

# Genova, Burns & Vernoia

NEWS ALERT  
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## New York Appellate Decision Issued Resulting in Strict Violations and Penalty Exposures for Campaign Treasurers and Candidates

Last week the Appellate Division upheld the broad ambit of civil penalty liability the Campaign Finance Board (CFB) had sought against candidates and campaign treasurers. In *Espada 2001 v. New York City Campaign Finance Board*, the Court found that the CFB's interpretation of statute was entitled to deference, holding that its interpretation was "not manifestly wrong."

This decision is in sharp contrast to previous Appellate Division decisions in *New York City Campaign Finance Board v. Ortiz*, *Eisland v. New York City Campaign Finance Board*, and *Mossa v. New York City Campaign Finance Board*, all of which rejected similar CFB efforts to broadly impose liability for public funds payments in cases in which candidates and treasurers were represented by Genova, Burns & Vernoia. As a result, candidates and treasurers under the New York City Campaign Finance Act will find themselves broadly liable for civil penalties issued by the CFB, but only narrowly liable for public funds repayments as set forth in the Act.

As a firm that represents many New York City candidates, campaign committees, and their treasurers, we are disappointed in the Appellate Division's decision. In particular, as we enter a City election year, this holding will send shivers down the spines of campaign treasurers, since their potential penalty exposure will not just be joint and several, but also strict and vicarious for any violations the CFB may allege.

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