

**DISTRICT OF COLUMBIA  
BOARD OF ELECTIONS**

**The D.C. Office of  
Campaign Finance**

**Petitioner,**

**v.**

**Dawn Cromer,  
Treasurer,  
Kwame For Chair**

**Respondent.**

**Administrative Hearing  
Docket No. 14-010 A**

**MEMORANDUM OPINION AND ORDER**

This matter came before the Board on Wednesday, July 2, 2014 pursuant to the submission of a Petition by the Office of Campaign Finance (hereinafter "OCF") for Enforcement of its October 3, 2013 Order ("Order") imposing a fine of \$45,000 against the *Kwame for Chair* Committee ("the Committee"). The fine was imposed as a result of: 1) the receipt of excessive contributions; 2) failure to report expenditures; 3) failure to negotiate expenditures through respondent committee's bank account; 4) improper use of cash disbursements; 5) failure to provide reports and/or statements; 6) allowing a non-committee official to make expenditures ; and 7) failure to maintain records in violation of the D.C. Official Code §§ 1-1163.07(1), 1-1163.07(4), 1-1163.08(a), 1-1163.08(b), 1-1163.09(c)(8), 1-1163.09(c)(9), 1-1163.33(a)(3), and 3 DCMR §3400.2.

Pursuant to D.C. Official Code § 1-1163.07(4), "No expenditure shall be made for or on behalf of a committee without the authorization of its chairman or treasurer, or their designated agents."

Pursuant to D.C. Official Code § 1-1163.08(a), "No expenditures may be made by a committee or candidate except by check drawn payable to the person to whom the expenditure is being made on that account or accounts, other than petty cash expenditures as provided in subsection (b) of this section."

Pursuant to D.C. Official Code § 1-1163.08(b), "A committee or candidate may maintain a petty cash fund out of which may be made expenditures not in excess of \$ 50 to any person in connection with a single purchase or transaction."

Pursuant to D.C. Official Code § 1-1163.09(c)(8), each report of receipts and expenditures shall include:

The full name and mailing address (including the occupation and the principal place of business, if any) of each person to whom expenditures have been made by a committee or on behalf of a committee or candidate within the calendar year in an aggregate amount or value of \$10 or more, the amount, date, and purpose of each expenditure, and the name and address of, and office sought by, each candidate on whose behalf the expenditure was made

Pursuant to D.C. Official Code § 1-1163.09(c)(9), the treasurer shall include "[t]he total sum of expenditures made by a committee or candidate during the calendar year."

Pursuant to D.C. Official Code § 1-1163.33(a)(2):

No 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: In the case of a contribution in support of a candidate for Chairman of the Council or for the recall of the Chairman of the Council, \$ 1,500. . .

3 DCMR § 3400.2 requires that "[each committee] shall obtain and preserve, from the date of registration, detailed records of all contributions and expenditures disclosed in reports and statements filed with the Director."

The Committee violated each of the foregoing provisions of the District of Columbia Campaign Finance Act. The OCF Reports Analysis and Audit Division conducted a full field audit of the Respondent committee that covered the period April 6, 2010 through March 18, 2011. The audit found that the Respondent committee accepted 10 excessive contributions totaling \$4,200, and failed to refund the \$2,700 that represented the excessive amount. The Committee reported 11 expenditures totaling \$3,965.10 that were not negotiated through the Committee's bank account. Further, the Committee made three cash disbursements totaling \$9,560 that were not accompanied by proper documentation in violation of D.C. Official Code §§ 1-1163.08(a) and (b). The Committee also made 53 expenditures totaling

\$92,260 and 15 expenditures totaling \$23,005 for “consulting services” which were not accompanied by contracts in violation of 3 DCMR 3400.2. Additionally, the Committee issued 28 checks totaling \$92,260 that were signed by an individual who was not a Committee official, and thus not authorized to disburse Committee funds, in violation of D.C. Official Code §§ 1-1163.07(1) and (4). In total, the Committee failed to provide proper documentation for 260 contributions totaling \$134,282 in violation of 3 DCMR § 3400.2.

Pursuant to 3 DCMR §§ 3709.3 and 3709.4, OCF issued to the Committee’s treasurer, Dawn Cromer, a Notice of Hearing, Statement of Violations, and Order of Appearance (“Notice of Hearing”) dated July 19, 2013, ordering her to appear at an informal hearing on July 26, 2013 and show cause why the Committee should not be found in violation of the D.C. Campaign Finance Act of 2011, and fined accordingly. The Committee treasurer’s counsel requested a continuance that was granted, and the treasurer and her counsel appeared for the scheduled hearing on August 15, 2013.

The penalty established by D.C. Official Code § 1-1163.35(a)(3) and 3 DCMR § 3711.2(l) for violations of D.C. Official Code § 1-1163.33(a)(2), accepting contributions in excess of the contribution limitations, is \$2,000 for each violation. The Committee committed 7 violations and was fined \$14,000.

The penalty established by D.C. Official Code § 1-1163.35(a)(3) and 3 DCMR § 3711.2(v) for violations of D.C. Official Code § 1-1163.08(a), making cash disbursements that exceed the expenditure limitations, is \$1,000 for each violation. The Committee committed 3 violations and was fined \$3,000.

The penalty established by D.C. Official Code § 1-1163.35(a)(3) and 3 DCMR § 3711.2(r) for violations of D.C. Official Code § 1-1163.09(c)(9), making expenditures that were not negotiated through Respondent Committee’s bank account, is \$2,000 for each violation. Respondent committee committed 11 violations and was fined \$22,000.

The penalty established by D.C. Official Code § 1-1163.35(a)(3) and 3 DCMR § 3711.2(z) for violations of 3 DCMR § 3400.2, failing to maintain records, is \$2,000 for each violation. The Committee committed 3 violations and was fined \$6,000.

As stated in 3 DCMR § 3711.7, the Director of OCF may, upon a showing of good cause, modify, rescind, dismiss or suspend any fine. The Committee decided not to appeal the fine assessed. On the basis of the record and the recommendation of the Hearing Officer, the Director issued the Order on October 3, 2013, imposing a fine of \$45,000 for the aforementioned violations. Because the Committee did not seek review of the penalty with the Board of Elections, it became effective on October 25, 2013 pursuant to 3 DCMR § 3711.6. The fine became due on November 8, 2013 in accordance with 3 DCMR § 3711.8. To date, the Committee has failed to pay the fine imposed by the Order.


On February 28, 2014, OCF transmitted a Petition for Enforcement of the Order to the Office of the General Counsel for the Board. The General Counsel held a pre-hearing conference in the matter on May 19, 2014. Despite being served by regular and electronic mail on May 13, 2014, the Committee failed to appear. The Board held a hearing in the matter on July 2, 2014. The Committee treasurer's counsel, Ms. Sheryl Wood, Esq., made an appearance on behalf of the committee. Ms. Wood represented that her client has been cooperative with the entire investigation into the campaign, and had nothing to do with the wrongdoing that transpired. Moreover, Ms. Wood explained that the Committee has no funds to pay any outstanding fines.

D.C. Official Code § 1-1163.35(a)(4) provides that “[i]f the person against whom a civil penalty is assessed fails to pay the penalty, the Elections Board shall file a petition for enforcement of its order assessing the penalty in the Superior Court of the District of Columbia.” OCF has shown that the fine of \$45,000 imposed against the Respondent was wholly justified. While the Committee treasurer has been cooperative with the investigation, the Board remains obligated to proceed with a petition for enforcement against the Committee.

Accordingly, it is this 10<sup>th</sup> day of September, 2014,

**ORDERED** that the Order of the Director of OCF be enforced and that a Petition for the Enforcement of Order be filed with the Superior Court.

September 10, 2014  
Date

  
Deborah K. Nichols, Esq.  
Chairman  
Board of Elections