accepted for another election. *See* Board Rules 2-06(b), (e).

The Campaign made three expenditures totaling \$6,103 that were in furtherance of the Candidate's City Council District 31 special election campaign, not the 2013 primary and general election campaigns.

The Board assessed a penalty of \$1,525 for these violations.

**8. Late response to initial documentation request \$50**

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 Board 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 CFB staff's post-election initial documentation request one day late.

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