



Summary of Final Board Determination

Zead Ramadan

Candidate, 2013, Council District 7

Program participant: \$50,731 in public funds received

1. 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 failed to provide statements from September 21, 2013-present for its Chase bank account, and from August 2013-present for its PayPal merchant account.

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

2. Failing to report transactions \$797

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 \$38,243 that appeared on its bank statements.

The Campaign provided a copy of a consultant agreement with April G. Tyler (“Tyler”). The terms of the agreement state that Tyler would be compensated \$500 on a bi-weekly basis from February 1, 2013 until two days after the primary election. Therefore, the contract was in effect until September 12, 2013, totaling 7.5 months and \$7,500. The Campaign reported payments to Tyler totaling \$5,000. The Campaign did not report an expenditure for the remaining balance of \$2,500, nor was it reported as an outstanding liability. As a result, the Campaign’s reporting and documentation indicate that a third party paid for these transactions, or that Tyler provided the services for free.

Additionally, the Campaign misreported advance purchases by Fitzroy Searles (“Searles”) in the amounts of \$197.22 on April 19, 2013 and \$50 on August 16, 2013.

The Board assessed a penalty of \$797 for these violations.

3. Failing to demonstrate compliance with reporting requirements for receipts and disbursements \$2,500

Campaigns are required to demonstrate compliance with the reporting requirements and are required to provide bank records, including bank statements and deposit slips. *See* Admin. Code §§ 3-703(1)(d), (g), (6), (11), (12); Board Rules 1-09, 3-03(c), (d), (e), 4-01.



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A comparison of the Campaign’s submitted bank statements with information reported in the Campaign’s disclosure statements revealed the following discrepancies in reporting:

RECEIPTS:

Total Reported Monetary Receipts	Total Credits Per Bank Statements	Dollar Variance	Percent Variance
\$183,482.00	\$197,217.57	(\$13,735.57)	-7.49%

DISBURSEMENTS:

Total Reported Monetary Disbursements	Total Debits Per Bank Statements	Dollar Variance	Percent Variance
\$156,001.96	\$191,286.62	(\$35,284.66)	-22.62%

The Board assessed total penalties of \$2,500 for these violations.

4. Filing late disclosure statements \$100

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. The Campaign filed both Statement 9 (due July 15, 2013) and Statement 10 (due August 9, 2013) one day late.

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

5. Failing to demonstrate compliance with subcontractor reporting and documentation requirements \$200

If a campaign makes an expenditure to a vendor that relied on subcontractors to provide the goods or services to the campaign, and the cost of the subcontracted goods or services provided by a single subcontractor exceeds \$5,000, the campaign must report, in addition to the expenditure, the name and address of the subcontractor, the amount(s) of the expenditure(s) to the subcontractor, and the purpose(s) of the subcontracting. The candidate must also obtain and maintain documentation from each vendor that used subcontractors. *See* Admin. Code §§ 3-703(1)(d), (g), (6), (11); Board Rules 3-03(e)(3), 4-01(h).



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The Campaign did not report subcontractors used by Bravo Print and Mail (paid \$13,097) or Bill Lynch Associates (paid \$17,500). The Campaign did not provide documentation indicating that it attempted to obtain subcontractor forms from these vendors or determine whether they used subcontractors.

The Board assessed a penalty of \$200 for these violations.

6. Accepting contributions from corporations, limited liability companies, or partnerships. \$7,950

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 (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. Campaigns are prohibited from accepting contributions in excess of the applicable contribution limit. *See* Admin. Code §§ 3-702(8), 3-703(1)(f), (11); Board Rules 1-04(c)(1), (h), 1-07(c). 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 accepted a \$500 contribution from Nassef F. Hassan Physician, P.C. on March 8, 2013. The Campaign refunded the contribution after notification from the CFB and after the deadline.

The Campaign provided a contract with Sykes Global Communication stating that the Campaign would pay the vendor \$15,000 for its services. The Campaign reported payments to this vendor totaling \$9,050, but did not report an expenditure for the remaining balance of \$5,950, nor was it reported as an outstanding liability. As a result, the Campaign's reporting and documentation indicate that a third party paid for these transactions, or that the goods or services were provided by the vendor for free.

The Campaign provided a contract from Bill Lynch Associates stating that the Campaign would pay the vendor \$18,750 for its services. The Campaign reported payments to this vendor totaling \$17,500, but did not report an expenditure for the remaining balance of \$1,250, nor was it reported as an outstanding liability. As a result, the Campaign's reporting and documentation indicate that a third party paid for these transactions, or that the goods or services were provided by the vendor for free.

The Board assessed total penalties of \$7,950 for these violation.

7. Accepting a contribution from an unregistered political committee \$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 (participants and limited participants only). *See* Admin. Code §§ 3-702(11), 3-703(1)(k), 3-707; Board Rules 1-04(c)(1), (d), (g), 1-05.



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On July 31, 2013, the Campaign accepted a \$500 contribution from African American Leadership PAC, which was not registered as a political committee. The Campaign refunded the contribution after notification from the CFB and after the deadline.

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

8. Failing to 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 reported, but failed to adequately document, the following in-kind contributions. Due to the lack of documentation, the fair market value of the in-kind contributions could not be substantiated.

Name	Received Date	Amount
Shah, Sajid	01/10/13	\$441.00
Lozada, Sussie	02/24/13	\$250.00
Mustafa, Bahir	02/24/13	\$250.00
Jamshaid, Mian	03/09/13	\$300.00
Mustafa, Bahir	03/11/13	\$200.00

The Campaign stated that it attempted to obtain the requested in-kind form from Mian Jamshaid and was unable to do so. The Campaign provided an in-kind contribution form from Mustafa Bahir (“Bahir”), but the form lacked any description of the expenses that Bahir paid on behalf of the Campaign. The Campaign also failed to provide documentation, such as an invoice or receipt, for this in-kind contribution.

The Campaign apparently produced a joint palm card with two other campaigns. Although the Campaign provided an invoice it had sent to the other campaigns, it did not report receiving any funds from either campaign, nor did it provide a copy of the palm card. The Campaign thus failed to adequately document the joint expenditure.

The Board assessed a penalty of \$100 for the in-kind contributions and \$100 for the joint expenditure, for total penalties of \$200.

9. Making cash expenditures greater than \$100 \$1,704

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



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The Campaign made cash withdrawals in excess of \$100 totaling \$17,042. In the absence of reporting or documentation, the CFB identified those withdrawals exceeding \$100 as disbursements.

The Board assessed a penalty of \$1,704 for these violations.

10. Failing to demonstrate that spending was in furtherance of the campaign \$1,912

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 provided a copy of a consultant agreement with Rasul Miller (“Miller”) stating that Miller would be compensated \$750 on a bi-weekly basis from February 1, 2013 until the end of the primary election. The period of 7.5 months, from February 1-September 10, would result in total compensation of \$11,250 per the contract. However, the Campaign reported payments to Miller totaling \$15,200, including a \$500 payment on January 22, 2013, which was outside the period covered in the contract. The Campaign thus paid Miller \$3,950 more than the contracted amount.

The Campaign also provided a copy of a consultant agreement with Fitzroy Searles (“Searles”) stating that Searles would be compensated \$1,000 on a bi-weekly basis from February 1, 2013 until the end of the primary election. The period of 7.5 months, from February 1-September 10, would result in total compensation of \$15,000 per the contract. However, the Campaign reported payments to Searles totaling \$15,700, including a \$500 payment on January 22, 2013, which was outside the period covered in the contract. The Campaign thus paid Searles \$700 more than the contracted amount.

The Campaign reported a \$1,000 expenditure to Aisha Ahmad on February 27, 2013, for which it did not provide a contract or any documentation. The Campaign also reported payments to Maryam Ramadan totaling \$2,000, for which it provided no documentation.

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

11. Exceeding the expenditure limit \$76,262

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 primary election expenditure limit by \$25,420.76 (15.1%). Included in the expenditure limit calculations are unreported transactions totaling \$ 34,568.41 (*see*



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also Violation # 2), as well as unreported in-kind contributions totaling \$10,200, resulting from discrepancies between the reported payment amounts and the contracted payment amounts for four vendors: Sykes Global Communication (*see also* Violation # 6), Bill Lynch Associates (*see also* Violation # 6), Jason Elijio, and April Tyler (*see also* Violation # 2).

The Board assessed a penalty of \$76,262 (three times the amount of the overage) for this violation.

12. Failing to respond to the Draft Audit Report \$5,073

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). Candidates who fail to respond to the Draft Audit Report may be subject to a penalty of up to 10% of total public funds received. *See* Admin. Code § 3-711(2)(b).

The Campaign's Draft Audit Report (the "DAR") was sent on September 26, 2014, with a response due date of October 26, 2014. Despite being granted two extension requests, for a final response deadline of December 10, 2014, the Campaign never responded to the DAR.

The Board assessed a penalty of \$5,073 for this violation.