



**New York City
Campaign Finance Board**

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January 3, 2012

Marvina S. Robinson
Friends of Tremaine Wright



Dear Ms. Robinson:

Please find attached the New York City Campaign Finance Board's (the "CFB" or "Board") Final Audit Report for the 2009 campaign of Tremaine S. Wright (the "Campaign"). The report is based on a comprehensive review of the Campaign's financial disclosure statements and submitted documentation, and incorporates the Board's final determination of December 8, 2011(attached). The report concludes that the Campaign did not fully demonstrate compliance with the requirements of the Campaign Finance Act (the "Act") and Rules of the Board (the "Rules").

The Campaign received a post-election public funds payment of \$5,209, which reflects \$550 in penalties assessed and withheld, as detailed in the attached Final Board Determination.

By February 6, 2012, the Campaign must demonstrate to the CFB that the public funds were used to pay outstanding liabilities. The Campaign received a notice that listed the reported outstanding liabilities for which the public funds may be used and explained how to document proper use. The Campaign will be required to return any public funds that were not properly spent.

January 3, 2012

The January 15, 2010 disclosure statement (#16) was the last disclosure statement the Campaign was required to file with the CFB for the 2009 elections. If the Campaign raises additional contributions to pay outstanding liabilities, please note that all 2009 election requirements, including contribution limits, remain in effect. The Campaign is required to maintain its records for six years after the election, and the CFB may require the Campaign to demonstrate ongoing compliance. *See* Rules 3-02(b)(3), 4-01(a), and 4-03. In addition, please contact the Board of Elections for information concerning their separate filing requirements.

The CFB thanks you for your cooperation during the 2009 election cycle. Should you have any questions about the enclosed report, please contact the Audit Unit at 212-306-5250 or AuditMail@nyccfb.info.

Sincerely,

[signature on original]

Julius Peele
Director of Auditing and Accounting

c: Tremaine S. Wright

[REDACTED]

Friends of Tremaine Wright

[REDACTED]

Attachments

**CAMPAIGN FINANCE BOARD
FINAL AUDIT REPORT OF
FRIENDS OF TREMAINE WRIGHT**

BACKGROUND

Among the purposes of the Act are to diminish the role and influence of private money in New York City elections, to increase the information available to the public about elections and candidates' campaign finances, and to reduce the potential for actual or perceived corruption. The CFB is a nonpartisan, independent city agency that serves the public interest by enhancing the role of New York City residents in the electoral process. All candidates for the five covered offices - mayor, public advocate, comptroller, borough president, and City Council member - are required to disclose all campaign activity to the CFB.

All candidates must adhere to strict contribution limits and the ban on contributions from corporations, and beginning January 1, 2008, partnerships and limited liability entities. Additionally, participating candidates are prohibited from accepting contributions from unregistered political committees. The CFB also administers the voluntary Campaign Finance Program (the "Program"). Candidates who voluntarily participate in the Program can qualify to have private contributions matched with public money in exchange for agreeing to strict spending limits.

CAMPAIGN INFORMATION

The table below provides detailed information about the Campaign:

Name: Tremaine S. Wright	ID: 1313
Office Sought: City Council	District: 36
Classification: Participant	Certification Date: June 10, 2009
Committee Name: Friends of Tremaine Wright	Ballot Status: Primary
Primary Election Date: September 15, 2009	Party: Democratic
Other Committees: No	

Public Funds:

Received: \$5,209

Returned: \$0

Contribution Limit:

\$2,750

Expenditure Limit:

2009 Primary: \$161,000

OBJECTIVES

The overall objective of the CFB's audit was to determine whether the Campaign complied with the Act and Rules. Specifically, CFB staff evaluated whether (1) the Campaign accurately reported financial transactions and maintained adequate books and records; (2) the Campaign adhered to contribution limits and prohibitions; (3) the Campaign disbursed funds in accordance with the Act and Rules and complied with the expenditure limits; and (4) the correct amount of public funds was received, any additional funds are due, or any return of public funds is required in accordance with the Act and Rules.

SCOPE AND METHODOLOGY

Prior to the election, CFB staff performed an initial review of the Campaign's reporting and documentation of contributions for public funds eligibility and compliance with the Act and Rules. After the election, CFB staff performed an audit of financial disclosure statements seven through sixteen (see Appendix #1), covering the period from February 23, 2009 through January 11, 2010. The audit was conducted in accordance with generally accepted government auditing standards (GAGAS) and included tests of records and other auditing procedures as necessary. This audit was performed in accordance with the audit responsibilities of the CFB as set forth in Administrative Code §3-710.

CFB staff examined the bank statements submitted by the Campaign from February 23, 2009 through April 26, 2010 and reconciled transactions to the Campaign's disclosure statements during this period to verify that all financial transactions were accurately reported and documented.

CFB staff conducted a comprehensive review of all financial transactions reported in the Campaign's disclosure statements to determine whether contribution limits and prohibitions were adhered to. Additionally, CFB staff reviewed the Campaign's reported expenditures to ensure that the Campaign disbursed funds in accordance with the Act and Rules and complied with the expenditure limits.

CFB staff reviewed the Campaign's eligibility for public matching funds, all matchable contribution claims by the Campaign for compliance with the Act and Rules, and the Campaign's disbursements of public funds. The review was done to ensure that the correct amount of public funds was received by the Campaign, and to determine whether any additional public funds are due or whether any return of public funds by the Campaign is necessary.

On May 12, 2010, CFB staff issued a Draft Audit Report to the Campaign that contained preliminary findings of non-compliance with the Act and Rules and recommended corrective actions. The Campaign subsequently responded to the Draft Audit Report.

Based on CFB staff recommendations and the Campaign's responses, the Board issued this Final Audit Report.

CONCLUSION

The Campaign did not fully demonstrate compliance with the requirements of the Campaign Finance Act and the Rules of the Board as detailed below:

Disclosure Findings - Accurate public disclosure is an important part of the CFB's mission. Findings in this section relate to the Campaign's failure to completely and timely disclose the Campaign's financial activity.

- The Campaign did not report or inaccurately reported financial transactions to the Board (see Finding #1).

Contribution Findings - All campaigns are required to abide by contribution limits and adhere to the ban on contributions from prohibited sources. Further, campaigns are required to properly document and disclose all contributions. Findings in this section relate to the Campaign's failure to comply with the requirements for contributions under the Act and Rules.

- The Campaign accepted a contribution from an unregistered political committee (see Finding #2). The Board found the Campaign in violation and assessed a \$500 penalty.

Expenditure Findings - Campaigns participating in the Program are required to comply with the spending limit. All campaigns are required to properly disclose and document expenditures and disburse funds in accordance with the Act and Rules. Findings in this section relate to the Campaign's failure to comply with the Act and Rules related to its spending.

- The Campaign made a cash disbursement greater than \$100 (see Finding #3). The Board found the Campaign in violation and assessed a \$50 penalty.

FINDINGS AND RECOMMENDATIONS

1. Financial Disclosure Reporting – Discrepancies

Campaigns are required to report every contribution, loan, and other receipt received, and every disbursement made. *See* Administrative Code §3-703(6) and Rule 3-03. In addition, campaigns are required to deposit all receipts into an account listed on the candidate’s Certification. *See* Administrative Code §3-703(10) and Rule 2-06(a). Campaigns are also required to provide the CFB with bank records, including periodic bank statements and deposit slips. *See* Administrative Code §§3-703(1)(d), (g), and Rules 4-01(a),(b)(1),(f).

- a) The Campaign did not provide the following bank and merchant account statements:

<u>Bank</u>	<u>Account Type</u>	<u>Statement Period</u>
Chase Bank	Checking	November 28, 2009 through December 24, 2009 April 27, 2010 to present
Bank Card USA	Merchant Credit Card	March 1, 2010 through August 30, 2010

- b) The Campaign reported 8 transactions totaling \$151.23 that do not appear on its bank statements (see Exhibit I).
- c) The Campaign did not provide copies of itemized deposit slips for specific dates (see Exhibit II).

Previously Provided Recommendation

- a) You must provide all pages of the requested bank and merchant account statements.
- b) For checks or debits reported in the Campaign's disclosure statements but not appearing on the Campaign's bank statements, you must provide evidence to show that the check or payment cleared the bank (i.e., copies of the front and back of the check, or missing bank statement), was reported in error, or amend your disclosure statement to delete the transaction as an expenditure payment and report it as an in-kind contribution.
- c) You must provide copies of the requested itemized deposit slips.

Campaign's Response

- a) The Campaign did not provide a copy of the bank statement for November 28, 2009 through December 24, 2009. In addition, the Campaign did not submit bank statements after April 27, 2010 or provide evidence that the bank account was closed. Further, the Campaign did not provide copies of the merchant account statements from March 1, 2010 through August 30, 2010.
- b) The Campaign stated it "maintained cash on hand since it did not have access to a bank card until sometime in August. The only reasonable explanation imaginable is that donations must have been inadvertently used before being deposited."
- c) The Campaign stated the following: "The bank account was originally opened with WAMU. During the course of the campaign WAMU was acquired by Chase. The online business records which were available to WAMU

customers, and which the campaign relied for record keeping purposes, are no longer available. We requested copies of the deposit slips from Chase representatives and were informed that those items were not saved during the conversion from WAMU to Chase.”

Board Action

a-c) The Board has taken no further action on these matters other than to make them a part of the Candidate’s record with the Board.

2. Prohibited Contributions – Unregistered Political Committees

Political committees are required to register with the CFB. Political committees are often required to register with governmental agencies other than the CFB. Registering with those agencies, does not register them with the CFB. A list of registered political committees can be viewed on the CFB’s website, www.nyccfb.info.

Campaigns may not, either directly or by transfer, accept any contribution, loan, guarantee, or other security for a loan from any political committee, unless it is registered with the CFB within ten days of receipt of the contribution. *See* Administrative Code §3-703(1)(k), 3-707, and Rule 1-04(d).

Based on the PayPal Transaction Activity Listing submitted in response to the Draft Audit Report, the Campaign may have accepted the following contribution from an unregistered political committee:

<u>Name</u>	<u>Statement/Schedule Transaction ID</u>	<u>Date</u>	<u>Amount</u>
Friends of Angela Alsobrooks ¹	16/ABC/R0000947	06/04/09	\$250.00

¹ The Campaign reported this transaction as an individual contribution from Angela Alsobrooks.

Previously Provided Recommendation

You must immediately refund the prohibited contribution by bank or certified check, and provide the CFB with a copy of the refund check, or pay the Public Fund the amount equal to the contribution. In addition, you must explain why you failed to comply with the unregistered political committee contribution ban.

The above finding may not be a violation if you can demonstrate that the political committee is actually registered, or because it is actually a different type of entity. If you maintain this is not a violation, you must submit documentation or evidence such as proof of the name or type of entity showing that the finding above is not a violation.

Even if the prohibited contribution is refunded, accepting a prohibited contribution may result in a finding of a violation and the assessment of a penalty.

Campaign's Response

In response to a CFB letter dated November 22, 2010, the Campaign stated that the donation was from “Angela Alsobrooks, an individual. The attached confirmation from paypal [sic] on the date of the contribution indicates that Angela Alsobrooks was using this account for personal purposes. Because Paypal allows users to change the names that appear on an account the new name of Friends of Angela Alsobrooks appeared on the transaction.”

Board Action

The Board found the Campaign in violation and assessed a \$500 penalty.

3. Cash Disbursements Exceeding \$100

Campaigns are prohibited from spending amounts greater than \$100 except by checks from a bank account reported to the CFB and signed by the Campaign's authorized signatory. *See* Rule 1-08(i).

Based on documentation submitted, the CFB staff's review revealed that the following expenditure in excess of \$100 was made in cash although it was reported as being paid by another method:

<u>Name</u>	<u>Reported Transaction Type</u>	<u>Statement/ Schedule/ Transaction ID</u>	<u>Date</u>	<u>Amount</u>
Costco	Debit	9/F/R0000445	05/30/09	\$203.00

Previously Provided Recommendation

You must explain why you made an expenditure in cash exceeding \$100.

Campaign's Response

The Campaign stated that it was in its infancy during early May 2009 and unfortunately some of the volunteers who made purchases at that time were not aware of the limitations on their ability to use cash in excess of \$100 for expenditures. Once this transaction was brought to the attention of the Treasurer, volunteers were re-instructed on the limitations and the expenditure was reported in C-SMART.

Board Action

The Board found the Campaign in violation and assessed a \$50 penalty.

**New York City Campaign Finance Board
Campaign Finance Information System
Transaction Summary Report
Appendix 1**

Candidate: Wright, Tremaine S (ID:1313-P)**Office:** 5 (City Council)**Election:** 2009

1. Opening cash balance (All committees)		\$0.00
2. Total itemized monetary contributions (Sch ABC)		\$13,670.00
3. Total unitemized monetary contributions		\$0.00
4. Total in-kind contributions (Sch D)		\$1,521.49
5. Total unitemized in-kind contributions		\$0.00
6. Total other receipts (Sch E - excluding CFB payments)		\$0.00
7. Total unitemized other receipts		\$0.00
8. Total itemized expenditures (Sch F)		\$18,993.41
Expenditure payments	\$18,993.41	
Advance repayments	\$0.00	
9. Total unitemized expenditures		\$0.00
10. Total transfers-In (Sch G)		\$0.00
Type 1	\$0.00	
Type 2a	\$0.00	
Type 2b	\$0.00	
11. Total transfers-out (Sch H)		\$0.00
Type 1	\$0.00	
Type 2a	\$0.00	
Type 2b	\$0.00	
12. Total loans received (Sch I)		\$6,000.00
13. Total loan repayments (Sch J)		\$0.00
14. Total loans forgiven (Sch K)		\$0.00
15. Total liabilities forgiven (Sch K)		\$0.00
16. Total expenditures refunded (Sch L)		\$0.00
17. Total receipts adjustment (Sch M - excluding CFB repayments)		\$425.00
18. Total outstanding liabilities (Sch N - last statement submitted)		\$595.23
Outstanding Bills	\$475.00	
Outstanding Advances	\$120.23	
19. Total advanced amount (Sch X)		\$0.00
20. Net public fund payments from CFB		\$5,209.00
Total public funds payment	\$5,209.00	
Total public funds returned	\$0.00	
21. Total Valid Matchable Claims		\$7,864.00
22. Total Invalid Matchable Claims		\$195.00
23. Total Amount of Penalties Assessed		\$550.00
24. Total Amount of Penalty Payments		\$0.00
25. Total Amount of Penalties Withheld		\$550.00

Exhibit I

Friends of Tremaine Wright

2009 Elections

Transactions Not Appearing on Bank Statements

(see Finding #1b)

<u>Payee</u>	<u>Transaction Type</u>	<u>Statement/ Schedule/ Transaction ID</u>	<u>Date</u>	<u>Amount</u>
Sunset Beer Distributor	Debit	9/F/R0000451	05/30/09	\$63.00
Staples	Debit	10/F/R0000530	07/16/09	\$12.77
MTA NYC Transit	Debit	10/F/R0000536	07/23/09	\$8.00
MTA NYC Transit	Debit	10/F/R0000538	07/23/09	\$8.00
Restoration Plaza Station	Debit	10/F/R0000623	07/31/09	\$8.80
MTA NYC Transit	Debit	10/F/R0000540	08/01/09	\$8.00
Staples	Debit	10/F/R0000532	08/01/09	\$32.66
Staples	Debit	10/F/R0000625	08/03/09	<u>\$10.00</u>
			Total	<u>\$151.23</u>

Exhibit II
Friends of Tremaine Wright
2009 Elections
Requested Deposit Slips
(see Finding #1c)

Date of Deposit

February 23, 2009

April 13, 2009

April 27, 2009

May 6, 2009

May 14, 2009

May 18, 2009

May 28, 2009

June 10, 2009

June 11, 2009

June 22, 2009

June 25, 2009

July 1, 2009

July 7, 2009

July 15, 2009

July 21, 2009