

## DISPOSITION AGREEMENT

This disposition agreement (“Agreement”) is entered into as of November 4<sup>th</sup> 2020, by and between the Office of Campaign and Political Finance (“OCPF”), Boston Property Ventures, LLC (“BPV”), and Boston Property Ventures’ President, Richard McDonald (“McDonald”). The parties mutually agree, for the purposes of this Agreement only, as follows:

### **I. Introduction**

1. BPV is a limited liability company registered in Massachusetts. BPV, and its related companies and subsidiaries, Northeast Addictions Treatment Center, LLC (“Northeast Addictions”),<sup>1</sup> are located in Quincy, Massachusetts. McDonald is the owner and president of BPV.

2. The fundraising activities of BPV and McDonald on behalf of candidates and political committees, as described in this Agreement, are subject to the provisions of M.G.L. c. 55, the Massachusetts campaign finance law.

3. The following Committees, at all times relevant to this Agreement, were duly organized political committees subject to the provisions of M.G.L. c. 55:

Charles Baker Committee (“Baker Committee”)  
Brad Croall Committee (“Croall Committee”)  
Noel DiBona Committee (“DiBona Committee”)  
Michael Flaherty Committee (“Flaherty Committee”)  
Edward Flynn Committee (“Flynn Committee”)  
Kirsten Hughes Committee (“Hughes Committee”)  
Thomas Koch Committee (“Koch Committee”)  
Margaret Laforest Committee (“Laforest Committee”)  
Jerry McDermott Committee (“McDermott Committee”)  
Brian Palmucci (“Palmucci Committee”)  
Karyn Polito Committee (“Polito Committee”)

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<sup>1</sup> The additional subsidiaries include the following: Boston Property Contractors, Inc., Boston Property Management LLC, BP Capital Fund II LLC, TGB Commercial Way LLC, and Patriot Real Estate.

4. OCPF has the power and authority to review and investigate the legality, validity, completeness and accuracy of all reports and actions required to be filed or taken by candidates, treasurers, political committees, and any other person or entity pursuant to M.G.L. c. 55 or any other laws of the Commonwealth, relative to campaign contributions and expenditures.

5. The political contributions, expenditures and other activities noted herein are subject to the provisions of M.G.L. c. 55 and the regulations promulgated thereunder.

6. Throughout the course of its review, BPV, McDonald, and their representatives have cooperated with and provided substantial assistance to OCPF's review.

## **II. Facts**

1. BPV is located in Quincy. BPV and its related companies and subsidiaries employ approximately 400 individuals.

2. Since at least 2017, McDonald made contributions and raised funds for various candidates and committees. In addition, during the period 2017 to 2020, he requested that certain employees of BPV and Northeast Addictions support certain candidates and committees with campaign contributions.

3. Based upon a review of campaign finance reports, OCPF noticed a pattern of contributions made by BPV employees. The pattern suggested that the contributions may have been made to avoid disclosure of the true source of the contributions. OCPF accordingly initiated an examination of such contributions. During the course of its review, OCPF learned that BPV utilized two different bank accounts in the names of BPMS, Inc. and Northeast Addictions. Those accounts were used to provide BPV funds to reimburse employees for their campaign contributions.

4. The BPMS and Northeast Addictions accounts were administered by Blake Cunningham ("Cunningham"), BPV's Chief Financial Officer. Cunningham signed the reimbursement checks at the direction of McDonald. McDonald and Cunningham have admitted that they provided corporate funds to BPV employees to make contributions to designated candidates and

committees.

5. OCPF learned that BPV reimbursed sixteen individuals, including McDonald and Cunningham, for contributions made to candidates and committees, using funds provided for that purpose by BPV. The persons who received BPV funds deposited funds received from BPV into their personal checking accounts either shortly before or shortly after the contributions were made.

6. OCPF has determined that the following contributions were made using funds provided by BPV:

A. 2017 Transactions - \$13,000

(i) On or about March 30, 2017, the following named contributors made contributions to the Polito Committee in the amount of \$500 each on their personal checking accounts, using BPV funds provided to them for that purpose, for a total of \$1,500 in reimbursed contributions:

Alex Blake  
Maggie Follen  
Jonathan Hanson

(ii) On or about May 8, 2017, Blake Cunningham made a contribution to the Croall Committee in the amount of \$1,000 on his personal checking account, using BPV funds provided to him for that purpose, for a total of \$1,000 in reimbursed contributions.

(iii) On or about June 16, 2017, the following named contributors made contributions to the Laforest Committee in the amount of \$500 each on their personal checking accounts, using BPV funds provided to them for that purpose, for a total of \$1,000 in reimbursed contributions:

Blake Cunningham  
Maggie Follen

(iv) On or about August 28, 2017, the following named contributors made contributions to the DiBona Committee in the amount of \$500 each on their personal checking accounts, using

BPV funds provided to them for that purpose, for a total of \$1,000 in reimbursed contributions:

Blake Cunningham

Maggie Follen

- (v) On or about August 31, 2017, the following named contributors made contributions to the Baker Committee in the amount of \$500 each on their personal checking accounts, using BPV funds provided to them for that purpose, for a total of \$3,000 in reimbursed contributions:

Blake Cunningham

Maggie Follen

Alex Blake

Jonathan Hanson

Daniel Tufo

Joseph Vericker

- (vi) On or about October 5, 2017, the following named contributors made contributions to the Koch Committee in the amount of \$1,000 each on their personal checking accounts, using BPV funds provided to them for that purpose, for a total of \$4,000 in reimbursed contributions:

Blake Cunningham

Maggie Follen

Alex Blake

Daniel Tufo

- (vii) On or about October 23, 2017, Blake Cunningham made a contribution to the Hughes Committee in the amount of \$1,000 and Maggie Follen made a contribution in the amount of \$500, each on their personal checking accounts, using BPV funds provided to them for that purpose, for a total of \$1,500 in reimbursed contributions.

B. 2018 Transactions- \$20,000

- (i) On or about March 14, 2018, the following named contributors made contributions to the

Croall Committee in the amount of \$1,000 each on their personal checking accounts, using BPV funds provided to them for that purpose, for a total of \$5,000 in reimbursed contributions:

Blake Cunningham  
Maggie Follen  
Jonathan Hanson  
Richard McDonald  
Peter McLoughlin

- (ii) On or about March 19, 2018, the following named contributors made contributions to the Palmucci Committee in the amount of \$1,000 each on their personal checking accounts, using BPV funds provided to them for that purpose, for a total of \$4,000 in reimbursed contributions:

Blake Cunningham  
Maggie Follen  
Richard McDonald  
Peter McLoughlin

- (iii) On or about March 19, 2018, the following named contributors made contributions to the Palmucci Committee in the amount of \$500 each on their personal checking accounts, using BPV funds provided to them for that purpose, for a total of \$1,000 in reimbursed contributions:

Jonathan Hanson  
Aidan Johnston

- (iv) On or about March 20, 2018, the following named contributors made contributions to the Baker Committee in the amount of \$1,000 each on their personal checking accounts, using BPV funds provided to them for that purpose, for a total of \$5,000 in reimbursed contributions:

Maggie Follen  
Jonathan Hanson  
Richard McDonald

Peter McLoughlin

Daniel Tufo

- (v) On or about March 30, 2018, Maggie Follen made a contribution to the Polito Committee in the amount of \$1,000 on her personal checking account, using BPV funds provided to her for that purpose, for a total of \$1,000 in reimbursed contributions.
- (vi) On or about August 28, 2018, the following named contributors made contributions to the Baker Committee in the amount of \$1,000 each on their personal checking accounts, using BPV funds provided to them for that purpose, for a total of \$2,000 in reimbursed contributions:

Alex Blake

Aidan Johnston

- (vii) On or about October 23, 2018, Blake Cunningham made a contribution to the Flaherty Committee in the amount of \$1,000 on his personal checking account, using BPV funds provided to him for that purpose, for a total of \$1,000 in reimbursed contributions.
- (viii) On or about December 21, 2018, Blake Cunningham made a contribution to the Flynn Committee in the amount of \$1,000 on his personal checking account, using BPV funds provided to him for that purpose, for a total of \$1,000 in reimbursed contributions.

C. 2019 Transactions - \$17,500

- (i) On or about March 18, 2019, the following named contributors made contributions to the Polito Committee in the amount of \$1,000 each on their personal checking accounts, using BPV funds provided to them for that purpose, for a total of \$3,000 in reimbursed contributions:

Alex Blake

Aidan Johnston

Daniel Tufo

- (ii) On or about May 30, 2019, the following named contributors made contributions to the

McDermott Committee in the amount of \$1,000 each on their personal checking accounts, using BPV funds provided to them for that purpose, for a total of \$3,000 in reimbursed contributions:

Blake Cunningham  
Aidan Johnston  
Maggie Follen

- (iii) On or about September 18, 2019, the following named contributors made contributions to the Koch Committee in the amount of \$1,000 each on their personal checking accounts, using BPV funds provided to them for that purpose, for a total of \$11,000 in reimbursed contributions:

Alex Blake  
Patrick Cady  
Bradford Chambers  
Blake Cunningham  
Maggie Follen  
Jonathan Hanson  
Aidan Johnston  
Richard McDonald  
Robert McLachlan  
Daniel Tufo  
Joseph Vericker

- (iv) On or about September 18, 2019, Taylor Harrington made a contribution to the Koch Committee in the amount of \$500 on his personal checking account, using BPV funds provided to him for that purpose, for a total of \$500 in reimbursed contributions.

D. 2020 Transactions - \$7,000

On or about May 29, 2020, the following named contributors made contributions to the Croall Committee in the amount of \$1,000 each on their personal checking accounts, using BPV funds provided to them for that purpose, for a total of \$7,000 in reimbursed contributions:

Patrick Cady  
Kayla Brady  
Bradford Chambers  
Blake Cunningham  
Jonathan Cohen  
Taylor Harrington  
Kevin Pitts

7. As described above, individuals employed by BPV properties or its subsidiaries used corporate funds to make at least \$57,500 in contributions to the above-named Massachusetts candidates. OCPF's review concluded that the named contributors made no other contributions to any Massachusetts candidates or political committees through third persons using personal funds or any other funds.

8. Neither the candidates nor their respective Committees had any knowledge that the contributions were made with corporate funds provided by someone other than the named contributor until they were so notified during OCPF's review. The contributions were made using checks drawn on the individual checking accounts of the named contributors. It would have appeared to the recipients of the checks, absent other information, that the contributions were, in fact, from those individuals. OCPF has no reason to believe that the relevant candidates or Committees had knowledge that the named contributors did not in fact make the contributions, until they were so notified by OCPF.

9. The candidate committees that received the contributions have voluntarily disgorged or will voluntarily disgorge in a payment to the Commonwealth by December 31, 2020, the contributions received in the following aggregate amounts: \$15,500 (by Koch), \$13,000 (by Croall), \$10,000 (by Baker), \$5,500 (by Polito), \$5,000 (by Palmucci), \$3,000 (by McDermott), \$1,500 (by Hughes),<sup>2</sup> \$1,000 (by DiBona), \$1,000 (by Flaherty), \$1,000 (by Flynn), \$1,000 (by Laforest).

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<sup>2</sup> Hughes, since her account is closed with OCPF, will make her payment to the Commonwealth out of her personal funds.



### **III. Conclusions**

Based upon OCPF's review, OCPF has concluded that BPV and McDonald violated Sections 8 and 10 of Chapter 55.

1. Corporate Contributions – M.G.L. c. 55, § 8

Section 8 states that business corporations may not “directly or indirectly” contribute to a candidate. The statute also provides that officers or agents acting on behalf of a corporation may not make such contributions using corporate money. BPV, in violation of Section 8, provided funds totaling at least \$57,500 to persons who each used the funds to make contributions to a candidate or party committee.

2. Contributions Made in a Manner Intended to Disguise the True Source of the Contributions – M.G.L. c. 55, § 10

Section 10 states that no person may “make a campaign contribution in any name except his own, or in any manner for the purpose of disguising the true origin of the contribution...”. McDonald violated this provision by arranging for persons associated with BPV to make multiple contributions using BPV funds in a manner that disguised the true origin of the funds.

### **IV. Respondents' Position**

The respondents, who have been operating Boston Property Ventures for nearly two decades, have deep roots on the south shore. They have sought to be good neighbors while providing quality jobs and opportunities, serving as an engine of economic growth in the greater Boston area. Although it was never the intention of the respondents to violate the law in any way, they now understand how their actions may be viewed as a violation of the campaign finance laws. When OCPF contacted the respondents and informed them of their concerns, the respondents engaged a team to assist OCPF's investigation. The respondents wish to thank OCPF for their professionalism and dedication. Lastly, the respondents stress that in supporting particular candidates, they never asked for, nor did they receive, anything in return.

## V. Resolution

In order to resolve the matters now before OCPF the parties agree, pursuant to 970 CMR 3.07(1) and M.G.L. c. 55, § 3, for the purposes of this Agreement only, as follows:

1. Upon execution of this Agreement, unless otherwise noted:
  - (a) BPV will make a payment to the Commonwealth of Massachusetts in the amount of \$250,000 in the nature of a civil forfeiture.
  - (b) BPV and McDonald further agree not to provide or arrange to provide funds to any third person to enable that person to make a political contribution in the future.
  - (c) BPV and McDonald shall, on an annual basis, provide an Affidavit to OCPF attesting to the fact that neither party has provided funds to any person for purposes of making campaign contributions. Said affidavits must encompass all activity for the prior calendar year and are due by January 31 of each year through January 31, 2024.
2. OCPF agrees not to refer BPV or McDonald to any other governmental agency, including without limitation, the Office of the Attorney General, for any failure to comply with the provisions of M.G.L. c. 55, cited herein, during the relevant period that is specifically referenced in this Agreement.
3. OCPF may, at any time, review compliance with this Agreement. If it believes that the provisions of this Agreement have been violated, after notice to BPV and McDonald, OCPF may, notwithstanding the provisions of the foregoing paragraph, proceed with any action consistent with M.G.L. c. 55 or otherwise authorized by law.
4. This Agreement shall be binding upon OCPF, BPV and McDonald, and to the extent

specified above, BPV's officers and their successors. As attorney for BPV and McDonald, Vincent DeMore signed this Agreement, and the parties agree that DeMore's signature binds BPV and McDonald to all aspects of this Agreement.

5. This Agreement constitutes a complete disposition of all matters specifically referenced herein for the referenced period.

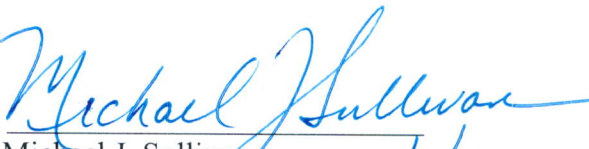
6. The parties have entered into this Agreement, knowingly and voluntarily, in an effort to resolve all matters set forth in the Agreement. BPV and McDonald have made no admissions with respect to the facts and conclusions set forth herein and this Agreement shall not be admissible in any other proceeding except one to enforce its terms.


7. This Agreement is a public record under Section 7 of M.G.L. c. 4 and shall be subject to public inspection as required by Section 10 of M.G.L. c. 66.

BOSTON PROPERTY VENTURES, LLC

OFFICE OF CAMPAIGN AND  
POLITICAL FINANCE

By:   
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Vincent DeMore, As Legal Representative  
Boston Property Ventures

By:   
\_\_\_\_\_  
Michael J. Sullivan  
Director Pro Tem 11/4/20

By:   
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Vincent DeMore, As Legal Representative  
Richard McDonald, Individually