



## **Summary of Final Board Determination**

### **Ede Fox**

**Candidate, 2013, City Council District 35**

**Program participant: \$92,400 in public funds received**

#### **1. Failing to report transactions \$74**

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. In addition, campaigns are required to report the candidate's personal contributions of \$99 or more to political committees that support candidates in New York City and throughout New York State (except political committees of other candidates). Such contributions are presumptively campaign expenditures, unless the candidate rebuts the presumption. See Board Final Determination No. 2009-1.

The Campaign failed to report four transactions totaling \$2,010 that appear on its bank records. The Campaign failed to report two contributions totaling \$230 from the Candidate to the Working Families Party, and failed to overcome the presumption that the Candidate's contributions were in furtherance of the Campaign. The Campaign failed to report a \$546 in-kind contribution in the form of a refusal of payment by a campaign worker. Finally, the Campaign failed to report a \$921.89 in-kind contribution in the form of a joint expenditure with the 2013 Letitia James campaign. The two campaigns produced a joint palm card, and it appears that the James campaign paid more than its share of the expenditure.

The Board assessed a penalty of \$74 for these violations.

#### **2. Filing a late disclosure statement \$200**

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 disclosure statement 11 four days late.

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



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### **3. Accepting an over-the-limit contribution \$250**

Campaigns may not accept contributions in excess of the “doing business” contribution limits from individuals or entities that have business dealings with the City (\$250 for candidates for City Council). See Admin. Code §§ 3-702(8), (18), (20), 3-703 (1-a), (1-b); Board Rules 1-04(c)(1), (h).

The Campaign accepted a \$300 contribution from an entity listed in the City of New York’s Doing Business Database.

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

### **4. Failing to document in-kind contributions \$300**

Campaigns are required to document all in-kind contributions. See Admin. Code §§ 3-703(1)(d), (g), (11), (12), 3-715; Board Rules 1-09, 4-01(a), (c), (g), (k), 4-03. 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 two transactions totaling \$614.31 to a printing agency, but payment for these transactions does not appear on any of the Campaign’s bank records. In addition, the Campaign obtained two palm cards advocating the Candidate’s election, but did not report or document any expenditures related to the printing or distribution of the palm cards. In both instances, it appears that a third party paid for these expenditures.

The Board assessed a penalty of \$300 for these violations.



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**5. Failing to document a loan** **No penalty**

Campaigns are required to document all loans. 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 received a \$100 loan from the Treasurer, but did not keep records of the loan agreement or repayment documentation. The Campaign attempted to reclassify the loan as a monetary contribution, but still failed to provide contemporaneous documentation of the underlying loan agreement or repayment.

The Board did not assess a penalty for this violation.

**6. Failing to demonstrate that spending was in furtherance of the campaign** **\$100**

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 employed a campaign worker for two non-consecutive periods for which she should have earned a total of \$2,022, per her employment agreement. The Campaign paid her \$2,379, which is \$357 more than she was owed.

The Campaign made a \$21.32 expenditure to Prospect Heights Beer and stated the expenditure was for a house party fundraiser. However, the Campaign did not provide any documentation regarding the expenditure or report any contributions as received on the date of the alleged house party.

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



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### **7. Making impermissible post-election expenditures \$156**

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 eight expenditures, totaling \$624.89, that constitute impermissible post-election expenditures based on their reported or documented timing, amount, or purpose.

The Board assessed a penalty of \$156 for these violations.

### **8. Late response to audit documentation and information requests (initial document request) No penalty**

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 responded to the post-election initial document request five days late.

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