



Summary of Final Board Determination

Celia Dosamantes

Candidate, EC2015, City Council District 23

Program participant: \$0 in public funds received

Ramanathan Devbala, Treasurer of Celia for the Community

Campaign Summary

Candidate	Celia Dosamantes
Office Sought/Election Cycle	City Council District 23, Queens EC2015 primary election
Committee	Celia for the Community
Treasurer	Ramanathan Devbala
Net Receipts	\$44,852 (net contributions, \$44,852; public funds, \$0)
Net Expenditures	\$45,534
Trainings	Dosamantes, Celia: 06/29/15 (Compliance/C-SMART Web)
Total Penalties	\$68,556

Penalties Summary

Violation	Penalty
1. Failing to provide bank statements	\$5,000
2. Failing to report transactions	Violation; no penalty
3. Failing to demonstrate compliance with cash receipts reporting and documentation requirements	\$112
4. Filing late disclosure statements	\$1,600
5. Accepting contributions from corporations, limited liability companies, or partnerships	\$13,200
6. Accepting over-the-limit contributions	\$9,750
7. Failing to demonstrate compliance with intermediary reporting and documentation requirements	\$100
8. Failing to demonstrate that spending was in furtherance of the campaign	\$413
9. Converting campaign funds to a personal use	\$7,875
10. Material misrepresentation; fraud; submission of false or fictitious information	\$30,000
11. Failing to respond to the draft audit report	\$506
Total Penalties	\$68,556

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 provide bank statements

\$5,000

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 any statements for its Santander checking account.

The Board assessed total penalties of \$5,000 for these violations.

2. Failing to report transactions

**Violation; No
Penalty**

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 \$5,651.97 that appear on its bank statements.

The Board did not assess a penalty for this violation because the two unknown debits are the basis for a separate penalty (see Alleged Violation #9) and, without those transactions included, the penalty for this violation would be below the \$50 threshold.

3. Failing to demonstrate compliance with cash receipts reporting and documentation requirements

\$112

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 \$7,060 in cash receipts, but the deposit slips provided account for \$7,510 in cash receipts, a difference of \$450. This constitutes a variance of 6.37% between the cash receipts reported and documented by the Campaign.

The Board assessed a penalty of \$112 for this violation.

4. Filing late disclosure statements

\$1,600

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), 3-719(1); Board Rules 1-09, 3-02.

The Campaign filed Disclosure Statement 1 twenty-three days late and Disclosure Statement 9 nine days late.

The Board assessed total penalties of \$1,600 for these violations.

5. Accepting contributions from corporations, limited liability companies, or partnerships

\$13,200

Campaigns may not accept a campaign 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. In-kind contributions 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. Creditors who extend credit beyond 90 days are considered to have made a contribution equal to the credit extended, unless the creditor continues to seek payment of the debt. 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 provided a contract and invoices for Strategic Persuasion, Inc., that list the total amount owed as \$10,000. The Campaign reported paying this vendor \$5,000, resulting in an underpayment of \$5,000, which is considered an in-kind contribution. Additionally, the Campaign reported a \$6,200 expenditure to this vendor for a mailer, which does not appear on the Campaign's bank statements. This constitutes an additional in-kind contribution, for a total of \$11,200 received from this vendor.

The Campaign provided a lease agreement with ECCGP LLC that stipulates a payment of \$2,700 a month for a 3-month term for a total payment of \$8,100. The Campaign reported paying this vendor a total of \$5,400, resulting in an underpayment of \$2,700, which is considered an in-kind contribution.

The Campaign received two contributions totaling \$275 which were reported to be from the same individual. However, the documentation provided indicates that the contributions were from a corporate entity. After receiving notification from the CFB, the Campaign timely refunded both contributions.

The Board assessed total penalties of \$13,200 for these violations.

6. Accepting over-the-limit contributions

\$9,750

Campaigns are prohibited from accepting contributions (monetary or in-kind) 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). The contribution limit for candidates in the 2015 elections for City Council was \$2,750. In-kind contributions 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. Creditors who extend

credit beyond 90 days are considered to have made a contribution equal to the credit extended, unless the creditor continues to seek payment of the debt. 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). Participating candidates may contribute to their own campaigns an amount not to exceed three times the applicable contribution limit. *See* Admin. Code § 3-703(1)(h).

The Campaign provided a contract for legal services with an individual that stipulates a “minimum flat fee” of \$8,000. The Campaign reported a \$2,000 payment towards this contract, resulting in an underpayment of \$6,000, which is considered an in-kind contribution \$3,250 in excess of the \$2,750 limit.

The Campaign provided a contract with an employee that stipulates payment of \$3,000 a month from June 18, 2015 until termination. The Campaign did not provide documentation demonstrating that their employment was terminated; therefore, the contract end date is presumed to be September 10, 2015, the day of the primary election. The amount owed to this employee for June 18, 2015 through September 10, 2015 calculates to \$8,300 in total wages. The Campaign reported paying this employee a total of \$4,500 in wages, resulting in an underpayment of \$3,800, which is considered an in-kind contribution of \$1,050 in excess of the \$2,750 limit.

The Candidate contributed a total of \$11,850 to the Campaign, \$3,600 in excess of the \$8,250 contribution limit applicable to the Candidate.

The Board assessed total penalties of \$9,750 for these violations.

7. 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), 3-719(1); Board Rules 3-03(c)(7), 4-01(b)(5).

The Campaign did not submit an intermediary affirmation statement for an individual who intermediated nine contributions totaling \$2,076, according to the Campaign’s reporting.

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

8. Failing to demonstrate that spending was in furtherance of the campaign

\$413

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 reported a \$1,350 payment to an individual for canvassing on July 28, 2015, for which it did not provide an invoice, contract, or timesheet. This individual was paid substantially more for canvassing than other campaign staff were paid on the same date for the same services, and

the excess payment was not documented or explained. Accordingly, \$1,046.25 – the difference between the amount paid to the individual and the \$303.75 paid to other canvassers on July 28 – is considered not in furtherance of the campaign.

The Campaign made two payments of \$303.75 apiece to two employees on July 28, 2015, for which no documentation or explanation was provided. The duplicate payment for each employee is considered not in furtherance of the campaign.

The Board assessed total penalties of \$413 for these violations.

9. Converting campaign funds to a personal use \$7,875

Campaigns are prohibited from converting campaign funds to a personal use. *See* Admin. Code §§ 3-702(21)(b); Board Rules 1-03(a), 2-02.

The Campaign's bank statements reflect \$5,000 debit on August 10, 2015, and a \$250 debit on August 31, 2015, both made to unknown payees. The Campaign did not report or document either transaction.

The Board assessed total penalties of \$7,785 for these violations.

10. Material misrepresentation; fraud; submission of false or fictitious information \$30,000

“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 Candidate engaged in a straw donor scheme in an attempt to defraud the City of matching funds and evade both the cash and overall contribution limits. The scheme consisted of 1) filing of a disclosure statement that the Candidate knew or should have known contained materially false information, 2) the submission of matching claims that the Candidate knew or should have known were fraudulent, and 3) the submission of contribution cards which the Candidate knew or should have known were fabricated or falsified.

Following CFB staff's referral of this matter to the New York County District Attorney, the Candidate was convicted on 31 counts of Offering a False Instrument for Filing in the First Degree and on one count of Attempted Grand Larceny in the Third Degree. Based on the evidence presented at trial and CFB staff's own investigation, at least 48 reported contributions, totaling \$4,640, were fraudulently reported and accompanied by forged documents.

The Board assessed total penalties of \$30,000 for these violations. Additionally, the Board found this violation constituted breach of certification, rendering the Campaign ineligible to receive

public funds for the 2015 election cycle and the Candidate potentially ineligible to receive public funds in future election cycles.

II. Failing to respond to the Draft Audit Report

\$506

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).

The Campaign failed to submit a response to the Draft Audit Report.

The Board assessed a penalty of \$506 for this violation.