



## Summary of Final Board Determination

### **Marvin Holland**

**Candidate, 2017A, City Council District 9**

**Program participant: \$46,143 in public funds received**

**Alizabeth Holland, Treasurer of Holland4Council2017**

**1. Failing to provide merchant account statements \$50**

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 did not submit statements for its Paypal merchant account from inception through the present.

The Board assessed a penalty of \$50 for this violation.

**2. Failing to report transactions \$124**

Campaigns are required to properly report all financial transactions to the Board. *See* Admin. Code §§ 3-703(1)(d), (g), (6), (11), (12); Board Rules 1-09, 3-03(c), (d), (e), 4-01.

The Campaign did not report transactions totaling \$6,177.84 that appeared on its bank statements.

The Board assessed total penalties of \$124 for these violations.

**3. Failing to demonstrate compliance with reporting requirements for disbursements \$250**

Campaigns are required to demonstrate compliance with the reporting requirements and are required to provide bank records, including bank statements and deposit slips. *See* Admin. Code §§ 3-703(1)(d), (g), (6), (11), (12); Board Rules 1-09, 3-03(c), (d), (e), 4-01.

The Campaign reported total monetary disbursements of \$113,379.18, but its bank statements reflect debits totaling \$120,713.99. This constitutes a reporting variance of \$9,334.81 (-8.38%).

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

**4. Failing to file daily pre-election disclosure statements \$100**

Aggregate contributions and loans from a single source in excess of \$1,000, and aggregate expenditures in excess of \$20,000, received or made within 14 days of an election, must be



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disclosed to the Board within 24 hours. See Admin. Code §§ 3-703(6), (12), 3-708(8); Board Rules 1-09, 3-02(e).

The Campaign did not file the required daily disclosures to report three expenditures totaling \$21,142 to Red Horse Strategies, occurring on February 3, 7, and 11, 2017.

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

### **5. Failing to comply 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 \$33,825.60 to Red Horse Strategies, but did not provide a completed subcontractor form.

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

### **6. Accepting an over-the-limit contribution \$1,250**

Campaigns are prohibited from accepting contributions in excess of the applicable contribution limit. See Admin. Code §§ 3-702(8), 3-703(1)(f), (11); Board Rules 1-04(c)(1), (h), 1-07(c). This includes monetary and in-kind contributions, loans outstanding on the date of the election, post-election loans, forgiven loans and advances.

The Campaign employed an individual as a deputy campaign manager from November 14, 2016 through February 15, 2017. According to the contract provided, the individual was underpaid by \$2,250, resulting in an in-kind contribution. This amount, combined with a \$25 monetary contribution from the individual, exceeds the contribution limit of \$1,375 by \$900.

The Board assessed a penalty of \$1,250 for this violation.

### **7. Accepting a contribution from a limited liability company Violation; no penalty**

Campaigns may not accept, either directly or by transfer, a campaign contribution or loan, or guarantee or other security for such loan, from any corporation, limited liability company



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(LLC), or partnership. *See* N.Y.C. Charter § 1052(a)(13); Admin. Code §§ 3-702(8), 3-703(1)(l); Board Rules 1-04(c)(1), (e), (g), 1-05.

The Campaign reported a \$375 expenditure to NY Prints LLC, but documentation provided reflected a total balance of \$408.28, indicating that the Campaign received a discount in the amount of \$33.28, an in-kind contribution.

The Board assessed a violation with no associated penalty for this violation.

### **8. Accepting contributions from unregistered political committees \$500**

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 and timely refunded contributions from four unregistered political committees: Richardson for Assembly (\$1,000 on October 28, 2016), SEIU Local 371 (\$1,000 on December 19, 2016), Friends of Nancy Tong (\$250 on December 28, 2016), and District Council No. 9 (\$1,375 on January 9, 2017).

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

### **9. Failing to demonstrate compliance with intermediary reporting and documentation requirements \$100**

Campaigns are required to report the intermediary for each contribution that was delivered or solicited by an intermediary. In addition, campaigns are required to provide a signed intermediary affirmation statement for each intermediated contribution. *See* Admin. Code §§ 3-703(1)(d), (g), (6), (11); Board Rules 3-03(c)(7), 4-01(b)(5).

The Campaign failed to submit an intermediary statement.

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

### **10. Maintaining a petty cash fund greater than \$500 \$50**

Campaigns are prohibited from maintaining more than \$500 in a petty cash fund. *See* Board Rule 4-01(e)(2).

The Campaign made a \$988 cash withdrawal on November 21, 2016, thereby exceeding the permissible petty cash limit by \$488.



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The Board assessed a penalty of \$50 for this violation.

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

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

The Campaign paid an individual \$2,615 for campaign consulting. According to the contract, the Campaign overpaid the individual by \$215 and failed to demonstrate that the difference was in furtherance of the campaign.

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

**12. Making impermissible post-election expenditures \$547**

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

The Campaign made expenditures totaling \$2,190.32 that, based on their timing, amount, and/or purpose, are impermissible post-election expenditures.

The Board assessed total penalties of \$547 for these violations.

**13. Failing to respond to the Initial Documentation Request and late response to the Draft Audit Report \$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).

On July 3, 2017, CFB staff sent the Campaign the Initial Documentation Request, with a response deadline of November 13, 2017. The Campaign failed to submit a response. On January 3, 2018, the CFB sent the Campaign the Draft Audit Report (“DAR”), with a response deadline of March 5, 2018. The Campaign failed to respond to the DAR; however, the Campaign’s Enforcement Notice response was considered a late response to the DAR.

The Board assessed total penalties of \$2,500 for these violations.