



THE COMMONWEALTH OF MASSACHUSETTS
OFFICE OF CAMPAIGN & POLITICAL FINANCE

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December 18, 2015

Mayor Daniel L. Bianchi
9 LeRoi Drive
Pittsfield, MA 01201

Re: CPF 15-76

Dear Mayor Bianchi:

This office has completed its review of a complaint we received which alleged that the Bianchi Committee ("the Committee") did not comply with the campaign finance law. The complaint stated that the Committee, when reporting an in-kind contribution in the form of office space for a campaign office, significantly underreported the value of the space. Based on our review, we have concluded that the Committee did not comply with Sections 8 and 18 of the campaign finance law, M.G.L. c. 55.

Section 8 states that business entities including limited liability companies (LLCs) may not "directly or indirectly give, pay, expend or contribute, or promise to give, pay, expend or contribute, any money or other valuable thing for the purpose of . . . promoting or preventing the nomination or election of any person to public office," and that political committees organized on behalf of a candidate may not "solicit or receive from such corporation . . . any gift, payment expenditure, contribution or promise to give, pay, expend or contribute for any such purpose." *Id.* Violations of section 8 are subject to substantial penalties and the office closely reviews any situation involving the potential use of corporate resources to support or oppose candidates. Finally, Section 18 requires timely and accurate disclosure of all contributions received.

It is our understanding that the Committee contacted Elm Street Shops, LLC to inquire about using space for a campaign office in a strip mall owned by Elm Street Shops, LLC located at 180 Elm Street in Pittsfield ("the property"). Elm Street LLC offered the vacant unit to the Committee on an at-will basis and the Committee occupied the unit from September 1, 2015 until November 14, 2015. Jay Newhouse, owner of Elm Street LLC, provided the space to the Committee as an in-kind contribution, which was valued for purposes of the Committee's campaign finance report as worth \$150 per month. Mr. Newhouse advised OCPF that the property was valued at less than the amount that would have been paid by a tenant under a long term lease because the property had been vacant for an extended period and he believed it would be more marketable for prospective lessees if it was occupied.



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Based on our review and the Committee's new assessment of the fair market value, which OCPF requested after receipt of the complaint, the amount of the in-kind contribution as initially disclosed (\$150 per month) was substantially below market value, even for use of a vacant space by an at-will tenant. A more accurate estimate for the value of the space was approximately \$400 per month. Because the Committee occupied the space in September, October and the first two weeks of November, the approximate amount of the contribution was \$1,000.00.

The receipt of an in-kind contribution from an LLC did not comply with Section 8. In addition, the value of the in-kind contribution was not accurately disclosed, in violation of Section 18.

To resolve this matter, the Committee has paid the Commonwealth \$1,000, the approximate amount of the in-kind contribution received. The purpose of the expenditure should be disclosed on the Committee's year-end campaign finance report as "payment per OCPF resolution."

In accordance with the opinion of the Supervisor of Public Records this letter is a public record and a copy has been provided to the person(s) who filed the complaint. If you have any questions regarding this letter or any other campaign finance matter, please do not hesitate to contact this office.

Sincerely,



Michael J. Sullivan
Director

MJS/gb

cc: Theresa H. Bianchi, Treasurer, Bianchi Committee