

**BEFORE THE OFFICE OF CAMPAIGN FINANCE
DISTRICT OF COLUMBIA BOARD OF ELECTIONS
FRANK D. REEVES MUNICIPAL BUILDING
2000 FOURTEENTH STREET, N.W., SUITE 433
WASHINGTON, D.C. 20009
(202) 671-0550**

IN THE MATTER OF:

Muriel Bowser for Mayor (2014)
Benjamin M. Soto Treasurer
Respondent

Docket No.: OCF 2017 FI 2017-101

ORDER

I. Introduction

This matter came before the Office of Campaign Finance (hereinafter OCF) pursuant to a complaint filed by Aquene Freechild, Director of Public Citizen's Democracy Is For People Campaign, on March 7, 2017, alleging that the Muriel Bowser for Mayor 2014 Principal Campaign Committee (hereinafter Committee) received 23 contributions that exceeded the legal limit which individual donors are allowed to make to candidates or committees organized for the support of a candidate for Mayor. D.C. Official Code §1-1163.33 (a) provides in pertinent part that "[N]o person shall make any contribution which, and no person shall receive any contribution from any person which, when aggregated with all other contributions received from that person relating to a campaign for nomination as a candidate or election to public office, including both the primary and general election or special elections, exceeds: (1) In the case of a contribution in support of a candidate for Mayor or for the recall of the Mayor, \$2,000..." Following the receipt of the complaint by the Director of OCF it was assigned to the Reports Analysis and Audit Division (RAAD) for examination of the financial records related to the Committee and to specifically review whether the Committee had in fact received excessive

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contributions in violation of the District of Columbia Campaign Finance Act.

II. Findings of Fact

On, March 22, 2013, Candidate Muriel Bowser filed a Statement of Candidacy with OCF, by which she declared her candidacy for Mayor of the District of Columbia in the Democratic Primary Election scheduled for April 1, 2014. On March 22, 2013, Benjamin M. Soto, Esq., filed a Statement of Acceptance of Position of Treasurer for the Muriel Bowser for Mayor Principal Campaign Committee. On March 22, 2013, William P. Lightfoot, Esq., filed a Statement of Acceptance of Position of Chairperson for the Muriel Bowser for Mayor Principal Campaign Committee. On March 22, 2013, the Muriel Bowser for Mayor Principal Campaign Committee registered with OCF as Candidate Bowser's Principal Campaign Committee. On April 1, 2014, Muriel Bowser won the Democratic nomination for Mayor in the Primary Election and was subsequently elected Mayor of the District of Columbia in the General Election on November 4, 2014. During the 2014 mayoral campaign the Committee received a total \$3,628,113.32 (7,076 transactions) in contributions.

On March 7, 2017 Aquene Freechild filed a complaint with OCF requesting an investigation into alleged violations of the Campaign Finance Act by the Muriel Bowser for Mayor Principal Campaign Committee (hereinafter Committee). The complaint specifically stated that the Committee received excessive contributions from the following donors during the 2014 election cycle:

- 1) \$2,000.00 Associate Builders and Contractors, Metro DC PAC;
- 2) \$500.00 Eskender Molalign;

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- 3) \$2,000.00 Four Points, LLC;
- 4) \$1,250.00 Robert Cohen;
- 5) \$2,000.00 Bennie Williams;
- 6) \$2,000.00 Blue Skye Construction, LLC.
- 7) \$2,000.00 Blue Skye Development, LLC (Duplicate);
- 8) \$2,000.00 Franklin Haney;
- 9) \$1,500.00 The Justin Company, Inc.;
- 10) \$2,000.00 John Brophy;
- 11) \$1,000.00 Edith Williams;
- 12) \$1,000.00 Robert Murphy;
- 13) \$2,021.00 Chinenya Arungwa;
- 14) \$1,500.00 the Keystone Plus Construction Corporation;
- 15) \$1,000.00 Georgia Avenue Gateway, LLC.;
- 16) \$500.00 Franklin Parking;
- 17) \$1,000.00 Regan Zambri & Lang;
- 18) \$500.00 HCD International, Inc.;
- 19) \$4,000.00 Hometrust Inspections/ Hometrust Redevelopment LLC.;
- 20) \$2,000.00 Fairbrook Business Park Assoc.LP;
- 21) \$1,000.00 Foulger Pratt Contracting LLC.
- 22) \$2,100.00 Eugene Ford/ Gene Ford;
- 23) \$1,000.00 Sanford Capital, LLC

Altogether, Ms. Freechild alleged that the Committee received 23 excessive contributions totaling \$32,500.00 during the 2014 election cycle.

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On March 9, 2017, the Director of the Office of Campaign Finance (hereinafter Director) acknowledged receipt of the complaint and assigned the matter to the RAAD. On March 17, 2016, RAAD issued a Request for Additional Information to the Committee's Treasurer in which copies of contributor checks for the contributions in question were requested.

On April 10, 2017, the Committee provided a copy of the donor checks requested. On April 12, 2017, following its review of the Committee's submissions RAAD advised the Committee of the following findings:

- (1) Eskender Molalign; 08/02/2014 \$500.00
- Eskender Molalign; 07/26/2014 \$2,000.00

The excessive contribution of \$500.00 must be refunded;

- (2) Associated Builders & Contractors Metro DC PAC 10/08/2014 \$2,000.00
- Associated Builders & Contractors of Metro WA 10/08/2014 \$2,000.00

These are duplicate contributions and 1 must be deleted from the Committee's Report of Receipts and Expenditures. Therefore, this is not an excessive contribution;

- (3) Four Points LLC 06/06/2014 \$2,000.00
- Four Points, LLC 09/05/2014 \$2,000.00

The excessive contribution of \$2,000.00 must be refunded;

- (4) Blue Skye Construction 11/27/2013 \$2,000.00
- Blue Skye Development, LLC 06//06/2014 \$2,000.00
- Blue Skye Development, LLC 03//26/2014 \$2,000.00

Blue Skye Construction and Blue Skye Development, LLC are two (2) separate entities with separate bank accounts. The Committee provided a copy of the \$2,000.00 refund check to Blue Skye Development, LLC. Therefore, the excessive contribution of \$2,000.00 was refunded;

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(5) Robert Cohen	09//09/2014	\$1,000.00
Robert Cohen	12//09/2013	\$1,000.00
Robert Cohen	09//13/2014	\$250.00
Robert Cohen	06//10/2014	\$1,000.00

The Committee provided a copy of a refund check for \$1,000.00 to Robert Cohen. However, the Committee did not provide proof that the additional \$250.00 was refunded. Therefore, the excessive amount of \$250 must be refunded to the contributor;

(6) Bennie Williams	09/09/2014	\$2,000.00
Bennie Williams	09/10/2014	\$2,000.00

These are duplicate contributions and 1 must be deleted from the Committee's Report of Receipts and Expenditures. Therefore, this is not an excessive contribution;

(7) Emeline Haney	06/06/2014	\$2,000.00
Franklin Haney	06/06/2014	\$2,000.00
Franklin Haney	06/06/2014	\$2,000.00

One check was for \$4,000.00 drawn on a joint account of Emeline and Franklin Haney. Each was allowed to make a \$2,000.00 contribution. The additional contribution by Franklin Haney was made by a second person with the same name. One is Franklin Haney Sr. and the other is Franklin Haney Jr. Therefore, this is not an excessive contribution;

(8) The Justin Company, Inc.	06/06/2014	\$1,500.00
The Justin Company, Inc.	07/01/2013	\$2,000.00

The excessive contribution of \$1,500.00 must be refunded to the contributor;

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(9)	John Brophy	09/09/2014	\$2,000.00
	John Brophy	09/10/2014	\$2,000.00

These are duplicate contributions and 1 must be deleted from the Committee's Report of Receipts and Expenditures. Therefore, this is not an excessive contribution;

(10)	Edie Williams	03/27/2014	\$1,000.00
	Edith Williams	01/26/2014	\$1,000.00
	Edith Williams	03/25/2014	\$1,000.00

These are duplicate contributions and 1 must be deleted from the Committee's Report of Receipts and Expenditures. Therefore, this is not an excessive contribution;

(11)	Robert Murphy	06/03/2014	\$2,000.00
	Robert Murphy	02/18/2014	\$1,000.00

The excessive contribution of \$1,000.00 must be refunded to the contributor;

(12)	Chineye Arngwa	10/06/2014	\$2,000.00
	Chineye Arngwa	07/31/2014	\$21.00
	Chineye- Uchechukwu Arngwa	10/06/2014	\$2,000.00

These contributions were from 2 separate individuals with separate bank accounts. However, the excessive amount of \$21.00 from the same contributor must be refunded to that contributor;

(13)	The Keystone Plus Construction Corp	07/10/2013	\$2,000.00
	The Keystone Plus Construction Corporation	06/04/2014	\$500.00
	The Keystone Plus Construction Corp	06/03/2014	\$1,000.00

The excessive contribution of \$1,500.00 must be refunded to the contributor;

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(14)	Georgia Avenue Gateway LLC	03/10/2014	\$1,000.00
	Georgia Avenue Gateway LLC	03/10/2014	\$1,000.00
	Georgia Avenue Gateway, LLC	08/09/2014	\$1,000.00

These are duplicate contributions and 1 must be deleted from the Committee's Report of Receipts and Expenditures. Therefore, this is not an excessive contribution;

(15)	HCD International	08/09/2014	\$2,000.00
	HCD International, Inc. .	08/10/2014	\$500.00

The excessive contribution of \$500.00 must be refunded to the contributor;

(16)	Hometruster Home Inspections LLC	10/10/2014	\$2,000.00
	Hometruster Redevelopment LLC	08/02/2014	\$2,000.00
	Hometruster Redevelopment Projects, LLC	10/10/2014	\$2,000.00

These contributions were from 3 separate businesses with separate bank accounts.

Therefore these are not excessive contributions;

(17)	Fairbrook Business Park Assoc. LP	01/28/2014	\$2,000.00
	Fairbrook Business Park Association II, LP	01/28/2014	\$2,000.00

These are 2 separate entities with separate bank accounts. Therefore this is not an excessive contribution.

(18)	Foulger Pratt Contracting LLC	01/28/2014	\$1,000.00
	Foulger Pratt Contracting, LLC	05/17/2013	\$2,000.00

The excessive contribution of \$1,000.00 must be refunded to the contributor;

(19)	Eugene Ford	09/08/2014	\$2,000.00
	Eugene Ford	01/31/2014	\$100.00
	Gene Ford	04/18/2013	\$2,000.00

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These contributions were from 2 separate individuals. One is a revocable trust. The remaining \$100.00 was refunded on October 16, 2014

(20)	Sanford Capital, LLC	06/06/2014	\$1,000.00
	Sanford Capital LLC	09/30/2013	\$2,000.00

The Audit staff requested additional documentation;

(21)	Franklin Parking	01/26/2014	\$1,000.00
	Franklin Parking	01/26/2014	\$500.00
	Franklin Parking, LLC	01/26/2014	\$1,000.00

The excessive contribution of \$500.00 must be refunded to the contributor; and

(22)	Regan Zambri & Long PLLC	07/31/2013	\$1,000.00
	Regan Zambri Long	01/28/2014	\$2,000.00

The excessive contribution of \$1,000.00 must be refunded to the contributor.

On April 21, 2017, the Committee's Treasurer submitted a statement to RAAD indicating that the Committee had refunded all but twelve of the excessive contributions totaling \$11,271.00. On April 26, 2017 the RAAD issued its findings to the Office of the General Counsel in which it concluded that the following excessive contributions must be refunded to the individual contributors:

- (1) \$500.00 Eskender Molalign;
- (2) \$2,000.00 Four Points, LLC;
- (3) \$,250.00 Robert Cohen;
- (4) \$1,500.00 The Justin Company, Inc.;
- (5) \$1,000.00 Edith Williams;
- (6) \$1,000.00 Robert Murphy;

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- (7) \$21.00 Chinenya Arungwa;
- (8) \$1,500.00 the Keystone Plus Construction Corporation;
- (9) \$500.00 HCD International, Inc.;
- (10) \$1,000.00 Foulger Pratt Contracting LLC;
- (11) \$500.00 Franklin Parking;
- (12) \$1,000.00 Regan Zambri & Lang; and
- (13) \$1,000.00 Sanford Capital, LLC

Thereby, bringing the total amount to be refunded to \$11,771.00 In his letter dated April 21, 2017 the Committee's Treasurer conceded that the Committee had received twelve contributions in excess of the legal limit totaling \$11,271.00 Subsequent to receipt of the Treasurer's letter, RAAD reviewed the records again and concluded that the Committee received 13 excessive contributions with a monetary value of \$11,771.00 which must be refunded to the individual donors. On May31, 2017, the Committee's Treasurer provided RAAD with copies of 14 cancelled refund checks totaling \$13,771.00 dated May 5, 2017 through May 7, 2017 that were paid to the following donors:

- (1) \$500.00 Eskender Molalign;
- (2) \$2,000.00 Four Points, LLC;
- (3) \$,250.00 Robert Cohen;
- (4) \$1,500.00 The Justin Company, Inc.;
- (5) \$1,000.00 Edith Williams;
- (6) \$1,000.00 Robert Murphy;
- (7) \$21.00 Chinenya Arungwa;
- (8) \$1,500.00 the Keystone Plus Construction Corporation;

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- (9) \$500.00 HCD International, Inc.;
- (10) \$1,000.00 Foulger Pratt Contracting LLC;
- (11) \$500.00 Franklin Parking;
- (12) \$1,000.00 Regan Zambri & Lang;
- (13) \$1,000.00 Sanford Capital, LLC; and
- (14) \$2,000.00 Hometrust Redevelopment (despite the fact that OCF concluded the amount was not an excessive contribution)

III. Conclusions of Law

Based upon the foregoing, it is hereby concluded that the Committee received 13 excessive contributions totaling \$11,771.00 during the 2014 election cycle in violation of D. C. Official Code §1-1163.33 (a).

3 DCMR§3712.2 provides that “[U]pon a determination that an excessive contribution has been made, the Director shall, in writing, notify the recipient of the excessive contribution of:

- (a) The amount of the excessive contribution;
- (b) The requirement that an amount equal to the excess contribution shall be repaid to the contributor; and
- (c) The requirement that such repayment shall be accomplished within fifteen (15) days of the notice.

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While the Committee in the first instance is responsible for assuring its compliance with the contribution limits the OCF electronic filing system in most cases alerts filers during data entry of potential excessive contributions and also flags apparent excessive contributions to inform the audit staff of their existence when received during different report coverage periods. However, the electronic filing system relies on exact matches regarding the contributor name and address information submitted. In this case, the excessive contributions all included minor variations in spelling or description. Consequently, the electronic filing system did not recognize the donors as the same and did not flag all of the apparent excessive contributions. Therefore, the Committee was allowed to terminate despite the fact that it had received contributions that exceeded the legal limit.

Going forward, the OCF has proceeded to procure system upgrades to assist filers and the OCF staff with the identification of excessive contributions received over different report periods. The OCF E-filing and Disclosure System will be enhanced to, at data entry, auto-populate contributor names, store a metaphone code for the name entered to associate with similar sounding names, and auto populate address information based on the integration of an Address Validation Program.

The Committee received \$3,628,113.32 in contributions through 7,076 transactions, of which the \$13,771.00 in excessive contributions represents a small fraction, (less than 0.3 percent) of the contributions the Committee received. Notwithstanding, the excessive contributions were not identified during the course of the active election cycle, and their receipt increased the Committee's Campaign coffers and were available during its campaign operations, even though

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the sum of the contributions paid in comparison to the overall receipts of the campaign. Generally, in cases where excessive contributions are identified during the election cycle, committees must immediately refund all amounts that exceed the legal limit to remedy the violations of the Campaign Finance Act (Act) and avoid the unfair advantage the additional funds may create.

The penalty established by 3DCMR §3711.2 (l) for violating D.C. Official Code §1-1163.33 (a) during the period that the violations occurred is a fine of \$2,000.00 per violation. Accordingly, the Committee may be fined a maximum of \$26,000.00 for accepting 13 excessive contributions. In arriving at the fine to be imposed, the fact that the Committee has already voluntarily refunded the excessive contributions to the individual donors and complied with the requirements of 3 DCMR§ 3712.2 must also be considered. Moreover, the Committee has been fully cooperative in resolving this matter.

Lastly, the Committee will be required to amend its Reports to reflect the refunds and delete the duplicate entries.

IV. Recommendation

In view of the foregoing and information included in the record, I hereby recommend that fines totaling \$13,000.00 or \$1,000.00 per violation be imposed on the Muriel Bowser for Mayor Committee.

June 6, 2017
Date

William O. Sanford
William O. Sanford
Hearing Officer

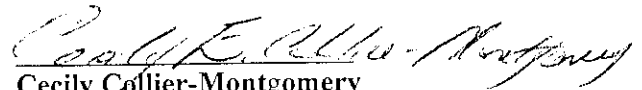
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V. Order

Based upon the foregoing findings of fact and conclusions of law, it is this 6th day of June, 2017:

ORDERED, that the Muriel Bowser for Mayor Committee is hereby fined \$13,000.00 for violations of D.C. Official Code §§1-1163.33(a).

It is further ORDERED, that the Muriel Bowser for Mayor Committee file amended reports reflecting the refunds of the excessive contribution and delete the duplicate entries within 30 days of receipt of this Order.

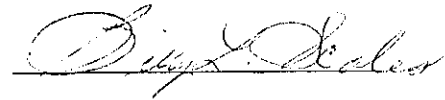

Cecily Collier-Montgomery
Director

This Order may be appealed to the Board of Elections within 15 days from the date of issuance.

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SERVICE OF ORDER

This is to certify that I have served a true copy of the foregoing Order on the Honorable Muriel Bowser by regular mail at 7927 Orchard Street, NW Washington, DC 20012 and by email at murielbowser@gmail.com ; Benjamin M. Soto, Esq., by regular mail at 3407 14th Street, NW Washington, DC 20010 and by email at bsoto@premiumtitlellc.com on June 6, 2017.

A handwritten signature in cursive script, appearing to read "Danyel Soto", written over a horizontal line.

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NOTICE

Any party adversely affected by any Order of the Director may: (1) file a Motion for Reconsideration (Motion) with OCF within five (5) days after receipt of an Order, provided that, relevant evidence was omitted from consideration at hearing (3DCMR §3709.13)(May 2015); or obtain review of the Order by filing a request for a **hearing de novo** with the Board of Elections within fifteen (15) days from the date of issuance of an Order. Any fine imposed by the Director, pursuant to 3DCMR §3711.2, shall become effective on the 16th day following the issuance of a decision and order (3DCMR§3711.6); provided that, the Respondent does not request a **hearing de novo**, pursuant to 3DCMR §3709.11. Fines imposed shall be paid within ten (10) days of the effective date of the issued Order of the Director. Make a payment by check or money order payable to the District of Columbia Treasurer. Send payment to the Office of Campaign Finance, Frank D. Reeves Municipal Building, 2000 – 14th Street, NW, Suite 433, Washington, D.C. 20009.