



## Summary of Final Board Determination

### **Barry S. Grodenchik**

**Candidate, 2015, City Council District 23**

**Program participant: \$188,996 in public funds received**

**1. Failing to provide bank and merchant account statements \$500**

Campaigns are required to provide copies of all bank and merchant account statements for accounts used for each election. *See* Admin. Code §§ 3-703(1)(d), (g), (11); Board Rule 4-01(f).

The Campaign failed to provide statements for its Chase bank account from January 2016 through August 2018, and from its Vantiv merchant account from July 2015 through August 2018.

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

**2. Failing to demonstrate compliance with cash receipts reporting and documentation requirements \$82**

Campaigns are required to report all cash receipts, deposit them into the bank account listed on the candidate's filer registration and/or certification, and provide the deposit slips for the account to the Board. *See* Admin. Code §§ 3-703(1)(d), (g), (6), (10), (11), (12); Board Rules 1-04(a), (b), 2-06(a), 3-03(c), 4-01(a), (b)(1), (3), (f).

The Campaign reported \$1,095 in cash receipts, but only provided deposit slips accounting for \$750, representing a variance of 30.14%.

The Board assessed a penalty of \$82 for this violation.

**3. Failing to demonstrate compliance with subcontractor reporting and documentation requirements \$100**

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

The Campaign paid HSG Campaigns a total of \$37,139. The Campaign provided an unsigned subcontractor disclosure form from HSG Campaigns which indicated that HSG Campaigns had paid NY Prints LLC \$8,600. However, the Campaign did not report this expenditure or provide a properly signed copy of the completed form.



## Summary of Final Board Determination

The Board assessed a penalty of \$100 for this violation.

### **4. Accepting contributions from unregistered political committees \$125**

Campaigns may not accept a contribution from a political committee unless the political committee is registered with the CFB or registers with the CFB within 10 days of receipt of the contribution. *See* Admin. Code §§ 3-702(11), 3-703(1)(k), 3-707; Board Rules 1-04(c)(1), (d), (g), 1-05.

The Campaign accepted contributions from four political committees that were not registered with the CFB for the 2015 election. The Campaign timely refunded the contributions after receiving notice from CFB staff.

The Board assessed penalties of \$125 for these violations.

### **5. Failing to demonstrate that spending was in furtherance of the campaign \$250**

Campaigns are required to demonstrate that all spending was in furtherance of the campaign. *See* Admin. Code §§ 3-702(21)(a), (b); 3-703(1)(d), (g), (6), (11); Board Rules 1-03(a), 4-01(e).

The Campaign made expenditures which it failed to demonstrate were in furtherance of the campaign.

During the general election in October and November 2015, the Campaign paid a campaign worker and consultant \$4,050 (approximately \$675 per week). The Campaign did not provide a contract, wage records, or timesheets for the general election documenting the services performed or how it calculated the individual's wages.

The Campaign paid another individual \$2,000 per month as a consultant during the primary election in July and August 2015. The Campaign subsequently paid the individual \$3,000 per month for the same services during the general election in October and November 2015. The Campaign did not provide a contract, wage records, or timesheets for the general election and did not provide an explanation for the wage increase of \$1,000 per month during that time period.

The Board assessed penalties of \$250 for these violations.

### **6. Making impermissible post-election expenditures \$250**

After an election and before repaying leftover campaign funds to the Board, participants may spend campaign funds only to pay campaign-related expenses incurred in the preceding election and for "routine activities involving nominal cost associated with winding up a campaign and responding to the post-election audit." *See* Admin. Code §§ 3-702(21)(a)(8), 3-703(1)(d), (g), (6), (11), 3-710(2)(c); Board Rules 1-03(a), 1-08(b), 5-03(e)(2).



## **Summary of Final Board Determination**

The Campaign made expenditures which it failed to demonstrate were permissible post-election expenditures.

The Board assessed penalties of \$250 for these violations.

### **7. Failing to respond to the Initial Documentation Request \$2,500**

Campaigns are required to maintain records, such as copies of checks, invoices, and bank records, to verify financial transactions reported in disclosure statements, and campaigns are required to provide such records to the Board upon request and to respond to specific questions regarding compliance with the Act and Rules. *See* Admin. Code §§ 3-703(1)(d), (g), (6), (11), (12), 3-708(5), 3-710(1); Board Rules 1-09(a), 4-01, 4-05(a).

The Campaign did not respond to the Initial Documentation Request.

The Board assessed a penalty of \$2,500 for this violation.