

Doing Business Certification Report – Phase 3

November 3, 2008

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New York City Campaign Finance Board

New York City Campaign Finance Board Doing Business Certification Report – Phase 3

THE NEW YORK CITY CAMPAIGN FINANCE BOARD AND “DOING BUSINESS”

The New York City Campaign Finance Board (the “Board”) has been engaged in the subject of regulating contributions from those “doing business” with the City of New York for approximately ten years. A 1998 amendment to the New York City Charter required the Board to propose “rules as it deems necessary” for that purpose. In its consideration of possible rules, the Board, as directed by the Charter, balanced factors including “(1) the effectiveness of the voluntary system of campaign finance reform, (2) the costs of such system, [and] (3) the maintenance of a reasonable balance between the burdens of such system and the incentives to candidates to participate in such system.”¹

Over the course of the years, the Board conducted much research on the topic and concluded that regulating doing business contributions was better accomplished by legislation than by Board rulemaking.² After consulting with the Board and other relevant agencies, the City Council passed Local Law No. 34 of 2007, which was signed into law on July 3, 2007. The law defines activities that constitute doing business with the City, as well as specific exclusions. It sets lower limits on contributions from those individuals doing business with the City, as well as not providing public matching funds for those contributions that would otherwise be eligible to be matched.³ The law requires the cooperation of the responsible agencies in the creation of a single database by the Department of Information Technology and Telecommunications (“DoITT”). The doing business database (the “DBDB”) is intended to capture all entities and persons who are doing business with the City, with persons being defined as the principal officers, owners, and senior managers of the entities doing business. Local Law No. 34 takes a phased approach to the creation of the database, taking into account the fact that some records did not exist at the passage of the law in a form that could be easily used to create the DBDB.

Phase 1 of the DBDB, certified on January 3, 2008 and in effect as of February 2, 2008, included entities holding contracts, franchises, and concessions, as well as those entities’ principal officers (or their equivalents) and owners with more than a 10% interest in the entity as specified by the law. Phase 1 also included registered lobbyists. Phase 2 of the DBDB, certified on July 1, 2008, and in effect as of July 31, 2008, included entities which are parties to grants, economic development agreements, and agreements for the investment of pension funds, as well as entities which are seeking or proposing to obtain contracts, franchises, and concessions. Phase 2 also included the principal officers (or their equivalents) and owners with more than a 10% interest in the entities, as well as those employed in a senior managerial capacity (“senior managers”) in connection with all of the Phases 1 and 2 categories of business.

The third and final phase, the subject of this report, adds parties to real property transactions and land use actions to the DBDB. Specifically, Phase 3 of doing business includes the following:

- any acquisition or disposition of real property by the City;
- any application for approval sought from the City pursuant to the provisions of Section 195 of the City Charter, including the lessor of an office building or office space;

1 New York City Charter §1052(a)(12)(c).

2 A more thorough discussion of the Board’s history with the doing business issue can be found in the Board’s January 3, 2008 report regarding the certification of Phase 1 of the doing business database. The report can be found at http://www.nycffb.info/PDF/doing_business/Doing_Business_Certification_Report_p1.pdf.

3 Contributors who are doing business with the City may contribute only up to \$400 for mayor, public advocate, and comptroller; \$320 for borough president; and \$250 for city council. For the 2009 elections, the regular contribution limits are: \$4,950 for mayor, public advocate, and comptroller; \$3,850 for borough president; and \$2,750 for city council. See NYC Administrative Code §§3-703(1)(f),(1-a).

- any application for approval sought from the City that has been certified pursuant to the provisions of Section 197-c of the City Charter, with the applicant including a designated developer or sponsor of a project for which a City agency or local development corporation is the applicant; and
- any application for a zoning text amendment that has been certified pursuant to section 201 of the City Charter.

Phase 3 also excludes several types of transactions:

- the acquisition or disposition of real property through a public auction or competitive sealed bid transaction;
- the acquisition of property pursuant to the Department of Environmental Protection watershed land acquisition program;
- the housing assistance payment contracts between a landlord and the Department of Housing Preservation and Development or the New York City Housing Authority relating to the provision of rent subsidies pursuant to Section 8 of the United States Housing Act of 1937, 42 USC 1437 et, seq.; and
- the filing of Section 197-c applications by owner-occupants of one, two and three family homes.

Before each phase can go into effect, the Board is required to certify that each component of the DBDB is “reasonably complete and accurate.” The law also requires that the Board describe the process it used to analyze each component of the DBDB and describe the process for updating the database.⁴ This report represents the Board’s submission in compliance with Local Law No. 34 for Phase 3 of the DBDB. This report includes, as an appendix, a submission by DoITT that is intended to cover its reporting requirements under the law, in addition to informing the Board’s report. The Board’s report also relies on the written submission by the Mayor’s Office of Contract Services (“MOCS”), which is included as an appendix to this report (“MOCS memo”).⁵

CERTIFICATION OF PHASE 3 OF THE DBDB

The Board, at its meeting of November 3, 2008, certified the third phase of the DBDB, based on the data collection and transmission processes that it reviewed and the test data set it received on October 9, 2008 (the “October 9, 2008 data set” or the “certification data set”).⁶ The October 9, 2008 data set contains data in both the real property and land use categories. The MOCS memo explains that the certification data set contains data for two types of entities and people: 1) those that are expected to be doing business as of December 3, 2008; and 2) those who would have been doing business had Local Law No. 34 been in effect at the time the certification file was created.⁷ The latter records are in the certification data set to allow the Board to test that data for this type of transaction can be and has been collected.

The law states that the categories covered by Phase 3 shall take effect thirty days after the Board and DoITT have certified to the Mayor and the City Council that there is a doing business database for those categories.⁸ Therefore,

4 Local Law No. 34 of 2007, §37, requires that the Board “provide to the Mayor and the Council an analysis of the steps taken to ensure and test for reasonable completeness and accuracy. Such report shall also demonstrate the process by which the department of information technology and telecommunications and the campaign finance board shall update the doing business database and ensure the names of persons no longer doing business with the city are removed.”

5 MOCS, through its Doing Business Accountability Project, is responsible for collecting most of the data for the DBDB. *See* MOCS memo at page 2.

6 Because the business of the City is dynamic and ever changing, the transactions in the Phase 3 categories that will be in effect on December 3, 2008 are not entirely the same ones that were active when the certification data set was created. The Board presumes that the additional processes outlined in the MOCS memo will only improve the completeness and accuracy of the data once Phase 3 goes into effect.

7 *See* MOCS memo at page 3.

8 Local Law No. 34 of 2007, §37.

restrictions on contributions from contributors who are doing business with the City in the new categories of Phase 3 will become effective on December 3, 2008. The Board notes that the data it reviewed and tested for certification purposes are not the same data that will constitute the DBDB when the restrictions go into effect. Naturally, the data in the DBDB are and will be dynamic.

The entire timeframe provided by the law to achieve the implementation of the DBDB is short. The accelerated schedule affects the data collection efforts, as well as the systems development of this project, and the Board has taken this into consideration in its certification that each phase of the database is “reasonably complete and accurate.” The law requires the Board to certify the database as “reasonably complete and accurate” before those doing business with the City can be fully compelled to provide the necessary information for the database. The Board has also taken this limitation into consideration.

Since the passage of Local Law No. 34, the Board has worked collaboratively with DoITT and MOCS in the development of the DBDB. The Board’s particular focus has been on ensuring that the database meets the needs of the Board in fulfilling its mandate under Local Law No. 34 to regulate contributions in the easiest and least burdensome way. That will continue to be the Board’s focus. The Board looks forward to continued cooperation with DoITT, MOCS, and any other agencies as needed in the ongoing maintenance and improvement of the DBDB.

BRIEF DESCRIPTION OF THE DBDB

The DBDB is the database produced by DoITT for the Board.⁹ It is produced from a larger database at DoITT that contains doing business information that is processed according to the requirements of the law. The DBDB contains information about entities and people related to those entities. Both the entities and the people in the database are considered to be “doing business” with the City according to Local Law No. 34. Each entity has a unique identifier in the DBDB and every person in the DBDB is linked to a related entity using that unique identifier. Therefore, every person in the database has at least one relationship to at least one entity, reflecting the reason(s) that person is considered “doing business” with the City.

Every month, as required by law, DoITT provides the Board with an update to the DBDB.¹⁰ The monthly update comes to the Board in the form of a secure electronic file that contains entities and people newly designated as doing business since the previous update, existing doing business entries modified since the last update, and, occasionally, deletions of doing business records from a previous update that should not have been transmitted.¹¹ The natural expiration of an entity or person’s doing business term is transmitted to the Board in the form of a modification containing a “doing business end date” in the update following the end of the term.

There are about 6,000 entities and more than 24,000 people relationships (representing fewer unique people) in the DBDB as of the October update.

A public interface of the DBDB is maintained online by the City at <http://www.nyc.gov/html/doingbiz/home.html>. The public interface is updated monthly, concurrently with the updates that are sent to the Board. The public interface allows the public to search the names of entities and people currently doing business with the City. Only non-confidential information is available to the public. The Board continues to advocate for an expansion of the public interface to contain information about the underlying transactions that cause the entities and individuals to be considered doing business, as well as “historic” information such as doing business start dates and records for people

⁹ The Board’s terminology in this report differs from the terminology used by DoITT and MOCS in their respective written submissions. For example, the DoITT statement uses the term DBDB to describe the larger database containing doing business information that it uses to produce the database for the Board and for the public interface.

¹⁰ As discussed in the Board’s previous certification reports, monthly updates are required by law but it is anticipated that a more frequent schedule of updates will be done in a citywide election year.

¹¹ An example of such a deletion could be if an agency entered a transaction into the City’s Financial Management System (“FMS”) as a \$200,000 contract when it was really a \$20,000 contract that does not meet the aggregate amount required by law.

who previously were, but no longer are, doing business. Such an expansion would provide the public with greater transparency and more useful information, and particularly would assist campaigns in complying with the law.

DoITT's certification statement, attached as Appendix I ("DoITT statement"), provides some technical specifications of the DBDB and provides the project methodology.

STEPS TAKEN TO CERTIFY THE DBDB

The Board reviewed the processes employed by MOCS to acquire data in the new categories of doing business and the steps taken by DoITT to process them for the DBDB. These reviews took the form of regular meetings and conversations with MOCS and DoITT staff over the past several months, as well as the review of written materials by both agencies. In addition to the DoITT certification report required by Local Law No. 34, a MOCS memorandum dated October 27, 2008 describing its data acquisition processes is attached to this report as Appendix II ("MOCS memo"). Familiarity with the MOCS memo is presumed for the purposes of this report. MOCS also provided electronic spreadsheets of transaction data in each of the two categories to allow the Board to conduct tests of the processing from the MOCS stage through to the DBDB. DoITT also performed testing of its processing, as described in the DoITT statement. In addition, the Board conducted interviews with the key covered agencies engaging in real property transactions.

Because the entities and people in the Phase 3 categories of real property and land use were not expected to contain significant overlap with existing Phase 1 and Phase 2 records, the Board requested that the certification file for Phase 3 contain only Phase 3 records. Thus the certification data set did not contain all of the Phase 1 and Phase 2 records that a normal monthly DBDB update file would contain. This facilitated the certification testing process by permitting the Board to avoid the time consuming process of isolating data by phase and accounting for overlap between the phases.¹² When Phase 3 goes into effect, its covered people and entities will be integrated naturally into the next regular DBDB monthly update file. The monthly update that will be transmitted in early January, reflecting December data, will be the first update to contain real property and land use data.

The October 9, 2008 data set contained 380 entities and over 1,500 people relationships in the categories of real property and land use.

General completeness

Using the October 9, 2008 data set, the Board performed general tests for completeness. Of the 380 entities in the certification data set, only two (.5%) had no people relationships associated with them. All of the entities had employer identification numbers (EINs). Address information for entities was substantially complete. Only one entity was missing significant address information. All of the entities contained ownership structure codes.

Real Property

The City can be on either side of a real property transaction covered by Local Law No. 34. Ongoing transactions where the City is the lessor are covered as Phase 3 goes into effect. Transactions where the City is the lessee are only covered if they begin, as defined by the law, once Phase 3 is effective. Accordingly, the certification data set contains only entities that are engaged in real property transactions as lessees of City property. Land sales and purchases are also covered only if the application or proposal is submitted after the law becomes effective. The transactions covered by Local Law No. 34 in the real property category have no monetary thresholds for inclusion in the DBDB.

¹² The DBDB record for an entity does not include the category or categories of doing business. During the testing of Phase 2, when the certification file took the form of a regular monthly update file, the Board used additional data provided by DoITT specifically for the purpose of distinguishing between categories. See *Doing Business Certification Report—Phase 2*.

Transaction data in this category were obtained by MOCS from the various agencies engaging in real property transactions. This includes the City's Department of Housing Preservation and Development ("HPD"), which was required by Local Law No. 34 to promulgate rules defining which categories of actions, transactions, and agreements providing affordable housing do and do not constitute business dealings with the City.¹³

Using the transaction data, MOCS generated mailings to the entities involved. The information about entities and people in this category is derived from these data forms sent by MOCS. MOCS reported an initial response rate of 34% in this category, or 37% if mailings found to be sent to invalid addresses are excluded.¹⁴ As of the date of the MOCS memo, the return rate on the mailings had increased to 48%.¹⁵ While these rates are not as impressive as the Board would have liked to see, MOCS provides some credible reasons why this response rate was lower than the response rates to the initial mailings in Phases 1 and 2. MOCS took steps, using previously collected data, to fill in missing information where possible.¹⁶ The issues MOCS identifies are consistent with the reasoning behind the decision to make real property (and land use) the last stage of the DBDB, namely that real property was an area that had no single central data source and the sort of data required by Local Law No. 34 may not have been collected previously. Given the almost two months between the creation of the certification data set and the effective date of Phase 3, it is anticipated that the DBDB will contain more complete and accurate data once Phase 3 goes into effect. This period will provide additional time for entities to respond to the initial mailing and for MOCS to perform additional follow-up.¹⁷

MOCS provided the Board with an electronic spreadsheet of 482 covered real property transactions that were transmitted to DoITT for inclusion in the certification data set. These 482 transactions represented about 37% of the 1,308 transactions identified by MOCS and the agencies as being covered by Local Law No. 34.¹⁸ The entries on the spreadsheet represented transactions involving entities that returned data forms in time to be included in the certification data set.

The Board selected a random sample of 10% of the transactions on the spreadsheet and tracked them to the entities in the certification data set. There are no entity names on this spreadsheet; therefore, the Board matched the EINs on the spreadsheet to the EINs in the entity record in the certification data set. The purpose of this analysis was to verify that entities linked to transactions underlying the DBDB were correctly appearing in the certification data set, thereby verifying the processing from MOCS to DoITT to the DBDB. All items matched.

To verify that procedures will be in place for new real property transactions that are begun after December 3, 2008, the Board conducted separate interviews with officials of the four agencies that enter into the City's real property transactions.¹⁹ These officials represented the Department of Citywide Administrative Services, the New York City Economic Development Corporation, HPD, and the New York City Housing Authority. The interviews took place between October 23 and October 27, 2008. Because the agencies had heretofore only provided transaction data to MOCS, the interviews reviewed how that had been done, but focused mostly on how transaction data and information about entities doing business would be collected in the future. The Board asked questions about the agencies' normal processes and how meeting the requirements of Local Law No. 34 would fit into those processes.

13 See NYC Administrative Code §3-702(18)(a). HPD's rules were filed and approved as of October 22, 2008. The Board reviewed HPD's proposed rules before they were finalized, but did not submit comment. HPD was required to "consider the significance of the affordable housing program and the degree of discretion by city officials in determining which actions, transactions and agreements shall and shall not constitute such business dealings." See MOCS memo at page 3, footnote 5.

14 See MOCS memo at page 4.

15 See MOCS memo at page 5. This percentage is calculated using the "Return to Date" total divided by the total "Letters Sent" less the "Invalid Addresses."

16 See MOCS memo at page 5.

17 See MOCS memo at page 5. MOCS has informed the Board that forms continue to be received since the submission of the MOCS memo.

18 See MOCS memo at page 4.

19 See MOCS memo at page 4.

MOCS was responsible for all of the “catch-up” data collection about entities and their associated people. Therefore, the Board felt it necessary as part of its certification to verify that agencies were preparing internal procedures to meet their new obligations under Local Law No. 34. In addition, the Board asked questions regarding the nature of the real property transactions entered into by the agencies and their estimated number of covered transactions. As a result of the interviews, the Board was satisfied that agencies would be prepared with processes and forms in place to collect the data and that sufficient staff training had been done to meet the requirements of the law. All of the agencies indicated that they would be using a standard MOCS doing business data form to collect entity and person information. All of the agencies indicated that they had methodologies in place for providing data to MOCS on a scheduled basis.

Based on its review, the Board believes that the procedures are in place to ensure this category will be reasonably complete and accurate once the law becomes effective.

Land Use

The data in the October 9, 2008 data set reflect information transmitted to MOCS by the Department of City Planning (“DCP”). DCP provides staff assistance to the City Planning Commission, which is responsible for planning relating to the orderly growth and development of the City. Applications for land use approvals subject to the Uniform Land Use Review Process (“ULURP”) and zoning text amendments are submitted to DCP.²⁰ The certification of an application as complete by DCP is considered the start date of the applicant’s doing business term under Local Law No. 34.²¹

DCP issued rules in spring of 2008 that required applicants to complete doing business data forms identifying entity and associated person information. Along with land use transaction data, these forms were transmitted to MOCS.

As was done with real property, MOCS provided the Board with an electronic spreadsheet of 41 transactions that underlie the 36 land use entities and their associated people in the certification data set. These transactions included those that would be considered doing business were Phase 3 in effect as of the time the certification data set was created. The spreadsheet also included some transactions where the doing business data form had been collected but the application had not yet been certified. These data were used for the purpose of certifying that land use information is available and can be transmitted to the DBDB. These data will not necessarily be the same as what will be in the DBDB as of December 3, 2008. It is the Board’s understanding that there are only approximately 300 transactions in the course of a year that would be covered in the land use category.

The Board tested these transactions and entities by attempting to match them to the published report on DCP’s website of Active Land Use Applications Filed.²² The Board searched for entity names that appeared in the October 9, 2008 data set in the report, as well as variations on the entity names, including “doing business as” names. The Board’s understanding is that this report contains any land use item that is in the DCP’s queue, from the time an application is initially filed to the time a ULURP is complete. Using the two most recent versions of the DCP’s report,²³ the Board was able to clearly identify 35 of the 36 entities in the certification data set as having a project in some stage of the land use application review process.²⁴

20 See DCP’s website for more information about the land use review process: <http://www.nyc.gov/html/dcp/>.

21 NYC Administrative Code §3-702(18)(b).

22 See http://home2.nyc.gov/html/dcp/pdf/lu_apps/ulurp_ref_allappl.pdf.

23 The DCP report is updated approximately every two weeks and therefore was updated between DCP’s transmission of data to MOCS for the certification data set and the end of the Board’s testing period.

24 There could be several legitimate reasons why the Board could not identify the remaining entity. First, the name used by the entity in the application may not facially correlate to the name of the entity for the purposes of the DBDB. Second, the application could have been completed or withdrawn between the transmission of data for the certification data set and the two consecutive DCP reports used by the Board in its testing.

Of the 35 entities, 33 had projects listed on the report that were coded “zoning special permit” or “zoning map change,” thus clearly demonstrating that they are in a category that is covered by the law. The Board’s inquiry about the two remaining items indicated that both were also zoning permits and thus covered by the law.

Of the 35 entities, it initially appeared that two of the entities were in fact representatives of applicants and not the covered applicant itself. This observation was triggered because one of the entities was recognized as an entity that is otherwise in the DBDB as a registered lobbyist. Review of the DCP report confirmed that the entity in the certification data set was a representative and not an applicant. This suggests that additional procedures may be necessary to ensure that the correct covered entity (and not a representative) is the one that ultimately gets transmitted to the DBDB.²⁵ The Board raised this issue with MOCS, which in turn has already called it to the attention of DCP. In addition, the DBDB is being prepared to accept multiple co-applicants with different EINs in connection with the same application.

The Board also compared the data in the certification data set to listings of City Planning and ULURP pipeline items.²⁶ These lists were particularly helpful because they provided a clearer sense of the current status of the applications such that the Board could more definitively confirm that these transactions are at a stage where the Board should start seeing them appear in the DBDB. Seventeen of the 35 appeared in the pipelines during the months of May through October. Of the other 18, 12 were zoning map change applications, which regularly spend more time in the application process prior to certification. This breakdown is consistent with the fact that the certification data set contained a mix of transactions at somewhat different stages.

The land use category appears largely to consist of entities organized as limited liability companies (LLCs). Although LLCs have been prohibited from making contributions to candidates for covered offices since January 1, 2008, in the Board’s many years of experience with LLCs it has found complicated relationships where LLCs control other LLCs, often without revealing the people ultimately behind them.²⁷ Therefore, the Board, using public information from the New York Department of State and employer information for associated people in the DBDB, in the certification data set, and in the Board’s database of campaign finance data, attempted to determine whether these entities have associated entities that under the Campaign Finance Act would be considered single source contributors. Slightly more than half did, again raising interesting questions for post-election consideration about whether Local Law No. 34 is capturing all parties and individuals who may be or who may appear to be seeking influence in the process.

Based on its review, the Board believes that the procedures are in place to ensure this category will be reasonably complete and accurate once the law becomes effective.

Testing of People Data

In its testing, as in its testing of the two previous phases, the Board focused more on people than on entities since people constitute significantly more of the contributors to the campaigns under the Board’s jurisdiction. This is particularly true since January 1, 2008, when provisions of Local Law No. 34 went into effect which added bans on partnership and LLC contributions to the pre-existing ban on corporate contributions.

The Board performed general tests of completeness for the people records in the October 9, 2008 data set. The Board verified that every person record in the data set was linked to an entity in the data set. Every person record in the data set had a relationship code. About 1% of people records were completely missing address informa-

25 This raises the question of whether the law should cover both applicants and representatives when they are not the same. To the best of the Board’s knowledge, a representative in this process need not necessarily be a registered lobbyist. The Board will take up this question, as well as others, in its post-election analysis of the effects of the law.

26 The Board relied on the pipeline lists published in *CityLand* between May and October 2008. It is generally the case that relevant items move from the City Planning pipeline to the ULURP pipeline once an application is certified.

27 These complicated relationships may also present an issue for the DBDB in the real property category.

tion. A handful of people records were missing a non-critical address field like city, state, or zip code. About 3% of people records were missing employer information.

Sample of Real Property People

The Board selected a simple random sample without replacement to test the accuracy of the data set. The Board selected a random sample of 65 people relationships, representing 65 unique people, from a subset of the October 9, 2008 data set that covered only people associated with real property. This subset of 1,402 people records included owners, principal officers, and senior managers. To arrive at its subset before selecting the sample, the Board separated people records in the certification data set based on an electronic spreadsheet provided by DoITT that broke down the certification data set into real property and land use categories. 4.6% of all real property people records were included in the sample. For each of the selected people relationships, the Board requested and MOCS provided source documentation. For all but one of the records, the source documentation was a photocopy of a completed doing business data form received by MOCS. For the one record, the source document was a printout generated from VENDEX, the City’s Vendor Information Exchange System. This record was eliminated from the sample because the source documentation reflected current VENDEX data and not the data at the time of the record’s creation, thereby rendering the record incomparable to the others in the sample. In several cases, the Board also requested, and received, copies of additional data forms when it appeared that a different data form was the source for the data being tested.

The Board evaluated the primary sample using the following criteria: missing, omitted, and wrong. Below are the definitions used by the Board for these terms in its evaluation:

Missing	Information that was not in the source document that one would expect to have (e.g., missing address information on a form that was considered acceptable enough to process)
Omitted	Information noted in the source material but apparently left out (e.g., failure to data enter the vendor name when the field lists “employer [if not vendor]”)
Wrong	Information in the October 9, 2008 data set does not match source information (e.g., incorrect relationship, incorrect address, etc.). Includes typographical errors.

For each error identified in these three categories, the Board also judged whether the error constituted a substantive error or a non-substantive error:

Substantive error	Whether the error could result in an erroneous determination about whether a campaign contributor could be matched or not matched to a doing business entry (e.g., wrong or incomplete name, missing or incorrect relationship to a doing business entity, etc.)
Non-substantive error	An error in a field or of the magnitude that it would not affect the matching of a campaign contributor to a doing business entry (e.g., a clearly identifiable typographical error in certain address fields, errors in fields such as telephone number)

The Board acknowledges that the labels of the criteria used in such an exercise are subjective by definition, although once defined, the criteria were applied objectively. The Board believes these criteria are adequate to fairly evaluate the accuracy and integrity of the sample and to support inferences about the population of records that it represents.

The Board’s review of the sample of 64 found two records that had one or more missing items and 27 records that had one or more wrong items. Thirty-seven records (58%) contained no errors. In the sample of 64, the Board found 17 records (26.6%) that it categorized as having one or more substantive errors.

Based on the scoring of the sample of 64, the Board estimates the following for the real property portion of the October 9, 2008 data set:²⁸

TABLE 1	Problem with Sample Record			Records with Substantive Errors
	Missing	Omitted	Wrong	
Number of Sample Records	2	0	27	17
Estimated Percentage with At Least One Error	4.5	1.5	42.4	27.2
95% Credible Interval on Percent with Error	0.9 to 10.7	0 to 5.5	30.8 to 54.4	17.3 to 38.5

The Board is concerned about the estimated error rates in the wrong category and certainly in the substantive error category. These estimated error rates are higher than those of previous sampling exercises performed by the Board.²⁹ Fourteen records have errors in the employer information field, some substantive, some not. It appears that some of the errors are related to earlier identified confusion with the field in the data form “Employer, if not entity” and subsequent attempts to address it.³⁰ Other substantive errors included wrong relationships, relationships for which the Board was not provided source documentation, meaningful typographical errors in last names such that the people would not be properly identified, and one person whose first name was entered as both his first name and his last name. In a couple of instances, where the source data form was particularly messily written, the Board was able to verify the correct data using a basic internet search. Nevertheless, the Board believes that virtually all of these errors can be corrected with more stringent data entry and quality control reviews.³¹ The Board understands from MOCS that following the certification, MOCS’ intention is to perform a broad review of all real property data forms as part of a continued effort to improve the accuracy of the data in the DBDB. The Board believes a review of cases where data from multiple source documents may conflict is warranted. This could be affecting the results of the Board’s sampling exercises and the overall accuracy of the DBDB. Finally, the Board requested information regarding the data entry procedures to ensure that quality control steps are built into the process. MOCS provided an outline of procedures to review and process data forms, attached as Appendix III.

28 Statistical evaluation of error rates in the samples employed standard implementations of Markov Chain Monte Carlo methods for computing intervals having a 95% probability of containing each of the true rates of error in the population of records. Bayesian estimates of the error rates and their 95% credibility intervals were obtained using OpenBUGS release 3.03 (GNU General Public License v.2) and independently computed in R version 2.7.0 (Copyright © 2008 The R Foundation for Statistical Computing). In most cases, the estimates were numerically close to confidence intervals calculated on the basis of classical inferential procedures.

29 See *Doing Business Certification Report—Phase 1* and *Doing Business Certification Report—Phase 2*.

30 See *Doing Business Certification Report—Phase 1* at page 5.

31 The Board’s experience is that double data entry, or a system of key verification, has been the most reliable method to ensure data entry accuracy.

Sample of Land Use People

The Board also selected a simple random sample without replacement of 50 people relationships from a subset it created from the October 9, 2008 data set of land use people. The goal was to ensure that people data in the land use category were being accurately captured. To derive the subset, the Board again relied on the October 9, 2008 data set’s people records and the electronic spreadsheet provided by DoITT that broke down the certification data set into real property and land use categories. Approximately 35% of all land use people records were included in the sample. A large sampling fraction was chosen to capture a representative number of records which differed only with respect to relationship codes in the land use people sample. The 50 relationships captured 40 unique people.

For each of the selected people relationships, the Board requested and MOCS provided source documentation. For all of the records, the source documentation was a photocopy of the completed doing business data form received by MOCS. In several cases, MOCS also provided copies of doing business data forms that listed members of the sample in connection with other doing business transactions (*i.e.*, categories of doing business covered in earlier DBDB phases). These additional forms provided the Board with source information for entries that might otherwise have been considered errors of omission or incorrect data entry. They also demonstrated that processes were in place to compare data submitted for the same people in different contexts, and to use existing data to plug holes in subsequent incomplete submissions when possible.³²

Based on the scoring of the sample of 50, the Board estimates the following for the land use people portion of the October 9, 2008 data set:

TABLE 2	Problem with Sample Record			Records with Substantive Errors
	Missing	Omitted	Wrong	
Number of Sample Records	2	2	12	5
Estimated Percentage with At Least One Error	1.9	5.7	25	11.5
95% Credible Interval on Percent with Error	0 to 7.0	1.2 to 13.5	14.3 to 37.5	4.4 to 21.4

The records with substantive errors included a senior manager who should have been an owner, a typographical error in a last name, and errors in employer information. Non-substantive errors included (mostly typographical) errors in street name, city name, and zip code and omitted middle initials. Similar to the real property sample, the Board believes that all of the substantive errors in the land use sample are easily remedied and can be avoided.

Independent of errors in the people records, in the course of testing the people records, the Board also noted two land use entity records that contained errors in the entity name. One such error would clearly prevent the entity from being found in the public interface.

³² The Board believes that it generally makes sense to rely on data forms submitted in different contexts, particularly since the data forms by definition have all been collected within the past year. However, as the DBDB grows and data forms are collected over longer periods of time, the Board believes it will become necessary to develop clear procedures to address (even minor) discrepancies between multiple data forms to ensure accuracy.

SCHEDULING OF DBDB UPDATES

Since February 2, 2008, the DBDB has been updated once a month. As required by law, it will continue to be updated on a monthly basis. As noted earlier in this report and in both of the Board's previous two certification reports, DoITT and the Board will establish a schedule for more frequent updates during 2009, based on the accelerated disclosure schedule of the election year.

REMOVAL FROM THE DOING BUSINESS DATABASE

Questions from a person or a campaign regarding the potential removal of a person or entity from the DBDB are being directed to MOCS, or to the City Clerk, in the case of a lobbyist record. The Board will rely fully on the information in the DBDB at the time of its reviews, and has no authority to add or remove names from the DBDB. MOCS has published forms on its website for individuals and entities to request removal from the DBDB.³³ The DoITT statement includes the steps that the City Clerk's office will take in the event that a registered lobbyist believes s/he appears in the DBDB incorrectly.³⁴ Any requests for removal that are found to be valid by MOCS or the City Clerk will be reflected in the next regular update to the DBDB, and any notification required prior to a regular update will be made. The Board, on its website, provides a link to the MOCS removal request form, as well as contact information for both MOCS and the City Clerk. Any entity or person whose doing business term expires naturally under the law will be automatically removed in the next regular update file through the regular doing business processing. No intervention is needed.

In August, in accordance with Local Law No. 34, MOCS issued proposed rules for public comment regarding applications for waivers from the DBDB.³⁵ The waivers can be granted by the City Chief Procurement Officer only upon a finding that such a waiver would be in the best interests of the City. The Board submitted written comments, highlighting its understanding that waivers would be infrequently granted. The Board will be prepared to publish grants of waivers on its website as required by the law.

PHASES 1 AND 2 FOLLOW-UP

With each monthly update to the DBDB, the Board routinely performs certain basic tests, including verifying that all people records in the update are associated with an entity, and flagging contribution records for review because they had previously been linked to DBDB transactions that are now affected by the monthly update. The most recent monthly update, reflecting data as of September 30, 2008 and lobbyist data as of October 16, 2008, was received on October 16, 2008.

For the purposes of following up on its two previous certification reports, the Board performed some overall tests of completeness on the entire DBDB, excluding lobbyist data, as of October 16, 2008. Because the Board retains every addition and modification separately in its version of the DBDB, the Board first had to filter the contents to make sure it was not over- or under- counting the universe of records. For example, the Board removed from consideration all entity and people records which had a deletion associated with them, on the grounds that a deletion means they should never have been considered doing business. The Board also took into account whether records had been modified to include previously incomplete information.

Of the 5,616 entities that were doing business in any category but lobbying at some point since the implementation of the DBDB, the Board found that about 12% did not have any people records associated with them. In its Phase 1

33 See MOCS memo at page 7. See MOCS website at <http://nyc.gov/html/mocs/downloads/pdf/Request%20for%20DBDB%20Removal.pdf>.

34 See DoITT statement at page 7.

35 NYC Administrative Code §3-702(18)(c).

and Phase 2 certification testing, this basic test of the completeness of the certification data sets yielded results of 10% and 7%.³⁶ Given the nature of those test files, this increase is not noteworthy.

Only about 75 of the entities (about 1.3%) were missing substantial address information. For the over 15,600 unique people who have been in the DBDB at some point, only about 2.2% were missing substantial address information. These results are consistent with the results of the certification testing for each of the first two phases.

Obviously, the Board prefers to see the percentages of missing data in all categories as low as possible. As far as the entities without people records are concerned, the Board expects that completeness will continue to improve. The Board believes the DBDB to be reasonably complete and accurate, given the ongoing limitations outlined in the previous certification reports and reiterated above. A portion of those that were doing business as of February 2, 2008 continue to be based on data collected for purposes other than Local Law No. 34, which are not necessarily wholly reliable, and that limitation may continue until the doing business terms of those entities end.

The Board also re-examined errors noted in the sampling tests it performed for the Phase 1 and Phase 2 certifications.³⁷ Of a total of 82 people records in the test data with errors, 72 records (at some point) were in the doing business database. Of the 72, 56 records (78%) had necessary corrections made. Of the records with uncorrected errors, only six had been considered substantive errors by the Board. The bulk of the uncorrected substantive errors were found in records from the Phase 1 secondary sample. That sample represented data that came from sources other than the data form or VENDEX and therefore was considered to be at a high risk for incompleteness and inaccuracy. (These data also represented a small subset of the data being tested in Phase 1.) As discussed at the time, these were the most problematic data and included several cases where the EIN reported in the DBDB did not match the EIN appearing in the source material. In addition, several of the uncorrected errors consisted of instances where the source documentation was missing information it should have been expected to have. This is arguably the most difficult sort of error to correct. Many of the remaining uncorrected errors consisted of missing phone numbers or incorrect middle initials, errors that the Board does not consider barriers to its ability to match DBDB data to contributor data. It is also worth noting that in the interim period since the Board's testing occurred, new source documentation could have been received that rendered the Board's initial conclusions moot. Since the September DBDB update, to improve the consistency of the lobbyist data, the Board has been receiving lobbyist information through the regular DBDB feed from DoITT, instead of processing it separately. This change occurred earlier than expected, prior to the completion of certain technical enhancements to the lobbying filing system. When additional improvements to that system are completed, the Board anticipates receiving fewer duplicative lobbyist entries in the DBDB. In addition, since the improvements to the lobbying filing system are expected to facilitate the data entry by lobbying firms, it is hoped that the quality of the data entry will also improve.

ONGOING EDUCATION AND OUTREACH

In July, the Board performed its first review of a full-fledged semi-annual disclosure statement for a citywide election (the July 15, 2008 periodic report for the 2009 elections). Roughly 150 campaigns filed the statement and the Board reviewed 21,239 contributions that were received between February 2, 2008 and July 11, 2008 for the purposes of compliance with the doing business law. The Board found that 764, or 3.6%, were from doing business contributors. The transactions totaled \$258,553, or 3% of the funds reported during that period. Within the 20 days required by law, the Board notified campaigns of 133 instances of apparent violations of the doing business contribution limit, requiring the return of \$96,020 to contributors. The Board also found 404 instances of contributions that cannot be matched with public funds because the contributor was doing business at the time of the

³⁶ See *Doing Business Certification Report—Phase 1* at page 4 and *Doing Business Certification Report—Phase 2* at page 4.

³⁷ See *Doing Business Certification Report—Phase 1* and *Doing Business Certification Report—Phase 2*. The findings of the four separate sampling exercises of different categories of records are combined in this discussion.

contribution. At the \$6-to-\$1 rate, \$319,944 in public funds would be saved. Additional discussion can be found in the September issue of the Board's monthly newsletter, *Full Disclosure*.³⁸

The Board largely used e-mail to notify campaigns of the results of its reviews of the July 15, 2008 disclosure statement. Many questions were submitted to the Board via e-mail, and many campaigns also submitted their responses electronically.

Since February, the Board's website has contained links to the public interface of the DBDB, so that campaigns can navigate easily to determine whether a contributor is doing business with the City. The Board has an overview of the doing business requirements on its website, as well as a list of many "frequently asked questions" about doing business. Since the review of the July 15, 2008 disclosure statement, the page has been updated, including a reorganization of some of the existing questions and the addition of a new series of questions about the contents of the review and how to respond.

As always, the Board's staff is available to respond to any questions from campaigns seeking guidance.

DISCUSSION OF FUTURE STEPS

The Board anticipates that when Phase 3 of the DBDB goes into effect on December 3, 2008, it will be more complete and accurate than the preliminary data set for Phase 3 tested in anticipation of this certification report. The Board understands that the data collection efforts will continue on an ongoing basis. These efforts include sending additional mailings to entities that have not yet responded to attempts to obtain information, as well as following up on mailings that have been returned as undeliverable and on incomplete data forms. The Board expects that follow-up efforts will take place not only for the real property entities that will be doing business as of December 3, 2008, but also for entities from both previous phases for which data are not complete, or where there are questions about their accuracy (including resulting from conflicting data sources).

The Board will continue a schedule of regular meetings with MOCS and DoITT in anticipation of Phase 3 going into effect. The Board has learned from the previous phases that novel issues arise with each category of transaction, particularly in preparing for the first update to the data occurring the month after implementation. The Board expects to continue to be involved in dealing with any questions that arise on an ongoing basis, particularly if the questions could affect the reasonable completeness and accuracy of the DBDB.

Further collaboration is also anticipated in enhancing and expanding the DBDB public interface. The Board continues to work with DoITT on ongoing improvements to the process by which lobbyist data are obtained and updated. The Board anticipates continued cooperation in all aspects of the DBDB project. As mandated by Local Law No. 34, the Board will perform a complete analysis of the effect of the doing business regulations in conjunction with its post-election report following the 2009 elections.

38 See http://www.nycclf.info/press/news/full_disclosure/FD_09122008.pdf.

CONCLUSIONS

- The Board reviewed the data set provided by DoITT and believes the processes for compiling it were reasonably complete and accurate in the two doing business categories covered by Phase 3.
- The errors discovered while testing for accuracy are correctable and avoidable.
- The reliability of the data will be improved through MOCS' continued data collection efforts.
- The Board is relying on MOCS' outlined quality control measures to ensure greater completeness and accuracy.
- The Board will perform a complete analysis of the effects of the doing business regulations in conjunction with its post-election report following the 2009 elections.

Doing Business Certification Report – Phase 3

APPENDIX I

DoITT Doing Business Certification Statement—Phase Three, November 3, 2008

This certification statement is made by the New York City Department of Information Technology and Telecommunications (DoITT) for inclusion in a report (Phase Three of the Doing Business Accountability Project) that is being submitted to the Mayor and the Council pursuant to the reporting requirements of Section 37 of Local Law 34 for the year 2007 (hereinafter referred to as "Local Law 34"). Previous reports (Phase One and Phase Two) were submitted to the Mayor and the Council on January 3, 2008 and July 1, 2008.

Local Law 34:

Subdivision 20 of section 3-702 of the New York City Administrative Code, as amended by Local Law 34 requires the establishment of a "doing business database" (the "DBDB"), containing the names of persons (as defined in Local Law 34) who have business dealings with the City (as defined in Local Law 34). Subdivision 20 requires that such database shall be developed, maintained and updated by the Office of the Mayor in a manner so as to ensure its reasonable accuracy and completeness; provided, however, that in no event shall such database be updated less frequently than once a month.

Section 37 of Local Law 34 provides for component-by-component certifications to the Mayor and the Council by DoITT and the Campaign Finance Board ("CFB") when nine separately-enumerated components of the DBDB are complete and identify their specified populations with reasonable completeness and accuracy. The City is implementing these nine components in three phases, called Phases One, Two and Three. Section 37 requires DoITT to provide an analysis of the steps taken to compile the component(s) of the database being certified and the CFB to provide an analysis of the steps taken to ensure and test for reasonable completeness and accuracy. Such report must also demonstrate the process by which DoITT and the CFB shall update the DBDB and ensure that names of persons no longer doing business with the city are removed.

This Report:

The certification statement below pertains solely to the following components of the DBDB:

Persons serving in positions specified in Local Law 34 (chief executive officers, chief financial officers and/or chief operating officers or persons serving in an equivalent capacity, persons with an interest in an entity which exceeds ten percent of the entity and persons employed in a senior managerial capacity) of entities that have acquired or disposed of real property, have sought any application for approval pursuant to the provisions of section 195 of the charter, have sought any application for approval from the City of New York that has been certified pursuant to section 197-c of the charter and have made any application for a zoning text amendment that has been certified pursuant to section 201 of the charter. [This corresponds to clauses (iii) Section 37 of Local Law 34]

This is in addition to the components that were previously implemented under Phase One and Phase Two of this Project; namely:

- Persons serving in positions specified in Local Law 34 of entities that have a contract(s), franchise(s) or concession(s) as specified in Local Law 34 and the entities themselves. [This corresponds to clauses (i) and (iv) of Section 37 of Local Law 34]
- Lobbyists. [This corresponds to clause (ix) of Section 37 of Local Law 34]
- Persons serving in positions specified in Local Law 34 of entities that have submitted a bid or proposal for a contract(s), franchise(s) or concession(s) as specified in Local Law 34 and the entities themselves. [This corresponds to clauses (ii) and (v) of Section 37 of Local Law 34]
- Persons serving in positions specified in Local Law 34 of entities that are the recipient of a grant(s) as specified in Local Law 34 and the entities themselves. [This corresponds to clause (vi) of Section 37 of Local Law 34]
- Persons serving in positions specified in Local Law 34 of entities that are applicants for or parties to an economic development agreement as specified in Local Law 34 and the entities themselves. [This corresponds to clause (vii) of Section 37 of Local Law 34]
- Persons serving in positions specified in Local Law 34 of entities that are applicants for or parties to a contract for the investment of pension funds as specified in Local Law 34 and the entities themselves. [This corresponds to clause (viii) of Section 37 of Local Law 34]
- Persons serving in positions specified in Local Law 34 of entities that meet the requirements as set out in Phase One and Phase Two who are senior managers. [This corresponds to clause (i-viii) of Section 37 of Local Law 34]

Doing Business Project Methodology

DoITT certifies that a standard system software development methodology was followed in the planning, development and deployment of the Doing Business Database, as defined in Local Law 34 (hereinafter referred to as the "Project").

The Project consists of the following phases, which, as appropriate for the components previously and now certified, have been completed:

1. **Project Definition:** Overall DBDB and Public Interface Search requirements defined, staff responsibilities outlined, and the ongoing communication strategy between the Mayors Office of Contract Services ("MOCS"), CFB, City Clerk and DoITT agreed upon.
2. **Project Plan:** Definition of the Project deliverables and timeline associated with delivery of the Doing Business Database and an accompanying Public Search Interface.
3. **System Analysis:** Project requirements detailed in a Business Requirements document and each applicable deliverable for what is being referred to as "Phase One," "Phase Two" or "Phase Three" under Local Law 34 is detailed in a Requirements Matrix.
4. **System Design:** Technical design detailing the Doing Business Database, Public Interface Search requirements, internal processes and all integration with other systems (MOCS, e-Lobbyist and CFB).
5. **Development:** All components of the Doing Business Database (including MOCS and e-Lobbyist data feeds, data transformation, business rules, Public Interface Search, and output file to CFB) are fully developed and unit tested.
6. **System Testing:** Full database functionality, security and performance testing objectives have been met. The Public Interface Search testing is ongoing. Please see the testing section below for an analysis of testing done to date.

7. **Deployment:** The DBDB and the Public Interface Search have been deployed to a DoITT hosted environment.

Testing of DBDB for Certification of the Database

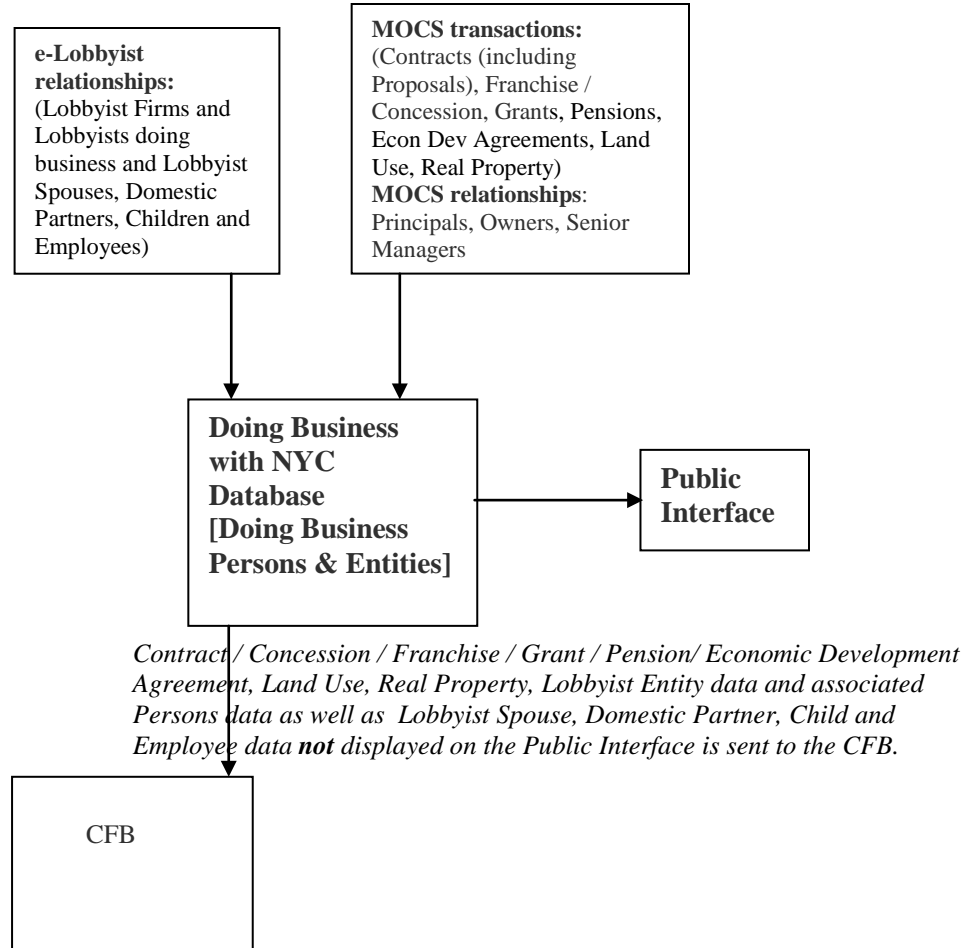
In order to verify the completeness and accuracy of the DBDB system, testing included: database testing, testing of the feeds from MOCS and e-Lobbyist, and testing of the logic encapsulated in the transformation and business rules. The table below details the testing methods and their results.

	Testing Component	Description	Outcome
1	Database verification	The structural integrity of the database was verified	Database is 100% compliant with Database Specifications
2	MOCS data load testing	The data moved from MOCS to DBDB staging tables is verified as complete	The test of the data load is successful, confirming that a complete data set has been transferred from MOCS.
3	e-Lobbyist data load testing	The data moved from e-Lobbyist to DBDB staging tables is verified as complete	The test of the data load is successful, confirming that a complete data set has been transferred from e-Lobbyist.
4	Initial Phase 3 Load scenario testing with engineered data	Scenarios and matching test data were created to test functionality of the initial load of Phase 3 data where all data represented additions to the Phase 2 DBDB	100% of the cases were fully compliant with the expected outcomes
5	Updating scenarios, including additions, modifications and removals from the database with engineered data	Scenarios and matching test data were created to test functionality of the Add, Modify and Removal processes.	In progress. This testing will be completed in November 2008. The initial updates to Phase 3 data will be in the "December, 2008" release, run in early January 2009.
6	Testing of the MOCS Certification data set	The MOCS Certification data set was fully vetted for completeness and accuracy	100% of the data performed as expected.
7	Testing of the e-Lobbyist Certification data set	The e-Lobbyist Certification data set was verified for completeness and accuracy compared to the e-Lobbyist system's database, which is dependent on self-reported data by lobbyists.	100% of the data performed as expected.
8	Testing of the Public Interface	The Public Interface was fully tested for Performance and Functionality	100% of the site performed as expected and within an expected performance range.

Doing Business Project Staffing

DoITT staff dedicated to the project consists of: Project Owner, Project Manager, Business Analysts (2), Database Architect, Database Administrator, Integration Specialist (1), System Developers (4) and Quality Assurance Staff (2).

Doing Business Data Flow



1. *Doing Business with NYC database is populated with data from:*
 - a. *Mayors Office of Contract Services MOCS database*
 - b. *e-Lobbyist database*
2. The data is transformed according to the specifications of Local Law 34, creating lists of entities and persons doing business with New York City.
3. CFB receives data from the DBDB ("Doing Business Data"). Data originating from MOCS and e-Lobbyist is forwarded via the DBDB.
4. Since February 2, 2008, the Public has been able to view Persons and Entities Doing Business with New York City via the Public Interface Search [<http://www.nyc.gov/portal/site/DBusinessSite>].

Doing Business Scheduling

The Doing Business System is updated monthly. This includes: updated (adds, modifies and

deletes) data from MOCS and e-Lobbyist, the rerunning of transformation rules (detailed below) and an updated file feed to CFB. The Public Interface Search accesses the DBDB in real time.

In the year of an election, updates will occur more frequently on a schedule to be worked out based on the disclosure schedule. This timetable for the 2008 election year has been agreed upon between MOCS, DoITT and CFB.

Doing Business Processing

The resulting Doing Business Database, an Oracle database, and the Public Interface are resident in the Portal (NYC.gov).

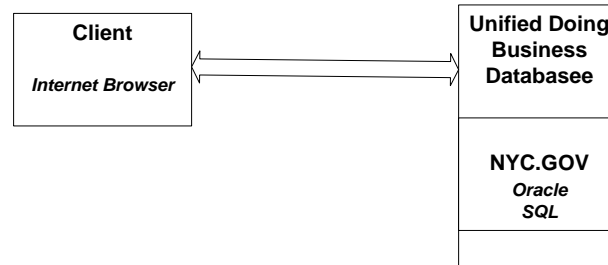
System Update Processes include:

1. MOCS data migrated to DBDB
2. e-Lobbyist data migrated to DBDB
3. MOCS data transformation procedures, which transforms incoming MOCS raw data in the form of data tables (Entity, People, Relationship, Transaction, Agency, and Closing Date) to data designating Entities and Persons doing business with New York City, as defined by Local Law 34. Modifications to existing data and deletions are processed at this time.
4. e-Lobbyist data transformation procedures, which transforms incoming e-Lobbyist raw data via a query in the form of data tables (Organization, Principal, Registration, Employee, Periodic Reports, Dependent) to data designating Entities and Persons doing business with New York City, as defined by Local Law 34 as well as those Not Doing Business (all Spouses, Domestic Partners, Children and Employees). Modifications to existing data and deletions are processed at this time.
5. Listings of Entities Doing Business and Persons Doing Business are created and stored for access by the Public Interface Search.
6. Creation of an extract of DBDB (People and Entities) is created for CFB in the format of Adds, Modifies and Deletes.

The detailed processing procedures are also reviewed and approved by the CFB on an ongoing basis.

Doing Business Public Interface Search

Since February 2, 2008, the Public has had able to view Persons and Entities Doing Business with New York City via the Public Interface Search.



- The DBDB is hosted in the Portal (NYC.gov).
- Client request is submitted from a browser.
- The request accesses the DBDB in real time.
- Features of the Public Interface Search include the ability to view Entity Names, Officers and Organizations (with the ability to sort), Help Section and Contact Form.
- Contact Phone Numbers for the Doing Business Accountability Office and the Office of the City Clerk are prominently displayed on the Public Interface Search should there be any requests for more information or removal from the DBDB.

Doing Business Database Updates

The Doing Business System has full Add, Modify and Delete functionality.

Local Law 34 requires that this report must demonstrate the process by which DoITT and the CFB shall update the doing business database and ensure that names of persons no longer doing business with the city are removed. All Lobbyists and Individuals will be given instructions, via the Public Interface Search, of the method of contact for requesting that their name be removed from the DBDB.

- Lobbyists are instructed to contact the Office of the City Clerk for requests to remove an Individual from the Doing Business List until a planned, new self-service functionality is introduced to the e-Lobbyist application to allow any changes to be made.
 - The "Requestor" will be provided with the location of an on-line PDF format of a standard form / affidavit, which will include a certification section.
 - The Requestor will be responsible for completing their portion of the form, certifying their entry and having their former Organization certify that they are no longer working for them.
 - The Requestor will return a signed copy of the form to the Office of the City Clerk.
 - Once received, the Office of the City Clerk will verify the information from the Requestor's former Organization (via the contact information provided for the Principal Officer or Contact in the e-Lobbyist system).
 - Once verified, a request will be sent to DoITT to remove the Requestor from the DBDB.
 - DoITT will remove the Requestor from the DBDB in accordance with the updating

- procedures described in section 5 of the table above.
- The DBDB will be updated with the next monthly run, however, the effective date of removal will be the day the Office of the City Clerk receives a valid request that has been verified by the Office of the City Clerk. This date cannot be more than 30 days prior to the entry date into the DBDB.
 - An email will be sent to the Office of the City Clerk to notify them that action has been taken.

Note: The future intended process for removal of Lobbyists from the Doing Business list will be for the individual / lobbyist firm to update the data in the e-Lobbyist system and for this information to be propagated to the DBDB. This will be in accordance with the accepted data convention that data should be changed in the system of origin.

- Organizations and Individuals that are listed on the DBDB due to business dealings with the City, and believe that they should not be listed, may apply to MOCS for removal from the DBDB. Upon removal, the DBDB is updated with the next monthly run in accordance with the updating procedures described in section 5 of the table above.
- During the normal course of DBDB updates, persons (as defined in Local Law 34) who no longer have business dealings with the City (as defined in Local Law 34) are removed from the DBDB with no action required on their part.

Doing Business Certification Report – Phase 3

APPENDIX II



OFFICE OF THE MAYOR
OFFICE OF CONTRACT SERVICES
Marla G. Simpson, *Director*

DOING BUSINESS ACCOUNTABILITY PROJECT
253 Broadway – 9th Floor
New York, NY 10007
(212) 788-8104 Fax (212) 312-0993

To: Campaign Finance Board
From: Marla G. Simpson, Director, Mayor's Office of Contract Services
Jesse Schaffer, Doing Business Accountability Project Director
Date: October 27, 2008
Re: Creation of the Doing Business Database, Phase III

On July 3, 2007, Mayor Michael R. Bloomberg signed Local Law 34 of 2007 (LL 34), passed by the City Council. LL 34 mandates the creation of a Doing Business Database (DBDB) containing the names of entities that do business with the City of New York, and their principal officers, owners and senior managers, in order to regulate campaign contributions from those individuals.

The implementation of LL 34 is to occur in phases, corresponding to the nine types of transactions and relationships that are considered to be business dealings with the City. Each of these nine components of the DBDB must be individually certified by the Campaign Finance Board (CFB) and the Department of Information Technology and Telecommunications (DOITT) that it contains “available information” on covered entities and individuals. LL 34’s regulations concerning contributions made by such entities and individuals go into effect 30 days after the relevant certification.

The nine components are: 1) entities that hold contracts; 2) entities that hold franchises and concessions; 3) lobbyists required to be registered with the City Clerk; 4) entities that obtain grants; 5) entities that obtain economic development agreements; 6) entities that hold contracts for the investment of pension funds; 7) entities that seek or propose to obtain contracts, franchises or concessions; 8) parties to real property transactions; and 9) parties to land use actions.

These nine components are in turn placed in one of three groups to be phased in over the course of 2008. Phase I of LL 34 covers components 1, 2 and 3, above. CFB and DOITT certified these DBDB components on January 3, 2008, and LL 34 became effective for each of these components on February 2, 2008.

Phase II covers components 4, 5, 6 and 7, as well as the reporting of senior managers of entities covered in components 1 and 2¹. CFB and DOITT certified these four components plus senior managers on July 1, 2008, and LL 34 became effective for each of these components on July 31, 2008.

Phase III covers components 8 and 9 and is the subject of this report. CFB and DOITT are expected to certify these two components no later than November 3, 2008.

¹ Local Law 67 of 2007 was signed on December 31, 2007 to amend the language of LL 34. Among other actions, it shifted the reporting of Phase I senior managers to Phase II. Throughout this document, “LL 34” refers to the law as amended.

The data for components 1, 2, 4, 5, 6, 7, 8 and 9 are being collected by the Mayor's Office of Contract Services (MOCS), which formed the Doing Business Accountability Project (DBAP) for this purpose. The remaining item (lobbyists) is being collected by DOITT. Data collected by DBAP will be transmitted to DOITT, which is in turn responsible for transmitting all data to CFB in an agreed-upon format.

To meet the Phase III certification deadline of November 3, DBAP transmitted to DOITT a "certification dataset" on October 9, which DOITT, in turn, transmitted to CFB on the same day. This dataset is the basis for CFB's and DOITT's expected certifications of components 8 and 9. However, since LL 34 does not go into effect for these components until 30 days after certification, a separate and augmented "initial dataset," containing data from later transactions and additional entities, is expected to be transmitted to DOITT in early January of 2009. This version of the DBDB will be transmitted to CFB and will be the official DBDB as of December 3, 2008, the expected effective date for Phase III.

This memo examines the procedures used by DBAP to create these two datasets. It makes reference to, but does not examine fully, issues regarding the maintenance of the DBDB on an ongoing basis.

Data Acquisition

Methodology

Leading up to Phase I, data was collected on entities that were expected to be doing business with the City on January 3, 2008, based on the contracts, franchises and concessions they held. For Phase II, data on economic development agreements and pension investment contracts was collected in the same way, i.e., based on known transactions and an expectation of doing business on July 1, 2008. Because of differences in the way LL 34 treats various transaction types, data on grants and proposals was based on a sample of transactions that existed at the time of the creation of the certification set, without regard to whether a doing business relationship would exist on July 1. Phase III certification data was collected in a similar manner to economic development agreements, as explained in the relevant sections of this report.

LL 34 defines the time period during which an entity and its principals are doing business (DB) based on the type and duration of underlying transactions involving the entity. For each transaction type, LL 34 defines an *initial* DB term based on either the duration or initiation of the transaction, and then appends an *additional* DB term of one year.²

In order to be included in the transaction file used to create the certification dataset for Phase I, January 3 had to fall within a transaction's *initial* DB term. Whether January 3 would fall within the *additional* one year DB term was not considered, since by definition those additional terms could not be applied until LL 34 took effect. Therefore, contracts and concessions, which have an initial DB term under LL 34 coterminous with the term of the contract or concession, were included if the contract or concession *ended* on or after January 3. Franchises, which have an initial DB term of the day of commencement only, were included if the *commencement* date of the franchise fell on or after January 3. Since transactions are generally reported after their initiation, there were therefore no franchises in the certification dataset. However, since LL 34 groups franchises and concessions together, the franchise and concessions component had data (from concessions) and was certified on that basis.

² Certain land use actions have additional DB terms of 120 days, rather than one year.

The same logic was used to create the Phase II dataset, but with one significant change. The DB terms for economic development agreements and pension investment contracts are generally the same as for contracts, i.e., the term of the transaction plus one year. The certification dataset therefore contained data on entities that were expected to be doing business on July 1. The DB terms for grants and proposals are generally the same as franchises, i.e., from initiation of the transaction plus one year. Applying the same procedure as in Phase I would have resulted in a certification dataset including neither grants nor proposals, leaving little basis for certification. Therefore, sample transaction data accumulated in April and May was used to create certification datasets, with the understanding that these sample transactions would by definition not be considered business dealings on the dates of either certification or implementation of LL 34.

Phase III data collection used both of the methods employed in Phase II. For land use actions, all transactions that existed at the time the certification dataset was created were used, regardless of end dates. For real property transactions, all existing leases in which the City is the lessor and all affordable housing loans were used, again, regardless of end dates. Some of these transactions are not expected to be in the initial dataset, as their actual end dates may occur before that dataset is created.

Data about entities and principals was collected on Doing Business Data Forms completed by each entity engaged in a covered transaction. As was true during the Phase I and II certification processes, completion of a Data Form was voluntary for the entities that hold Phase III transactions, since LL 34 had not yet gone into effect for these transactions.³ Please see the Phase I certification report for information about Data Forms and how they are processed by DBAP.

Real Property Transactions

LL 34 applies to acquisitions and dispositions of real property, including leases.⁴ Certain real property transactions that have durations (i.e., leases in which the City is the lessor and affordable housing loans and grants⁵) have similar doing business terms as economic development agreements – from the

³ As explained more fully in the Land Use Actions section of this report, the Department of City Planning promulgated a rule effective April 14, 2008 requiring the submission of a complete Data Form prior to certification of ULURP actions subject to LL 34.

⁴ Acquisitions and dispositions made via public auction or competitive sealed bid, as well as watershed land acquisitions, are exempt from LL 34.

⁵ LL 34 provides that HPD “shall promulgate rules setting forth which categories of...transactions... providing affordable housing...shall and shall not constitute business dealings with the [C]ity...[and] shall consider the significance of the affordable housing program and the degree of discretion by [C]ity officials in determining which...transactions...shall and shall not constitute such business dealings.” NYC Admin Code §3-702(18)(a). HPD’s rule (28 RCNY §38) became effective on October 22, 2008 and deems the following affordable housing transactions to be covered by LL 34:

- (1) the disposition of City-owned real property; or
- (2) a loan or grant by HPD or HDC, except as otherwise provided in §38-03 of these rules; or
- (3) any Discretionary Tax Benefit; or
- (4) any discretionary approval following a public hearing by either the City Council or the Office of the Mayor, including, but not limited to, any approval pursuant to ULURP, UDAAP, the Urban Renewal Law, the PHFL or the Zoning Resolution; or
- (5) the allocation of federal low income housing tax credits by HPD pursuant to Internal Revenue Code §42; or
- (6) the execution of an agreement with HPD regarding the creation of inclusionary housing in accordance with any applicable provision of the Zoning Resolution. 28 RCNY §38-02(a).

Because all of these transactions are for the provision of affordable housing, and because LL 34 does not consider affordable housing transactions to be a separate transaction type, the Law Department determined that these business dealings should be considered real property transactions under LL 34. Similar to other real property transactions, affordable housing transactions consist of both items with and without durations. The transactions with durations under LL 34, i.e., loans and

submission of an application or proposal and throughout the term of the agreement, plus one year. Other real property transactions, namely land sales and purchases, all other affordable transactions, and leases in which the City is the lessee, also start doing business with application or proposal submission, but continue only through the execution of the deed or lease, plus one year. For certification purposes, we examined only those transactions with durations under LL 34. All other real property transactions will be captured starting with the implementation of Phase III.

Data on existing real property transactions was obtained from the Department of Citywide Administrative Services (DCAS), Economic Development Corporation (EDC), Department of Housing Preservation and Development (HPD) and NYC Housing Authority (NYCHA), as shown⁶:

Agency	Transactions Provided by Agency	Transactions Covered by LL 34	Unique Entities Covered by LL 34 ⁷
DCAS	252	246	221
EDC	290	266	200
HPD	482	481	383
NYCHA	336	315	210
Total	1,360	1,308	1,014

Almost all of the transactions provided were covered by LL 34, since the request was made only for such transactions. Transactions that were not covered involved governmental entities exempt from LL 34.

Contact information was provided for the entities that hold each existing agreement. DBAP mailed Doing Business Data Forms to the 1,014 entities holding these agreements. Parties to such existing agreements were not and could not be penalized for failure to return the forms, thus the certification dataset consists of voluntary responses. Data Forms returned by October 8 were used to create the certification dataset, and are summarized below:

Agency	Letters Sent	Invalid Addresses	Returned Data Forms in Certification Dataset		
			#	% of Valid	% of Mailed
DCAS	221	20 (9%)	82	41%	37%
EDC	200	7 (4%)	82	42%	41%
HPD	383	38 (10%)	122	35%	32%
NYCHA	210	21 (10%)	59	31%	28%
Total	1,014	86 (8%)	345	37%	34%

The initial response to this mailing was below the levels seen in DBAP’s mailings in Phases I (57%) and II (53%). This was expected, for a number of related reasons. Data on the entities involved in real property transactions has generally not been collected by the City previously. As a result, agencies had to

grants, were included in the certification dataset. Transactions without durations will be considered when LL 34 goes into effect.

⁶ All agencies covered by LL 34 were surveyed as to whether they engage in real property transactions and if so, whether any of those transactions fall into the two types captured by the certification dataset. The four agencies shown are the only ones that have qualifying transactions.

⁷ The data received from agencies generally does not include EINs, making definitive identification of unique entities difficult. We frequently receive Data Forms indicating that entities provided to us with slight name variations are in fact the same entity.

assemble this data for existing transactions. Despite a long lead time, all but one agency provided its data to DBAP between September 19th and 23rd.⁸ DBAP processed each dataset the day it arrived, so most mailings went out between September 22nd and 24th, leaving only two weeks for entities to respond. Last, while in all phases the provision of certification data has been voluntary, the particular real property transactions covered by the certification set presented particular challenges. The dataset with the poorest initial response (NYCHA) is made up largely of small businesses that lease storefronts in NYCHA developments, many on a month-to-month basis. It is likely that many of these tenants, who have been in their spaces for years, do not think of themselves as “doing business” with the City, and might therefore conclude that the Data Form does not apply to them (this has been borne out by the follow-up phone calls DBAP has been making). Overall, many of these tenants are outside the contract universe that is required to complete the City’s VENDEX forms, so they are not accustomed to providing this type of personal information to the City.

In order to bolster the response, DBAP began calling entities that did not return Data Forms.⁹ In addition, entities were matched by name and address to the Doing Business Database to identify entities that had completed Data Forms for other transaction types. While this later group does not have real property senior managers listed on their Data Forms, they do have principal officers and owners. The results of calling and matching through the date of this report are shown below:

Agency	Letters Sent	Invalid Addresses	Initial Data Form Return	Return to Date	Match to Existing Entities	Total Return and Match	% of Valid	% of Mailed
DCAS	221	20	82	83	20	103	51%	47%
EDC	200	7	82	107	16	123	64%	62%
HPD	383	38	122	173	22	195	57%	51%
NYCHA	210	21	59	83	28	111	59%	53%
Total	1,014	86	345	446	86	532	57%	53%

These efforts have improved the response rate considerably. We now have information on 53% of the entities involved in real property transactions, and 57% of those with valid addresses – comparable to Phases I and II. All of this data, as well as any additional data collected in November and December, will be included in the initial dataset.¹⁰

Land Use Actions

LL 34 applies to land use approvals under NYC Charter sections 195 (office space), 197c (Uniform Land Use Review Procedure) and 201 (zoning text amendment).¹¹ All of these approvals are made by the City

⁸ Agencies provided real property data on 8/13 (DCAS), 9/19 (NYCHA), 9/22 (HPD) and 9/23 (EDC).

⁹ All agencies except DCAS provided phone numbers for the majority of their transactions.

¹⁰ The process of integrating the certification data provided by agencies presented a data entry challenge, due to the prevalence in real property transactions of a single EIN being used by entities with similar names, and the same individuals being involved with both. As a result, DBAP is modifying its data entry procedures to ensure that employer information is accurately recorded when a person is affiliated with one entity and employed by a related one.

¹¹ § 197c approvals sought by owner-occupants of one, two and three family homes are exempt from LL 34.

Planning Commission (CPC), and are handled by the Department of City Planning (DCP), which submitted data to DBAP.

Doing business start dates for land use transactions are straightforward, i.e., from the time of application or certification. The end dates are more complex, as a land use action can end with CPC action, City Council action and/or a Mayoral veto. In addition, leases in which the City is the lessee are handled differently than other land use items.¹²

On April 14, 2008, DCP implemented a rule requiring applicants to submit a Data Form in order to have their land use actions certified.¹³ Data Forms collected in this manner make up the certification dataset. DCP submitted data on 41 transactions,¹⁴ reflecting 36 unique entities, all of which submitted Data Forms.

Transmittal of Certification Data to DOITT and CFB

After processing, updating and cleaning all data, tables were created containing all valid transactions, the entities involved in those transactions and the individuals associated with those entities. Those tables were provided to DOITT for processing. In addition, a copy of the transaction data, similar in format to the data to be transmitted by DOITT to CFB, was provided by DBAP directly to CFB for comparative purposes.

DBAP provided to CFB a sample of Data Forms, selected by CFB, for audit purposes. DBAP also provided the names of contacts at each of the four agencies that submitted real property data, so that CFB could gather independent information on those agencies’ Data Form and transaction gathering methods.

Updates

As required by LL 34, the DBDB must be updated at least monthly, in such a manner so as to ensure its “reasonable accuracy and completeness.” DBAP will continue to collect data from agencies and determine which transactions are covered by LL 34. All relevant data will be reported to DOITT on an agreed-upon schedule.

¹² The doing business time periods for land use actions are as follows:

Doing Business Start Date	Doing Business End Date
§195: Application filing	City is lessee: Start of lease term or renewal plus one year
§197c or 201: Application Certification	§195 or 197c (City is not lessee)
	· No City Council action: DCP filing date plus 140 days
	· City Council action, no veto: Council filing date plus 120 days
	· Veto: End of Council override period plus 120 days
	§201: City Council filing date plus one year

¹³ 62 RCNY §2-02(a)(1).

¹⁴ Certain land use approvals are applied for by City agencies, not on behalf of any “designated developer or sponsor” subject to LL 34. These certifications are not subject to LL 34 and were not included in DCP’s data submission.

Removal from the DBDB

When the underlying transactions that result in the inclusion of entities or individuals on the DBDB have ended, and any additional doing business terms required under LL 34 have run their course, those entities and individuals will be removed from the DBDB with no action required on their part.

As required by LL 34, DBAP has created a procedure for entities and individuals that believe that they should not be listed on the DBDB to apply to the City Chief Procurement Officer (CCPO)¹⁵ for removal. Forms for this purpose are available on the MOCS website. DBAP will review these applications, obtain CCPO concurrence, make adjustments to DBDB source data as needed, and inform CFB of any changes that need to be taken into account prior to the next DBDB update. In general, entities will be considered for removal if they demonstrate that they no longer or never did engage in types of transactions covered by LL 34; individuals will be considered for removal if they no longer or never did have relationships with entities on the DBDB.

Conclusion

The process of constructing the Phase III dataset has been a complex one, as it has covered transaction types that have generally not been collected in City databases. It has also required the creation of new agency procedures, and cooperation by agencies not generally subject to the City's procurement rules and/or data sharing with MOCS, all on relatively short timetables. While certain segments of the database require ongoing work, we are pleased with the overall results. We have obtained data on 57% of the entities with valid addresses involved in real property transactions from the certification dataset, as well as all entities involved in land use actions. Given that this was accomplished prior to any enforceable requirement that entities complete or return real property Data Forms, the quantity and quality of the data collection meets our expectations. Perhaps more importantly for these complex new transactions types, DBAP has put into place data collection and reporting systems that we are confident will allow us to meet the requirements of LL 34 going forward. Accordingly, we believe this renders the Phase III components fully suitable for certification under LL 34.

Enc: Real Property Data Form
Land Use Data Form
Affordable Housing Data Form

¹⁵ Pursuant to Executive Order 48 of 2004 (and its predecessors), the Director of MOCS is designated by the Mayor to serve as the CCPO.



To be completed prior to distribution	
Agency: _____	Submission Date: _____
Transaction ID: _____	
Check One: <input type="checkbox"/> Competitive Solicitation (P) <input type="checkbox"/> Application or Award (A)	
Check One: <input type="checkbox"/> Acquisition <input type="checkbox"/> Disposition	
<input type="checkbox"/> Leasing to City <input type="checkbox"/> Leasing from City	

Doing Business Data Form: Real Property Transactions

Any entity participating in a transaction for the acquisition or disposition of real property with the City of New York must complete a Doing Business Data Form (see Q&A sheet for more information). Please either type responses directly into this fillable form or print answers by hand in black ink, and be sure to fill out the certification box on the last page. **Submission of a complete and accurate form is required for any entity to enter into a real property transaction.**

This Data Form requires information to be provided on principal officers, owners and senior managers. The name, employer and title of each person identified on the Data Form will be included in a public database of people who do business with the City of New York; no other information reported on this form will be disclosed to the public. **This Data Form is not related to the City's VENDEX requirements.**

Please return the completed Data Form to the City office that supplied it. Please contact the Doing Business Accountability Project at DoingBusiness@cityhall.nyc.gov or 212-788-8104 with any questions regarding this Data Form. Thank you for your cooperation.

Section 1: Entity Information

Entity Name: _____

Entity EIN/TIN: _____

Entity Filing Status (select one):

- Entity has never completed a Doing Business Data Form. *Fill out the entire form.*
- Change from previous Data Form dated _____. *Fill out only those sections that have changed, and indicate the name of the persons who no longer hold positions with the entity.*
- No Change from previous Data Form dated _____. *Skip to the bottom of the last page.*

Entity is a Non-Profit: Yes No

Entity Type: Corporation (any type) Joint Venture LLC Partnership (any type)
 Sole Proprietor Other (specify): _____

Address: _____

City: _____ State: _____ Zip: _____

Phone : _____ Fax : _____

E-mail: _____

Provide your e-mail address and/or fax number in order to receive notices regarding this form by e-mail or fax.

Section 2: Principal Officers

Please fill in the required identification information for each officer listed below. If the entity has no such officer or its equivalent, please check "This position does not exist." If the entity is filing a Change Form and the person listed is replacing someone who was previously disclosed, please check "This person replaced..." and fill in the name of the person being replaced so his/her name can be removed from the *Doing Business Database*, and indicate the date that the change became effective.

Chief Executive Officer (CEO) or equivalent officer

This position does not exist

The highest ranking officer or manager, such as the President, Executive Director, Sole Proprietor or Chairperson of the Board.

First Name: _____ MI: _____ Last: _____

Office Title: _____

Employer (if not employed by entity): _____

Birth Date (mm/dd/yy): _____ Home Phone #: _____

Home Address: _____

This person replaced former CEO: _____ on date: _____

Chief Financial Officer (CFO) or equivalent officer

This position does not exist

The highest ranking financial officer, such as the Treasurer, Comptroller, Financial Director or VP for Finance.

First Name: _____ MI: _____ Last: _____

Office Title: _____

Employer (if not employed by entity): _____

Birth Date (mm/dd/yy): _____ Home Phone #: _____

Home Address: _____

This person replaced former CFO: _____ on date: _____

Chief Operating Officer (COO) or equivalent officer

This position does not exist

The highest ranking operational officer, such as the Chief Planning Officer, Director of Operations or VP for Operations.

First Name: _____ MI: _____ Last: _____

Office Title: _____

Employer (if not employed by entity): _____

Birth Date (mm/dd/yy): _____ Home Phone #: _____

Home Address: _____

This person replaced former COO: _____ on date: _____

Section 3: Principal Owners

Please fill in the required identification information for all individuals who, through stock shares, partnership agreements or other means, **own or control 10% or more of the entity**. If no individual owners exist, please check the appropriate box to indicate why and skip to the next page. If the entity is owned by other companies, those companies do **not** need to be listed. If an owner was identified on the previous page, fill in his/her name and write "See above." If the entity is filing a Change Form, list any individuals who are no longer owners at the bottom of this page. If more space is needed, attach additional pages labeled "Additional Owners."

There are no owners listed because (select one):

- The entity is not-for-profit
- There are no individual owners
- No individual owner holds 10% or more shares in the entity
- Other (explain): _____

Principal Owners (who own or control 10% or more of the entity):

First Name: _____ MI: _____ Last: _____

Office Title: _____

Employer (if not employed by entity): _____

Birth Date (mm/dd/yy): _____ Home Phone #: _____

Home Address: _____

First Name: _____ MI: _____ Last: _____

Office Title: _____

Employer (if not employed by entity): _____

Birth Date (mm/dd/yy): _____ Home Phone #: _____

Home Address: _____

First Name: _____ MI: _____ Last: _____

Office Title: _____

Employer (if not employed by entity): _____

Birth Date (mm/dd/yy): _____ Home Phone #: _____

Home Address: _____

Remove the following previously-reported Principal Owners:

Name: _____ Removal Date: _____

Name: _____ Removal Date: _____

Name: _____ Removal Date: _____

Section 4: Senior Managers

Please fill in the required identification information for all senior managers who oversee any of the entity's real property transactions with the City. Senior managers include anyone who, either by title or duties, has substantial discretion and high-level oversight regarding the solicitation, letting or administration of any real property transaction with the City. **At least one senior manager must be listed, or the Data Form will be considered incomplete.** If a senior manager has been identified on a previous page, fill in his/her name and write "See above." If the entity is filing a Change Form, list individuals who are no longer senior managers at the bottom of this section. If more space is needed, attach additional pages labeled "Additional Senior Managers."

Senior Managers:

First Name: _____ MI: _____ Last: _____

Office Title: _____

Employer (if not employed by entity): _____

Birth Date (mm/dd/yy): _____ Home Phone #: _____

Home Address: _____

First Name: _____ MI: _____ Last: _____

Office Title: _____

Employer (if not employed by entity): _____

Birth Date (mm/dd/yy): _____ Home Phone #: _____

Home Address: _____

First Name: _____ MI: _____ Last: _____

Office Title: _____

Employer (if not employed by entity): _____

Birth Date (mm/dd/yy): _____ Home Phone #: _____

Home Address: _____

Remove the following previously-reported Senior Managers:

Name: _____ Removal Date: _____

Name: _____ Removal Date: _____

Certification

I certify that the information submitted on these four pages and _____ additional pages is accurate and complete. I understand that willful or fraudulent submission of a materially false statement may result in the entity being found non-responsible and therefore denied future City awards.

Name: _____

Signature: _____ Date: _____

Entity Name: _____

Title: _____ Work Phone #: _____

Return the completed Data Form to the agency that supplied it.

For information or assistance, call the Doing Business Accountability Project at 212-788-8104.





**The City of New York
Mayor's Office of Contract Services
Doing Business Accountability Project**

**Doing Business Data Form:
Land Use Actions**

For Office Use

Agency: _____

Application #: _____

Check one: General (GEN) Lease Acquisition (LES)

A Doing Business Data Form must be completed by any land use applicant subject to the provisions of Local Law 34 of 2007 (see Q&A sheet for more information). Please either type responses directly into this fillable form or print answers by hand in black ink. For all submissions, please be sure to fill out the certification box on the last page, and include the completed Data Form as part of the land use application package. **Submission of a complete and accurate form is required at the time of application filing and, where applicable, is required for the certification or referral for public review of any land use application subject to the provisions of Local Law 34 of 2007 (see 62 RCNY § 2-02(a) (1)).**

This Data Form requires information to be provided regarding the applicant, and if the applicant is a corporation or other entity, its principal officers, owners and senior managers. The name, employer and title of each person identified on the Data Form will be included in a public database of people who do business with the City of New York; no other information reported on this form will be disclosed to the public.

Please contact the Doing Business Accountability Project at 212-788-8104 or DoingBusiness@cityhall.nyc.gov with any questions regarding the Data Form. Thank you for your cooperation.

Section 1: Applicant Information

Applicant Name: _____

Applicant EIN/TIN: _____

Applicant Filing Status (select one):

- Applicant has never completed a Doing Business Data Form. *Fill out the entire form.*
- Change from previous Data Form dated _____. *Fill out only those sections that have changed, and indicate the name of the persons who no longer hold positions with the applicant.*
- No Change from previous Data Form dated _____. *Skip to the bottom of the last page.*

Applicant is a Non-Profit: Yes No

Applicant Type: Corporation (any type) Joint Venture LLC Partnership (any type)
 Sole Proprietor Other (specify): _____

Address: _____

City: _____ State: _____ ZIP: _____

Phone : _____ Fax : _____

Email: _____

Provide your e-mail address and/or fax number in order to receive notices regarding this form by e-mail or fax.

Section 2: Principal Officers

Please fill in the required identification information for each officer listed below. If the applicant has no such officer or its equivalent, please check the "Position does not exist" box. If the applicant is filing a Change Data Form and the person listed is replacing someone who was previously disclosed, please check the "This person replaced" box and fill in the name of the person being replaced so his/her name can be removed from the *Doing Business Database*, and indicate the date that the change became effective.

Chief Executive Officer (CEO) or equivalent officer

This position does not exist

The highest ranking officer or manager, such as the President, Executive Director, Sole Proprietor or Chairperson of the Board.

First Name: _____ MI: _____ Last: _____

Office Title: _____

Employer (if not employed by applicant): _____

Birth Date (mm/dd/yy): _____ Home Phone #: _____

Home Address: _____

This person replaced former CEO: _____ on date: _____

Chief Financial Officer (CFO) or equivalent officer

This position does not exist

The highest ranking financial officer, such as the Treasurer, Comptroller, Financial Director or VP for Finance.

First Name: _____ MI: _____ Last: _____

Office Title: _____

Employer (if not employed by applicant): _____

Birth Date (mm/dd/yy): _____ Home Phone #: _____

Home Address: _____

This person replaced former CFO: _____ on date: _____

Chief Operating Officer (COO) or equivalent officer

This position does not exist

The highest ranking operational officer, such as the Chief Planning Officer, Director of Operations or VP for Operations.

First Name: _____ MI: _____ Last: _____

Office Title: _____

Employer (if not employed by applicant): _____

Birth Date (mm/dd/yy): _____ Home Phone #: _____

Home Address: _____

This person replaced former COO: _____ on date: _____

Section 3: Principal Owners

Please fill in the required identification information for all individuals who, through stock shares, partnership agreements or other means, **own or control 10% or more of the applicant**. If no individual owners exist, please check the appropriate box below to indicate why and skip to the next page. If the applicant is owned by other business entities, those entities do not need to be listed. If an owner was identified on the previous page, fill in his/her name and write "See above." If the applicant is filing a Change Data Form, list any individuals who are no longer owners at the bottom of this page. If more space is needed, attach additional pages labeled "Additional Owners."

There are no owners listed because (select one):

- The entity is not-for-profit
- There are no individual owners
- No individual owner holds 10% or more shares in the entity
- Other (explain): _____

Principal Owners (who own or control 10% or more of the applicant):

First Name: _____ MI: _____ Last: _____

Office Title: _____

Employer (if not employed by applicant): _____

Birth Date (mm/dd/yy): _____ Home Phone #: _____

Home Address: _____

First Name: _____ MI: _____ Last: _____

Office Title: _____

Employer (if not employed by applicant): _____

Birth Date (mm/dd/yy): _____ Home Phone #: _____

Home Address: _____

First Name: _____ MI: _____ Last: _____

Office Title: _____

Employer (if not employed by applicant): _____

Birth Date (mm/dd/yy): _____ Home Phone #: _____

Home Address: _____

Remove the following previously-reported Principal Owners:

Name: _____ Removal Date: _____

Name: _____ Removal Date: _____

Name: _____ Removal Date: _____

Section 4: Senior Managers

Please fill in the required identification information for all senior managers who oversee land use applications. Senior managers include anyone who, either by title or duties, has substantial discretion and high-level oversight regarding the administration of such land use applications, not limited to the land use application for which this form is being filed. At least one senior manager must be listed, or the Data Form will be considered incomplete. If a senior manager has been identified on a previous page, fill in his/her name and write "See above." If the applicant is filing a Change Data Form, list individuals who are no longer senior managers at the bottom of this section. If more space is needed, attach additional pages labeled "Additional Senior Managers."

Senior Managers:

First Name: _____ MI: _____ Last: _____

Office Title: _____

Employer (if not employed by applicant): _____

Birth Date (mm/dd/yy): _____ Home Phone #: _____

Home Address: _____

First Name: _____ MI: _____ Last: _____

Office Title: _____

Employer (if not employed by applicant): _____

Birth Date (mm/dd/yy): _____ Home Phone #: _____

Home Address: _____

First Name: _____ MI: _____ Last: _____

Office Title: _____

Employer (if not employed by applicant): _____

Birth Date (mm/dd/yy): _____ Home Phone #: _____

Home Address: _____

Remove the following previously-reported Senior Managers:

Name: _____ Removal Date: _____

Name: _____ Removal Date: _____

Applicant Certification

I certify that the information submitted on these four pages and _____ additional pages is accurate and complete. I understand that willful or fraudulent submission of a materially false statement may result in the applicant being subject to appropriate sanctions.

Name: _____

Signature: _____ Date: _____

Applicant Name: _____

Title: _____ Work Phone #: _____

Return the completed Data Form to the City office that provided it.

For information or assistance, call the Doing Business Accountability Project at 212-788-8104.



Doing Business Data Form: Affordable Housing Transactions

To be completed by the City Agency	
Agency: _____	Submission Date: _____
Transaction ID: _____	
Check One: <input type="checkbox"/> Competitive Solicitation (P) <input type="checkbox"/> Application or Award (A)	
Check One: <input type="checkbox"/> Disposition (D) <input type="checkbox"/> Discretionary Approval (A) <input type="checkbox"/> Tax Benefit (B)	
<input type="checkbox"/> Loan/Grant (L) <input type="checkbox"/> Inclusionary Housing (I) <input type="checkbox"/> Tax Credit (C)	

Entities participating in affordable housing transactions with the City of New York must complete a Doing Business Data Form (see Q&A sheet for more information). Please either type responses directly into this fillable form or print answers by hand in black ink, and be sure to fill out the certification box on the last page. **Submission of a complete and accurate form is required for any entity to enter into an affordable housing transaction.**

This Data Form requires information to be provided on principal officers, owners and senior managers. The name, employer and title of each person identified on the Data Form will be included in a public database of people who do business with the City of New York; no other information reported on this form will be disclosed to the public. **This Data Form is not related to the City's VENDEX requirements.**

Please return the completed Data Form to the City Agency that supplied it. Please contact the Doing Business Accountability Project at DoingBusiness@cityhall.nyc.gov or 212-788-8104 with any questions regarding this Data Form. Thank you for your cooperation.

Section 1: Entity Information

Entity Name: _____

Entity EIN/TIN: _____

Entity Filing Status (select one):

- Entity has never completed a Doing Business Data Form. *Fill out the entire form.*
- Change from previous Data Form dated _____. *Fill out only those sections that have changed, and indicate the name of the persons who no longer hold positions with the entity.*
- No Change from previous Data Form dated _____. *Skip to the bottom of the last page.*

Entity is a Non-Profit: Yes No

Entity Type: Corporation (any type) Joint Venture LLC Partnership (any type)
 Sole Proprietor Other (specify): _____

Address: _____

City: _____ State: _____ Zip: _____

Phone : _____ Fax : _____

E-mail: _____

Provide your e-mail address and/or fax number in order to receive notices regarding this form by e-mail or fax.

Section 2: Principal Officers

Please fill in the required identification information for each officer listed below. If the entity has no such officer or its equivalent, please check "This position does not exist." If the entity is filing a Change Form and the person listed is replacing someone who was previously disclosed, please check "This person replaced..." and fill in the name of the person being replaced so his/her name can be removed from the *Doing Business Database*, and indicate the date that the change became effective.

Chief Executive Officer (CEO) or equivalent officer

This position does not exist

The highest ranking officer or manager, such as the President, Executive Director, Sole Proprietor or Chairperson of the Board.

First Name: _____ MI: _____ Last: _____

Office Title: _____

Employer (if not employed by entity): _____

Birth Date (mm/dd/yy): _____ Home Phone #: _____

Home Address: _____

This person replaced former CEO: _____ on date: _____

Chief Financial Officer (CFO) or equivalent officer

This position does not exist

The highest ranking financial officer, such as the Treasurer, Comptroller, Financial Director or VP for Finance.

First Name: _____ MI: _____ Last: _____

Office Title: _____

Employer (if not employed by entity): _____

Birth Date (mm/dd/yy): _____ Home Phone #: _____

Home Address: _____

This person replaced former CFO: _____ on date: _____

Chief Operating Officer (COO) or equivalent officer

This position does not exist

The highest ranking operational officer, such as the Chief Planning Officer, Director of Operations or VP for Operations.

First Name: _____ MI: _____ Last: _____

Office Title: _____

Employer (if not employed by entity): _____

Birth Date (mm/dd/yy): _____ Home Phone #: _____

Home Address: _____

This person replaced former COO: _____ on date: _____

Section 3: Principal Owners

Please fill in the required identification information for all individuals who, through stock shares, partnership agreements or other means, **own or control 10% or more of the entity**. If no individual owners exist, please check the appropriate box to indicate why and skip to the next page. If the entity is owned by other companies, those companies do **not** need to be listed. If an owner was identified on the previous page, fill in his/her name and write "See above." If the entity is filing a Change Form, list any individuals who are no longer owners at the bottom of this page. If more space is needed, attach additional pages labeled "Additional Owners."

There are no owners listed because (select one):

- The entity is not-for-profit
- There are no individual owners
- No individual owner holds 10% or more shares in the entity
- Other (explain): _____

Principal Owners (who own or control 10% or more of the entity):

First Name: _____ MI: _____ Last: _____

Office Title: _____

Employer (if not employed by entity): _____

Birth Date (mm/dd/yy): _____ Home Phone #: _____

Home Address: _____

First Name: _____ MI: _____ Last: _____

Office Title: _____

Employer (if not employed by entity): _____

Birth Date (mm/dd/yy): _____ Home Phone #: _____

Home Address: _____

First Name: _____ MI: _____ Last: _____

Office Title: _____

Employer (if not employed by entity): _____

Birth Date (mm/dd/yy): _____ Home Phone #: _____

Home Address: _____

Remove the following previously-reported Principal Owners:

Name: _____ Removal Date: _____

Name: _____ Removal Date: _____

Name: _____ Removal Date: _____

Section 4: Senior Managers

Please fill in the required identification information for all senior managers who oversee any of the entity's affordable housing transactions with the City. Senior managers include anyone who, either by title or duties, has substantial discretion and high-level oversight regarding the solicitation, letting or administration of any affordable housing transaction with the City. **At least one senior manager must be listed, or the Data Form will be considered incomplete.** If a senior manager has been identified on a previous page, fill in his/her name and write "See above." If the entity is filing a Change Form, list individuals who are no longer senior managers at the bottom of this section. If more space is needed, attach additional pages labeled "Additional Senior Managers."

Senior Managers:

First Name: _____ MI: _____ Last: _____

Office Title: _____

Employer (if not employed by entity): _____

Birth Date (mm/dd/yy): _____ Home Phone #: _____

Home Address: _____

First Name: _____ MI: _____ Last: _____

Office Title: _____

Employer (if not employed by entity): _____

Birth Date (mm/dd/yy): _____ Home Phone #: _____

Home Address: _____

First Name: _____ MI: _____ Last: _____

Office Title: _____

Employer (if not employed by entity): _____

Birth Date (mm/dd/yy): _____ Home Phone #: _____

Home Address: _____

Remove the following previously-reported Senior Managers:

Name: _____ Removal Date: _____

Name: _____ Removal Date: _____

Certification

I certify that the information submitted on these four pages and _____ additional pages is accurate and complete. I understand that willful or fraudulent submission of a materially false statement may result in the entity being found non-responsible and therefore denied future City awards.

Name: _____

Signature: _____ Date: _____

Entity Name: _____

Title: _____ Work Phone #: _____

Return the completed Data Form to the agency that supplied it.

For information or assistance, call the Doing Business Accountability Project at 212-788-8104.



Doing Business Certification Report – Phase 3

APPENDIX III



OFFICE OF THE MAYOR
OFFICE OF CONTRACT SERVICES
Marla G. Simpson, *Director*

DOING BUSINESS ACCOUNTABILITY PROJECT
253 Broadway – 9th Floor
New York, NY 10007
(212) 788-8104 Fax (212) 312-0993

To: Peri Horowitz, Campaign Finance Board
From: Jesse Schaffer, Doing Business Accountability Project
Date: October 30, 2008
Re: Doing Business Database Data Entry Procedures

Recently the Campaign Finance Board (CFB) requested an outline of the procedures used by the Doing Business Accountability Project (DBAP) to review and process Doing Business Data Forms. DBAP's procedures have evolved over time as we have gained experience with the different types of Data Forms and transactions. The relevant portions of the current procedures follow.

Agency Review

Agencies are responsible for reviewing all Data Forms for completeness, using guidelines provided by DBAP and previously submitted to CFB, before sending them to DBAP. In addition, Data Forms in support of proposals are batched with a Coversheet completed by the agency.

Analyst Review

Incoming Data Forms and Coversheets are screened by the DBAP analyst responsible for that agency. Analysts:

- Review the agency completeness check. If a Data Form is not complete, the analyst will return it to the agency, contact the agency or contact the entity, depending on the scale and nature of the problem. In general, forms are held until they meet processing standards.
- Determine whether entities that have filed No Change or Change Data Forms have in fact filed Full Data Forms in the past. If a Full form is not on file, the analyst will contact the entity to obtain additional information.
- For proposals, analysts create an electronic batch sheet containing the transaction's agency, PIN, value and relevant dates.

Initial Data Form Entry

During the data entry process, data is validated in a number of ways:

- All entities are looked up by EIN to prevent duplicate entries. New EINs must be entered twice to avoid data entry errors. (EIN is a unique key, so duplication is not possible.)
- Entry of No Change or Change forms in the absence of a Full form is prohibited.

- All code fields are selected from drop-down lists to avoid data entry errors.
- If a new entity record is saved without complete address information, the operator must confirm that the omitted fields were entered intentionally.
- All associated people are searched for by SSN (if provided) and name to avoid duplicate entries.
- If a person does not identify an employer different than the associated entity, the system copies the entity name into the employer field to avoid data entry errors.
- If a new person record is saved without complete address information, or without a complete date of birth, the operator must confirm that the omitted fields were entered intentionally.
- All new people must be assigned at least one relationship (CEO, Owner, etc.) to the entity. Relationships are selected from a drop-down list to avoid entry errors.
- All records are time/date stamped and coded with the operator's initials, to aid in identifying patterns in data entry errors.

Initial Data Form Entry – Proposals

Data Forms associated with a given transaction are entered as a batch, with the transaction data being drawn from the electronic batch sheet entered by analysts. This eliminates reentry of transaction data and the possibility of assigning different transaction data to forms in the same batch.

Manual Data Form Review

After being entered, each Data Form is compared with the entered data to avoid common data entry errors. This review is conducted by a different operator than the one who did the initial data entry.

Editing Safeguards

Once an entity, person and/or relationship has been reported to CFB via DOITT, operators may not change any transaction-related data elements or delete records. Such changes may be made only by the database administrator, after review.

Automated Data Form Review

Prior to transmittal of data to CFB via DOITT, all records are screened for internal inconsistencies such as out of range dates, mismatches between city name and zip code, duplicate entries, orphaned records, extra spaces in fields, etc.

As noted earlier, DBAP's data review process is a dynamic one, changing as the implementation of Local Law 34 has progressed through its phases and as we have become aware of new opportunities for data entry errors. We anticipate continuing to strengthen our processes as we move forward. As we have implemented new procedures, we have applied them retroactively to the degree possible, a process that will accelerate once LL 34 is fully implemented.