



Summary of Final Board Determination

Robert Waterman

Candidate, 2013, City Council District 36

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

1. Failing to report accounts used for campaign purposes \$500

Campaigns are required 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).

The Campaign used Paypal and Litle & Co. accounts that were not disclosed in the Campaign's certification. The Campaign stated that these accounts were test accounts that were never used, but the Campaign's bank records and other documentation indicate that the accounts were used to solicit credit card contributions.

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

2. Failing to provide account statements \$150

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 account statements for its Paypal, Little & Co., and ActBlue accounts, which were used to solicit credit card contributions.

The Board assessed a penalty of \$150 for these violations.

3. Failing to file daily pre-election disclosure statements \$200

Aggregate contributions and loans from a single source in excess of \$1,000, and aggregate expenditures 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 1-09, 3 02(e).

The Campaign failed to file the required daily disclosure statements to report eleven expenditures totaling \$45,493.74.

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



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4. Accepting contributions from corporations \$275

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), 3-719(2)(b); Board Rules 1-04(c)(1), (e), (g), 1-05.

The Campaign accepted two contributions totaling \$250 from corporations listed in the New York Department of State's Business Entity Database.

The Board assessed a penalty of \$275 for these violations.

5. Failing to document in-kind contributions \$400

Campaigns are required to document all financial transactions, including 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.

The Campaign had a two-sided mailer, a two-sided flyer, a large outdoor banner, and a canvass walk list. However, payment for these expenditures does not appear in the Campaign's documentation or reporting. The Campaign stated that the Advance Group provided the above-referenced goods and services, but did not provide any further documentation of payment for these expenditures.

The Board assessed a penalty of \$400 for these violations.



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6. Failing to document joint expenditures \$200

Campaigns are required to document all financial transactions, including 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 Candidate and three other candidates were featured on a door hanger produced by the Advance Group. The Campaign was billed for and paid half of the total cost of the expenditure, despite only being featured on one quarter of the door hanger. As such, the Campaign failed to document a cost allocation methodology consistent with the content of the door hanger.

The Campaign also participated in a joint expenditure with the 2013 Letitia James campaign and documented receipt of a \$1,500 payment from the James campaign. However, it failed to provide sufficient documentation confirming that the payment was for a joint expenditure, the total cost of the expenditure, the campaigns involved, or the breakdown of costs apportioned to each campaign.

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

7. Failing to report and document basic campaign functions \$500

Campaigns are required to report and document all financial transactions, including basic categories of expenditures such as postage, printing, rent, and petitioning. See Admin. Code §§ 3-702(8), 3-703(1)(d), (g), (6), (11), (12); Board Rules 1-02, 1-04(g), 1-08(a), (b), (c), (h), 1-09, 3-02, 3 03(e), 4 01.

The lease for the Campaign's office indicated that the tenant was responsible for utilities, but the Campaign did not report payment of any utilities expenses. Therefore, it appears that a third party paid for utilities.

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



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8. Making cash expenditures greater than \$100 \$50

Campaigns are prohibited from making an expenditure greater than \$100 using cash. See Board Rules 1-08(i) and 4-01(e)(2). The Campaign made two ATM cash withdrawals totaling \$303.50.

The Board assessed a penalty of \$50 for these violations.

9. Failing to demonstrate that spending was in furtherance of the campaign \$1,595

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). Additionally, 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 expenditures totaling \$3,040 to James Caldwell. It provided three time sheets that indicated three different titles for Mr. Caldwell and that lacked sufficient information regarding hours worked, services provided, or rate of pay.

In addition, the Campaign made payments totaling \$31,342 to Jennifer Joseph. Joseph stated that she worked for the Campaign in a “volunteer capacity” and used \$28,000 of the payments to pay campaign workers and other expenses. The Campaign failed to show that the remaining \$3,342 was used in furtherance of the campaign.

The Board assessed a penalty of \$1,595 for these violations.