

DISPOSITION AGREEMENT

This Disposition Agreement (“Agreement”) is entered into on July 9, 2019 by and between the Office of Campaign and Political Finance (“OCPF”), the Committee to Elect Richard T. Moore (the “Committee”), Richard T. Moore (the “Candidate”), and Joanne Moore (the “Treasurer”), in which the parties mutually agree, for the purposes of this Agreement only, as follows:

I. INTRODUCTION

1. The Committee, at all relevant times to this Agreement, was a duly organized political committee subject to the provisions of M.G.L. c. 55, the Massachusetts campaign finance law.
2. The Committee was organized to promote the nomination and election of the Candidate to public office.
3. OCPF has the authority to review and investigate the legality, validity, completeness, and accuracy of all reports required to be filed and all actions required to be taken by political committees, candidates, campaign treasurers, and any other person pursuant to M.G.L. c. 55 or any other laws of the Commonwealth relative to campaign contributions and expenditures.
4. The political contributions, expenditures, and other activities noted in this Agreement are subject to the provisions of M.G.L. c. 55 and the regulations issued by this office in accordance with M.G. L. c. 55.
5. Throughout the entirety of the review, the Candidate and the Treasurer have cooperated fully with OCPF’s review. All requests for production of documents were responded to promptly and as completely as possible.

II. FACTS

1. The Committee originally organized with OCPF in June of 1974 to support the Candidate’s election to the State House of Representatives. The Candidate served as a State Representative from 1977 to 1994. In 1996, the Committee changed its purpose to reflect the Candidate’s intent to seek election to the State Senate. The Candidate held the office of State Senator from the Worcester and Norfolk district from 1996 to January 2015.

2. After the Candidate left the State Senate in 2015, the Committee kept its bank account open and the Committee remained active with OCPF.

3. The Treasurer, who is also married to the Candidate, was initially named the “Assistant Treasurer” in 1996. She formally accepted the role of Treasurer in January 2008 and has served as Treasurer since that time.

4. As a result of inconsistencies OCPF identified while auditing the Committee’s campaign finance reports, OCPF initiated a comprehensive review of the Committee’s reported cash balances and credit card activity from December 2008 through December 2018.

5. Bank records revealed the following discrepancies between the ending balances reported on the Committee’s Year-End reports and the actual bank balances as reflected in the Committee’s bank statements:

YEAR	DEC. 31ST BANK BALANCE	BALANCE REPORTED ON THE COMMITTEE’S YEAR- END REPORT	VARIANCE
2018	\$537.09	\$165,495.63	\$164,958.54
2017	\$656.78	\$165,615.26	\$164,958.48
2016	\$1,276.40	\$166,234.88	\$164,958.48
2015	\$4,010.56	\$166,289.02	\$162,278.46
2014	\$6,630.49	\$168,152.54	\$161,522.05
2013	\$5,471.28	\$131,471.62	\$126,000.34
2012	\$2,777.66	\$112,683.86	\$109,906.20
2011	\$19,068.51	\$98,902.44	\$79,833.93
2010	\$9,624.62	\$59,567.38	\$49,942.76
2009	\$10,827.81	\$21,406.47	\$10,578.66
2008	\$9,503.61	\$4,807.88	(\$4,695.73)

6. Bank records further revealed that Committee funds were used to make payments to five different credit cards between December 2008 and January 2015. One card, the Advanta

card, was in the name of the Committee; the remaining cards were personal cards in the names of the Candidate and/or the Treasurer.

a. Advanta

Between December 2008 and October 2010, when the account was closed, the Candidate and the Treasurer charged a total of \$25,454.24, in 262 different transactions. Charges on the card reflected both personal and Committee expenses.

During that same time period, Committee funds were used to make payments on the Advanta card in the total amount of \$18,229.36. Of that total, Committee reports disclosed expenditures to Advanta in the amount of \$7,253.61.

b. Bank of America

Between January 2009 and December 2009, the Candidate and the Treasurer charged a total of \$15,640.78, in 114 different transactions. Charges on the card reflected both personal and Committee expenses.

During that same time period, Committee funds were used to make payments on the Bank of America card in the total amount of \$2,990. None of the payments to Bank of America were disclosed as expenditures on the Committee's campaign finance reports.

c. Chase

Between January 2009 and January 2015, the Candidate and the Treasurer charged a total of \$83,388.47, in 1,374 different transactions. Charges on the card reflected both personal and Committee expenses.

During that same time period, Committee funds were used to make payments on the Chase card in the total amount of \$75,953.11. None of the payments to Chase were disclosed as expenditures on the Committee's campaign finance reports.

d. Diner's Club

Between July 2009 and December 2012, the Candidate and the Treasurer charged at least \$37,627.10, in more than 300 different transactions. Charges on the card reflected both personal and Committee expenses.

During that same time, Committee funds were used to make payments on the Diner's Club card in the total amount of \$49,289.02. None of the payments to Diner's Club were disclosed as expenditures on the Committee's campaign finance reports.

e. American Express

Between January 2012 and January 2015, the Candidate and the Treasurer charged a total of \$47,115.02, in 436 different transactions. Charges on the card reflected both personal and Committee expenses.

During that same time period, Committee funds were used to make payments on the American Express card in the total amount of \$35,480.79. None of the payments to American Express were disclosed on the Committee's campaign finance reports.

In total, during the period between December 2008 and January 2015, Committee funds were used to make payments to credit cards totaling \$181,942.28. Of that total, only \$7,253.61, or less than 4% of the total Committee payments to credit cards, was disclosed on the Committee's campaign finance reports.

OCPF notes that the Candidate and the Treasurer used their personal funds to make payments of approximately \$32,500 on the above-referenced credit cards during the relevant period.¹

7. On July 9, 2019, with OCPF's assistance, the Committee filed a dissolution report, which included, in the aggregate, all previously-undisclosed payments to credit cards.

8. Although the amended reports now appear, as accurately as possible, to reflect the status of the Committee's campaign account, the reports as initially filed did not disclose a total of \$174,688.67 in credit card payments. Additionally, the reports did not disclose any of the

¹ The total payments made on the credit cards exceeds the total charges on those cards because at least one card was carrying a balance at the commencement of the time period reviewed pursuant to this Agreement.

underlying activity represented by the credit card payments, which included both Committee and personal expenditures in the total amount of at least \$209,225.61.

III. OCPF CONCLUSIONS

1. FAILURE TO ACCURATELY DISCLOSE CAMPAIGN FINANCE ACTIVITY – M.G.L. c. 55, § 18

Section 18 requires the Committee to file campaign finance reports with OCPF that accurately disclose the Committee's financial activity. The Committee's campaign finance reports filed for the period between January 1, 2009 and December 31, 2018 failed to accurately reflect Committee activity as described in this Agreement.

2. FAILURE TO KEEP DETAILED RECORDS – M.G.L. c. 55, §§ 2 AND 5

Sections 2 and 5 of the campaign finance law state that candidates and treasurers of political committees must keep and preserve detailed accounts, vouchers, and receipts. Part of this requirement includes keeping all bank accounts, bank statements, credit card statements and all records relating to committee credit card transactions. 970 C.M.R. 1.10(2); 970 C.M.R. 2.09(5). OCPF has concluded that M.G.L. c. 55, §§ 2 and 5 were violated by the Committee's failure to maintain the required records between December 2008 and December 2018.

3. PERSONAL USE – M.G.L. c. 55, § 6

Section 6 of the campaign finance law prohibits the use of campaign funds for any expenditure that is "primarily for the candidate's or any other person's personal use." Any committee expenditure that is not supported by bills, receipts, or other documentation reflecting the purpose of the expenditure creates a presumption that the expenditure was made for personal use. 970 C.M.R. 1.10(9).

OCPF has concluded that Committee funds were used to pay personal expenses for both the Candidate and the Treasurer, in violation of M.G.L. c. 55, § 6.

4. COMMINGLING OF FUNDS – M.G.L. c. 55, § 5 AND 970 C.M.R. 2.09(3)

Section 5 of the campaign finance law requires that all campaign funds be kept separate from any personal funds of the candidate or committee officers. In the context of credit card expenditures, 970 C.M.R. 2.09(3) permits committees to use credit cards for committee

expenditures, provided the credit card is either in the name of the committee or in the name of the candidate, and the credit card is used exclusively for committee expenditures.

The Candidate's and Treasurer's use of credit cards for both Committee and personal expenditures, and the ensuing payment of those credit cards with Committee funds, violated M.G.L. c. 55, § 5 and 970 C.M.R. 2.09(3).

5. FILING FALSE REPORTS – M.G.L. c. 55, §32

M.G.L. c. 55, § 32 provides that “[a] candidate shall be deemed to have committed a corrupt practice [by]...[m]aking or permitting any person or non-elected political committee authorized by him to make a false return in any statement filed under sections eighteen, nineteen, and twenty-four by him or on his behalf.” During the course of this review, the Candidate and the Treasurer acknowledged that they knew the Committee's campaign finance reports were not accurate but filed false reports, as they did not know how to rectify the situation.

As a result, OCPF has determined that the Candidate violated Section 32 of the campaign finance law by knowingly filing false campaign finance reports.

IV. THE RESPONDENTS' POSITION

1. Failure to accurately disclose campaign finance activities. The Candidate, Treasurer, and Committee assert that there was never any intention to fail to disclose any campaign finance activity as required by MGL C. 55, sec. 18. However, campaign finance reporting became more complicated when Advanta, a credit card provider for small businesses including political campaigns, abruptly discontinued providing credit to one million credit card accounts in May 2009. The Committee was faced with paying the significant balance over the course of a campaign period to close the account as required by Advanta while maintaining current accounting for the ongoing competitive campaign. This situation created a significant bookkeeping chore for a volunteer treasurer and the increasingly complexity of campaign finance. The Treasurer clearly intended to catch up with the delayed filing by submitting amended reports, as allowed by OCPF regulations, however, it was not addressed in a timely manner and grew over time without getting addressed. In hindsight, it may have been prudent to hire professional accounting services to resolve this complicated bookkeeping and reporting. In view of this stressful development, the Candidate, Treasurer, and Committee believe that campaign reporting for future legislative races could be more manageable if Senate Bill No. 399 requiring depository accounts for legislative candidates became the law. Had such a process been in place in 2008, the problem now facing us would not have occurred since we wanted to comply with campaign finance law and regulations. This is not meant to excuse the failure to

provide full and accurate disclosure of expenditures, but such a system would likely have caught the oversight in reporting much earlier in the process and resulted in a prompt resolution.

2. Failure to keep detailed records. The Treasurer contends that she has maintained detailed accounts, vouchers and receipts for the Committee expenditures between 2008 and 2018 and fully intended to provide copies with any reports of expenditures or requests for personal reimbursement including credit card statements and receipts for transactions. Even though the law does not require maintenance of such records for more than six years after the relevant election, the Committee has retained the records in keeping with the spirit of MGL C. 55, sec. 2 and 5 and relevant regulations in order to make good on those intentions, especially in the process of closing the campaign account.

3. Personal Use. The Candidate, Treasurer, and Committee believe that no campaign funds were expended “primarily for the candidate’s or any other person’s personal use.” The Treasurer accepts that some campaign expenses were charged to several credit cards that also were used for personal expenses, especially after the loss of credit through the Advanta account, auditing such expense reports were problematic. It was her plan to review each expenditure listed to identify those expenditures that were for campaign purposes and those for personal purchases and to report legitimate campaign expenses along with submission of receipts.

4. Commingling of Funds. The Candidate, Treasurer, and Committee agree that both campaign and personal expenditures were charged to several credit cards. Since these credit cards were in the name of the candidate as required by 970 CMR 2.09 (3), it was assumed, incorrectly, that this was allowed as long as this could be clarified and properly disclosed by identifying those campaign expenditures and relevant receipts when reported. However, since those reports did not get filed as intended, the apparent violation was not corrected in a timely manner. As we’ve now learned, a credit card needed to be dedicated to campaign expenditures only.

5. Filing false reports. The Candidate accepts responsibility for the filing of false reports. At the time, the candidate placed greater concern on filing reports on time and providing accurate information regarding the source of receipts from donors. While reviewing whether there was missing information on the expenditure portion was also important, emphasis was placed on timely filing and assured that the credit card expenses would be addressed in an amended report when there was not the time pressure to file the main report. It was the Candidate’s understanding that the law was primarily intended to provide the public with the source of financial support for the campaign. As noted earlier, the Candidate, Treasurer, and Committee concur that a more accurate reporting system including an outside publicly regulated

third party (the bank where campaign funds are deposited and expended) such as proposed in pending legislation, would have made it very unlikely that any of the violations listed above would have occurred. No doubt I've made mistakes in votes cast or positions taken over a long career, however, I can only hope that the errors of omission identified in this Agreement will be viewed in context of an otherwise positive record of stewardship and service guided by what I understood to be in the best interests of those who I've been honored to serve and the Commonwealth as a whole.

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. To resolve this matter, the Candidate, the Treasurer, and the Committee agree to forfeit \$90,000 in the following manner:
 - a. The Committee shall disgorge all of its remaining funds to the Commonwealth, in the amount of \$477.22;
 - b. The Candidate and the Treasurer shall personally pay \$48,082.78 to the Commonwealth of Massachusetts as a civil forfeiture, payable in full upon execution of this Agreement; and
 - c. The Candidate has forgiven outstanding loans he made to the Committee, reflected as Committee liabilities to him, in the total amount of \$41,440.
2. The Candidate has dissolved the Committee and agrees not to run for elected office in the Commonwealth of Massachusetts again without first consulting with OCPF.
3. OCPF agrees that if the Candidate, the Treasurer, and the Committee comply with this Agreement, it will not refer the Candidate, the Treasurer, or the Committee to any other law enforcement agency, including, without limitation, the Office of the Attorney General, for the violations in this Agreement. The Candidate, the Treasurer, and the Committee reserve all rights with respect thereto.
4. 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 the Candidate, the Treasurer, and Committee, 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.

5. This Agreement shall be binding upon OCPF, the Candidate, the Treasurer, and the Committee.

6. This Agreement constitutes a complete disposition of all matters specifically referenced herein for the referenced period and there are no additional matters under review by OCPF relating to the Candidate, the Treasurer, or Committee.

7. The parties have entered into this Agreement, knowingly and voluntarily, in an effort to resolve all matters set forth in the Agreement.

8. 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.

THE MOORE COMMITTEE

By: Richard T. Moore
Richard T. Moore
Candidate

**OFFICE OF CAMPAIGN AND
POLITICAL FINANCE**

By: Michael J. Sullivan
Michael J. Sullivan
Director 7/9/19

RICHARD T. MOORE

By: Richard T. Moore
Richard T. Moore
Individually and as Candidate

JOANNE MOORE

By: Joanne Moore
Joanne Moore
Individually and as Treasurer