



Summary of Final Board Determination

Maria Castro

Candidate, EC2017, City Council District 4

Program participant: \$0 public funds received

Maria Castro, Treasurer of Maria Castro for City Council

The Board determined that the Campaign failed to comply with the Campaign Finance Act and Board rules, and assessed violations and penalties as detailed below.

1. Failing to disclose a merchant account \$50

Campaigns are required to disclose to the Board the existence of all committee merchant accounts. *See* Admin. Code §§ 3-703(1)(d), (e), (g), (6), (11), (12); Board Rules 1-08(c), 1-11, 2-01, 4-01.

The Campaign's bank statements show deposits from a merchant account that the Campaign did not disclose to the Board.

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

2. Failing to provide bank, credit card, and merchant account statements \$338

Campaigns are required to provide copies of bank, credit card, and merchant account statements for all accounts used for each election. *See* Admin. Code §§ 3-703(1)(d), (g), (11); Board Rule 3-03(f), 4-01(f)(1).

The Campaign failed to provide bank account statements from August 2017 to present, and failed to provide statements from an undisclosed merchant account from its inception to present.

The Board assessed total penalties of \$338 for these violations.

3. Failing to report transactions \$51

Campaigns are required to report all financial transactions in disclosure statements filed according to the schedule provided by the Board. *See* Admin. Code §§ 3-703(1)(d), (g), (6), (11), (12); Board Rules 1-09, 3-02, 3-03(a), (c), (d), (e), 4-01.

The Campaign failed to report transactions totaling \$5,712.24.

The Board assessed total penalties of \$51 for these violations.

4. Failing to document transactions \$180

Campaigns are required to document all financial transactions. *See* Admin. Code §§ 3-703(1)(d), (g), (11), (12), 3-715; Board Rules 1-04(g)(4), (5), 1-09, 4-01(a), (c), (g), (k), 4-03. In-kind contributions



Summary of Final Board Determination

include goods or services donated to a candidate free of charge or at a special discount not available to others. *See* Admin. Code § 3-702(8); Board Rule 1-02. Outstanding liabilities that are forgiven or settled for less than the amount owed are also considered contributions. *See* Board Rules 1-04(g)(4), (5).

The Campaign failed to provide documentation for six expenditures totaling \$5,141.59 and an additional in-kind contribution totaling \$1,000.

The Board assessed total penalties of \$180 for these violations.

5. Failing to demonstrate compliance with cash receipts reporting and documentation requirements \$405

Campaigns are required to demonstrate compliance with 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 \$3,609.50 in cash receipts, but the deposit slips provided only account for \$15.00 in cash receipts, a difference of \$3,594.50. This constitutes a variance of 99.58% between the cash receipts reported and documented by the Campaign.

The Board assessed a penalty of \$405 for this violation.

6. Failing to demonstrate compliance with reporting requirements for receipts \$225

Campaigns are required to report all cash receipts, deposit them into the bank account listed on the candidate's filer registration and/or certification within ten business days of receipt, 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 \$25,714.39 in receipts, but the bank statements provided only account for \$18,322.47 in receipts, a difference of \$7,391.92. This constitutes a variance of 28.75% between the receipts reported and documented by the Campaign.

The Board assessed a penalty of \$225 for this violation.

7. Failing to file and filing late disclosure statements \$1,376

Campaigns are required to file complete and timely disclosure statements on scheduled dates. *See* N.Y.C. Charter § 1052(a)(8); Admin. Code §§ 3-703(6), (12), 3-708(8); Board Rules 1-09, 3-02.

The Campaign filed three late disclosure statements and failed to file two disclosure statements.

The Board assessed total penalties of \$1,376 for these violations.



Summary of Final Board Determination

8. Accepting contributions from corporations, limited liability companies \$372

Campaigns may not accept a contribution from any corporation, limited liability company (LLC), or partnership. *See* N.Y.C. Charter § 1052(a)(13); Admin. Code §§ 3-702(8), 3-703(1)(l); Board Rules 1-04(c)(1), (e), (g), 1-05.

The Campaign accepted and untimely refunded six contributions from entities listed on the New York State Department of State's website as corporations, partnerships, and/or LLCs.

The Board assessed total penalties of \$372 for these violations.

9. Accepting contributions from unregistered political committees \$676

Campaigns may not accept a contribution (monetary or in-kind) 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 failed to refund two contributions from unregistered political committees, AFSCME37 and AFSCME Local 98, totaling \$1,000.

The Board assessed total penalties of \$676 for these violations.

10. Failing to demonstrate that spending was in furtherance of the campaign \$458

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), 1-08(p), 4-01(e).

The Campaign made expenditures totaling \$4,060.49 that it did not demonstrate were in furtherance of the campaign.

The Board assessed total penalties of \$458 for these violations.

11. Failing to respond to the Initial Documentation Request and Draft Audit Report \$1,000

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 Board 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 March 12, 2018, CFB staff sent the Campaign the Initial Documentation Request with a response deadline of April 11, 2018. The Campaign failed to submit a response. On June 28, 2019,



Summary of Final Board Determination

CFB staff sent the Campaign the Draft Audit Report with a response deadline of July 29, 2018. CFB Staff later granted the Campaign a 30-day extension to October 10, 2019, however, the Campaign failed to submit a response.

The Board assessed total penalties of \$1,000 for these violations.

12. Material misrepresentation

\$10,000

“The intentional or knowing furnishing of any false or fictitious evidence, books or information to the board...or the inclusion in any evidence, books, or information so furnished of a misrepresentation of a material fact, or the falsifying or concealment of any evidence, books, or information relevant to any audit by the board or the intentional or knowing violation of any other provision of [the Act]...” shall subject the Campaign to penalties and the recovery of any public funds obtained. *See* Admin. Code § 3-711(3). Any candidate who violates any provision of the Act or Board rules is subject to a civil penalty not exceeding \$10,000 per violation. *See* Admin. Code § 3-711(1).

The submission of a disclosure statement or substantial information which the participant knew or should have known includes substantial fraudulent matchable contribution claims constitutes a “fundamental breach of the obligations affirmed and accepted by the participant or limited participant in the certification.” Board Rules 2-02(a), (e).

In response to a complaint about two campaign workers collecting fraudulent campaign contributions, CFB staff conducted an investigation in which one of the volunteers identified in the complaint confirmed the complaint’s allegations. CFB staff attempted to contact 26 individuals reported as making cash contributions in the area and date range in the complaint. Five of six individuals reached denied making contributions to the Campaign. CFB staff determined that twelve additional contributions were likely fraudulent and confirmed that the Campaign falsely reported a \$100 contribution from a Campaign worker.

The Board issued a breach of certification and assessed a penalty of \$10,000 for this violation.