



## Summary of Final Board Determination

### Andrew King

Candidate, 2013, City Council District 12, Bronx

Program participant: \$37,939 in public funds received

**1. Filing a late disclosure statement. \$50**

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.

Disclosure Statement 11 was due on August 30, 2013 and the Campaign filed it on August 31, 2013, one day late.

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

**2. Accepting a contribution from a corporation, limited liability company, or partnership. \$1,169**

Campaigns may not accept, either directly or by transfer, a campaign contribution (including in-kind 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)(1); Board Rules 1-04(c)(1), (e), (g), 1-05.

The Campaign entered into a “Community Room License Agreement” with Surrey Co-op Apartments Inc., a corporation. The agreement stated that the cost of rent would be \$3,919.50. The Campaign paid \$3,000 of the total amount, resulting in an unreported in-kind contribution of \$919.50.

The Board assessed a penalty of \$1,169 for this violation.

**3. Failing to demonstrate compliance with intermediary reporting and documentation requirements. No Penalty**

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 §§ 3-703(1)(d), (g), (6), (11); Board Rules 3-03(c)(7), 4-01(b)(5).



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The Campaign reported receiving 13 contributions totaling \$161 on July 11, 2013. These contributors shared the same employer and appear to have been intermediated. The Campaign failed to explain how these contributions were solicited or received, or the commonalities among the contributions

The Board determined that this was a violation and did not assess a penalty.

### **4. Failing to properly document transactions. \$200**

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 failed to adequately document two joint expenditures: 1) \$820.50 to JLC Printing & Graphics on November 29, 2013, and 2) an unknown amount to Century Direct on September 6, 2013.

The Board assessed a penalty of \$200 for this violation.

### **5. Converting campaign funds to a personal use. \$10,000**

Campaigns are prohibited from converting campaign funds to a personal use. *See* Admin. Code §§ 3-702(21)(b); Board Rules 1-03(a), 2-02.

#### *Verizon*

The campaign reported nine expenditures from February 2013 to May 2014, totaling \$3,568.70, to Verizon. These expenditures were billed to the candidate's home address. In addition, the campaign paid for another campaign-related phone line, which was billed to the campaign office. Since the campaign used its funds to pay for phone service at the candidate's home, including the six months after the election, and did not provide any information or supporting documentation establishing a difference between the candidate's personal and campaign's phone use/charges at the candidate's home, campaign funds were converted to a personal use.

#### *Neva Shillingford-King*

The campaign reported two expenditures to Neva Shillingford-King, the candidate's spouse, totaling \$7,000. The CFB staff requested that the campaign provide a detailed consultant agreement, sample work product and a narrative detailing the time worked and duties performed.



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The Campaign submitted a one-page contract dated August 21, 2014, signed by the Candidate and Ms. Shillingford-King. Given the date of the contract, nearly one year after the first payment made to Ms. Shillingford-King, the Campaign's failure to provide information and documentation requested by the CFB staff, and the close connection between the Candidate and Ms. Shillingford-King, the Campaign funds used to pay Ms. Shillingford-King were converted to a personal use.

The Board assessed penalties totaling \$10,000 for these violations.

### **6. Failing to demonstrate that spending was in furtherance of the campaign. \$1,367**

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 reported eleven expenditures which, based on the reporting and/or documentation, are non-campaign related.

*American Airlines, Surrey Co-Op Apartments, WVIP Radio, Delta New York, Nick Lugo:* The Campaign stated that each of these expenses "is not a CFB qualified campaign expense."

*Rosetta Archible:* The payment check to Rosetta Archible appears to bear two endorsement signatures, including that of the Candidate's wife and campaign manager, Neva Shillingford-King. The Campaign did not respond to repeated CFB staff inquiries and therefore failed to demonstrate that the payment was campaign-related.

The Board assessed a penalty of \$1,367 for this violation.

### **7. Making impermissible post-election expenditures. \$1,811**

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).

Based on the timing, amount and/or purpose reported by the Campaign, the Campaign made nine improper post-election expenditures totaling \$7,247.85.

The Board assessed a penalty of \$1,811 for this violation.



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### **8. Commingling campaign funds with funds accepted for a different election. \$1,500**

Campaigns are required to establish and maintain a separate campaign 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 campaign funds with personal or business funds or funds accepted for another election. *See* Board Rules 2-06(b), (e).

The Candidate's 2012A special election committee, the Committee to Elect Andy King, made sixteen expenditures (totaling \$1,882.35) between January 12, 2013 and November 5, 2013, which, based on their timing and nature, appear to have been made in furtherance of the 2013 Campaign.

The Campaign documented two contributions (totaling \$650), dated March 2013 and payable to Andy King 2013, which were not reported. There are no documents or other information indicating that the contributions were deposited in the Campaign's 2013 bank account. However, on May 13, 2013, a \$10,250 deposit was made into the Candidate's 2012A special election committee bank account. Since the 2012A special election committee did not complete its required July 15, 2013 filing with the New York State Board of Elections, it is not possible to identify the specific contributions associated with the \$10,250 deposit, including the two March 2013 contributions.

The Board assessed a penalty of \$1,500 for this violation.

### **9. Failing to respond to an audit documentation and information request. \$751**

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 respond to the CFB staff's Request for Information, dated August 13, 2014.

The Board assessed a penalty of \$751 for this violation.