



Summary of Final Board Determination

Nicole Malliotakis

Candidate, EC2017, Mayor

Program participant: \$2,485,212 public funds received

Anthony Mauriello, Treasurer of Nicole for New York City

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

1. Failing to provide bank statements \$1,000

Campaigns are required to provide complete copies of bank, credit card, and merchant account statements for all accounts used for each election. *See* Admin. Code §§ 3-703(1)(d), (g), (11), 3-719(1); Board Rule 3-03(f), 4-01(f)(1).

The Campaign failed to provide bank account statements from October 2019 through February 2020.

The Board assessed total penalties of \$1,000 for these violations.

2. Failing to report transactions \$11,496

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. 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.

The Campaign failed to report transactions totaling \$398,488.67.

The Board assessed total penalties of \$11,496 for these violations.

3. Failing to demonstrate compliance with cash receipts reporting and documentation requirements \$657

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 \$8,649 in cash receipts, but the deposit slips provided only account for \$6,020 in cash receipts, a difference of \$2,629. This constitutes a variance of 30.4% between the cash receipts reported and documented by the Campaign.

The Board assessed a penalty of \$657 for this violation.



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4. Failing to report/ late reporting of transactions in daily pre-election disclosure statements \$450

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 reported two contributions over \$1,000 a total of three days after the required daily disclosure statements and seven expenditures in excess of \$20,000 a total of 17 days after the required daily disclosure statements. Additionally, the Campaign failed to report two expenditures in excess of \$20,000 in the required daily disclosure statements.

The Board assessed total penalties of \$450 for these violations.

5. Failing to document transactions \$305

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. For every in-kind contributions, campaigns must maintain documentation to demonstrate the name and address of the contributor, the goods or services provided, and how it determined the value of the in-kind contribution. *See* Board Rule 4-01(c). Campaigns must explain and document the methodology used to allocate the cost of joint expenditures to each campaign and, if a campaign is found to have underpaid its share of the joint expenditure, it may be deemed to have accepted an in-kind contribution from the other campaigns. *See* Board Rule 1-08(h)(1).

The Campaign failed to document three in-kind contributions and one joint expenditure.

The Board assessed total penalties of \$305 for these violations.

6. Accepting contributions from corporations, limited liability companies \$6,064

Campaigns may not accept a campaign 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.

The Campaign received a prohibited \$2,505.22 in-kind contribution from Italianissimo Ristorante, a prohibited \$300 in-kind contribution from Skyline Consulting, a prohibited \$132.37 in-kind contribution from Luke's Copy Shop, each of which are corporations registered in New York



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State. The Campaign also received prohibited in-kind contributions from Annadale Terrace, Empire Steakhouse, and Italianissimo Ristorante, each of which are corporations registered New York State, in relation to fundraisers held at those venues. Additionally, the Campaign untimely refunded a prohibited \$52 contribution from Sardell Realty LLC, a corporation registered in New York State.

The Board assessed total penalties of \$6,064 for these violations.

7. Accepting contributions from unregistered political committees \$500

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 and untimely refunded \$1,000 contributions from the unregistered political committees Believe in New York and Friends of Cahill.

The Board assessed total penalties of \$500 for these violations.

8. Failing to demonstrate compliance with intermediary reporting and documentation requirements \$800

Campaigns are required to report the intermediary for each contribution that was delivered or solicited by an intermediary. In addition, campaigns are required to provide a signed intermediary affirmation statement for each intermediated contribution. *See* Admin. Code §§ 3-702(12), 3-703(1)(d), (g), (6), (11); Board Rules 3-03(c)(7), 4-01(b)(5).

The Campaign reported receiving contributions greater than \$500 that, based on the documentation provided, were made or solicited at five disclosed house parties but not included on the intermediary forms from the hosts of the events. Additionally, the Campaign failed to provide intermediary statements or deleted intermediary statements without explanation for three intermediaries.

The Board assessed total penalties of \$800 for these violations.

9. Making cash expenditures greater than \$100 \$112

Campaigns are prohibited from making an expenditure greater than \$100 using cash. *See* Board Rules 1-08(i), 4-01(e)(2).

The Campaign's bank statements show a \$325 cash withdrawal from an ATM on June 30, 2017

The Board assessed a total penalty of \$112 for this violation.



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10. Failing to demonstrate that spending was in furtherance of the campaign \$3,260

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 \$3,210.84 that are not in furtherance of the campaign. Additionally, the Campaign failed to demonstrate that a \$9,832.30 expenditure to Brabender Cox, LLC was made in furtherance of the campaign.

The Board assessed total penalties of \$3,260 for these violations.

11. Making impermissible post-election expenditures \$2,075

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 reported expenditures totaling \$8,300.90 that do not appear to be permissible post-election expenditures.

The Board assessed total penalties of \$2,075 for these violations.