



## Summary of Final Board Determination

### **Mathieu Eugene**

**Candidate, EC2017, City Council District 40**

**Program participant: \$100,100 public funds received**

**Sadie Hyppolite, Treasurer of People with Mathieu Eugene**

The Board determined that the Campaign failed to comply with the Campaign Finance Act and Board rules, and assessed violations and penalties as detailed below.

#### **1. Failing to report transactions \$3,327**

Campaigns are required to report all financial transactions in disclosure statements filed according to the schedule provided by the Board. *See* Admin. Code §§ 3-703(1)(d), (g), (6), (11), (12); Board Rules 1-09, 3-02, 3-03(a), (c), (d), (e), 4-01.

The Campaign failed to report credits totaling \$202.04 and debits totaling \$66,345.

The Board assessed total penalties of \$3,327 for these violations.

#### **2. Failing to demonstrate compliance with cash receipts reporting and documentation requirements \$229**

Campaigns are required to report all cash receipts, deposit them into the bank account listed on the candidate's filer registration and/or certification within ten business days of receipt, and provide the deposit slips for the account to the Board. *See* Admin. Code §§ 3-703(1)(d), (g), (6), (10), (11), (12); Board Rules 1-04(a), (b), 2-06(a), 3-03(c), 4-01(a), (b)(1), (3), (f).

The Campaign reported \$5,586 in cash receipts, but the deposit slips provided only account for \$4,670 in cash receipts, a difference of \$916. This constitutes a variance of 16.4% between the cash receipts reported and documented by the Campaign.

The Board assessed a penalty of \$229 for this violation.

#### **3. Failing to report a transaction in a daily pre-election disclosure statement \$250**

All aggregate contributions and/or loans from a single source in excess of \$1,000, and all 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. *See* Admin. Code §§ 3-703(6), (12), 3-708(8); Board Rules 1-08(b), 1-09, 3-02(e).

The Campaign failed to file the required daily disclosure to report a \$2,750 contribution from Corey Johnson 2017 on September 9, 2017.

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



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### **4. Failing to document transactions \$468**

Campaigns are required to document all financial transactions. *See* Admin. Code §§ 3-703(1)(d), (g), (11), (12), 3-715; Board Rules 1-09, 4-01(a), (c), (g), (k), 4-03. In-kind contributions include goods or services donated to a candidate free of charge or at a special discount not available to others. *See* Admin. Code § 3-702(8); Board Rule 1-02. 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 \$2,000 expenditure for which no payment appears on the bank statements provided. This indicated that payment was made by a third party or forgiven by the payee, constituting an undocumented in-kind contribution. Additionally, the Campaign failed to report any expenditures associated with an April 2016 fundraiser, indicating that goods and/or services were paid for by a third party or provided by the host at no charge. The Campaign also reported two payments totaling \$6,370.30 for which it did not provide any documentation.

The Board assessed total penalties of \$468 for these violations.

### **5. Accepting over-the-limit contributions \$312**

Campaigns are prohibited from accepting contributions (monetary or in-kind) in excess of the applicable contribution limit. *See* Admin. Code §§ 3-702(8), 3-703(1)(f), (1-a), (1-b), (11); Board Rules 1-04(c)(1), (h), 1-07(c).

The Campaign accepted contributions totaling \$3,250 (\$500 over the \$2,750 limit) from the International Union of Operating Engines. The Campaign refunded the \$500 overage on July 17, 2017, two months after the March 15 deadline. The Campaign also accepted contributions totaling \$3,500 (\$750 over the \$2,750 limit) from an individual. The Campaign refunded the \$750 overage on August 25, 2017, more than a month after the July 17 deadline.

The Board assessed total penalties of \$312 for these violations.

### **6. Accepting contributions from corporations, limited liability companies, or partnerships \$1,912**



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Campaigns may not accept a contribution 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. In-kind contributions include goods or services donated to a candidate free of charge or at a special discount not available to others. *See* Admin. Code § 3-702(8); Board Rule 1-02. 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 received a \$75 contribution from Grace Contracting of NYC, Inc., on December 11, 2016. The Campaign refunded the contribution on July 17, 2017, two months after the March 15 deadline. The Campaign incurred an unpaid liability in the amount of \$365.41 to Progress Printing, a corporation registered in New York. The unpaid liability is considered an in-kind contribution. The Campaign provided a contract with Pitta LLP indicating that post-election compliance services would be billed separately, but did not provide any invoices or report any payments or outstanding liabilities to Pitta for post-election work. The services performed are therefore considered an in-kind contribution. The Campaign owed The Advance Group, Inc., a total of \$40,640.48. However, the Campaign reported and documented payments to this vendor totaling \$39,887. The \$743.48 difference between the amount owed and the amount paid is considered an in-kind contribution.

The Board assessed total penalties of \$1,912 for these violations.

### **7. Accepting a contribution from an unregistered political committee \$125**

Campaigns may not accept a contribution (monetary or in-kind) 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 \$75 contribution from Friends of Rhonda S. Jacobs, an unregistered political committee. The Campaign refunded the contribution on July 17, 2017, more than a year after the May 4, 2016 deadline.

The Board assessed a penalty of \$125 for this violation.

### **8. Failing to demonstrate that spending was in furtherance of the campaign \$1,385**



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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), 1-08(p), 4-01(e).

The Campaign made expenditures totaling \$3,540.51 that it failed to demonstrate were in furtherance of the campaign. Additionally, the Campaign failed to demonstrate that a \$2,000 payment to Maximillion Realty was in furtherance of the campaign.

The Board assessed total penalties of \$1,385 for these violations.

### **9. Making impermissible post-election expenditures**

**\$2,709**

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 post-election expenditures totaling \$10,839.63 that appear to be impermissible based on their timing, amount, and/or purpose.

The Board assessed total penalties of \$2,709 for these violations.