Office of Campaign and Political Finance

State Ballot Questions

Costs to collect signatures must be disclosed

State ballot question committees that have organized with OCPF for the 2012 election year are required to file several campaign finance reports with OCPF, starting with the year-end report due by Jan. 20, 2012.

Year-end reports should disclose expenditures for collecting signatures and advocating for or against ballot questions. Committees will also file disclosure reports twice a month beginning in September to disclose further receipts and expenditures.

The Attorney General’s Office has certified 23 ballot question petitions covering 17 topics. Proponents of each certified initiative petition must gather and file 68,911 signatures of registered voters by Dec. 7, at which point the proposal is sent to the state Legislature to enact. If a proposal is not enacted by the Legislature by May 2012, proponents must gather another 11,485 signatures by July to place the question on the November ballot, according to the Attorney General’s office.

Eight committees have already organized with OCPF as of Nov. 10.

In addition to reports filed by ballot question committees, expenditures made by individuals, corporations and other groups are disclosed on paper forms (CPF 22) filed with OCPF and then posted by OCPF to its website.

PACs break spending and contribution records during the 2009-10 election cycle

Massachusetts Political Action Committees broke several expenditure and contribution records during the 2009-10 state election cycle, which included statewide races and the largest number of legislative candidates since 1992, according to OCPF’s biennial study of PAC activity.

PACs reported a total of $6.8 million in expenditures for the 2009-10 election cycle, breaking the previous record of $5.8 million set during the 2007-08 cycle. PACs make expenditures to donate to candidates, political parties and ballot question committees, and may pay for administrative and other costs.

During the 2009-10 cycle, $2,744,437 was donated by PACs to state and county candidates, a new high for that category. The previous contribution record was $2,684,944, set during the 2007-08 cycle.

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Breakdown of PAC Contributions by Type of Recipient

<table>
<thead>
<tr>
<th>From PACs To</th>
<th>2009</th>
<th>2010</th>
<th>Cycle</th>
</tr>
</thead>
<tbody>
<tr>
<td>State and county candidates</td>
<td>$1,117,471</td>
<td>$1,626,966</td>
<td>$2,744,437</td>
</tr>
<tr>
<td>Local candidates</td>
<td>$141,878</td>
<td>$138,085</td>
<td>$279,963</td>
</tr>
<tr>
<td>PACs, parties and BQs</td>
<td>$130,925</td>
<td>$160,592</td>
<td>$291,517</td>
</tr>
<tr>
<td>TOTAL: Contributions to all candidates and committees</td>
<td>$1,390,274</td>
<td>$1,925,643</td>
<td>$3,315,917</td>
</tr>
</tbody>
</table>

See page 5 for a list of ballot question committees that organized with OCPF this year.
Continued: PAC study results

PACs are political committees organized to receive and expend funds to support or oppose candidates, generally based on a unifying principle or purpose. PACs are limited to $500 contributions to individual candidates annually, and disclose them on campaign finance reports filed with OCPF. The total number of PACs is a fluid number, but is generally around 300 at any one time. A total of 302 PACs were organized at the end of 2010.

The 2009-10 OCPF PAC study outlines how PACs made contributions by office, party and other categories, and also identifies which PACs donated the most money to candidates.

Union and labor PACs were the top contributors in the 2009-10 cycle, accounting for 17 of the top 20 PACs in terms of contributions to state and county candidates. The Retired Public Employees PAC was the top contributor, donating $134,900 to state and county candidates during the two-year cycle.

OCPF welcomes two new employees

The Office of Campaign and Political Finance has hired a website developer and an attorney to fill important needs at the agency, and to replace recent personnel losses.

Shali Avidzba of Newton was hired as our web developer to improve and maintain our public and internal web functions. Avidzba graduated from the New York City College of Technology and is attending Northeastern University. He served in the U.S. Marine Corps.

Avidzba is assisting OCPF’s technology team as the agency moves many of its paper-based functions to the Internet. OCPF plans to launch a new website next year to improve public access to campaign finance disclosure data.

Maura Cronin of Lynn was also hired as legal counsel to assist with case reviews and to answer requests for legal opinions. She graduated from Brandeis University and Boston College Law School.

OCPF is an independent agency that administers the state’s campaign finance law. The agency has 16 employees, including the director.

More than 2,600 candidates and political committees are organized with OCPF for state, county and local office, or as political action committees, ballot question committees and local and state party committees.

Candidates filed pre-preliminary reports, if required, and pre-election reports were due eight days before the Nov. 8 election.

To complete the cycle, all candidates will also file a year-end report due Jan. 20.

OCPF thanks the city clerks and election officials who helped us implement this new reporting requirement.

Year-end Reports

A reminder: all candidates and committees will file year-end reports for 2011, due Jan. 20 next year. We’ll send out notices to remind filers of the year-end report.

Also, municipal committees that don’t file with OCPF will file year end reports locally.

Please call us with questions and have a great holiday season.

Mike Sullivan, director

OCPF is on Twitter. Our messages focus on announcements, decisions and campaign finance tips.

@OCPFReports
Recent Cases and Rulings

OCPF audits all campaign finance reports and reviews all complaints alleging violations of the campaign finance law. These audits and reviews may result in enforcement actions or rulings such as public resolution letters, disposition agreements or referrals to the Office of the Attorney General for further action.

A disposition agreement is a voluntary written agreement entered into between the subject of a review and OCPF, in which the subject agrees to take certain specific actions.

A public resolution letter may be issued in instances where the office found “no reason to believe” a violation occurred; where “no further action” or investigation is warranted; or where a subject “did not comply” with the law but, in OCPF’s view, the case is able to be settled in an informal fashion with an educational letter or a requirement that some corrective action be taken. A public resolution letter does not necessarily imply a wrongdoing on the part of a subject and does not require agreement by a subject.

OCPF does not comment on any matter under review, nor does the office confirm or deny that it has received a specific complaint. The identity of any complainant is kept confidential. Public resolution letters and disposition agreements are matters of public record once cases are concluded.

An advisory opinion is a response from OCPF to a specific question asked by an individual, political committee, group, company or organization concerning the campaign finance law.

Public Resolution Letters

CPF-10-127: Kenneth O’Brien, Holden. Did not comply (corporate contributions); 6/3/2011. An incorporated real estate company provided office space to the O’Brien campaign for less than the fair market value, resulting in the receipt of a prohibited in-kind corporate contribution. To resolve the matter, the O’Brien Committee paid the company $1,000 for the value of the in-kind contribution.

CPF-11-21: Russell Ferreira, N. Falmouth. Did not comply (solicitation by a public employee, government building); 6/13/2011. A firefighter, Russell Ferreira, sent e-mail invitations for a political fundraiser to other public employees at their places of work. The campaign finance law prohibits public employees from soliciting campaign contributions and soliciting in buildings used for governmental purposes.

CPF-11-38: Superintendent Allen Himmelberger, Oxford. Did not comply (public resources); 7/27/2011. A flyer concerning a pending ballot question was created and paid for by several Oxford PTOs and was distributed to students by teachers in two elementary schools at the end of the day, and a school employee photocopied the flyer during the workday. Public resources, namely the paid time of the school staff, were used for a campaign purpose. The campaign finance law prohibits the use of public resources for campaign purposes.

CPF-11-58: E gobudike Ezedi, Dorchester. Did not comply (reporting); 7/27/2011. The Ezedi Committee (Boston City Council) did not file deposit reports for $2,166 in contributions, and did not provide complete occupation and employer information for individual donors in July and September of 2009.

CPF-11-41: Superintendent Mary Ellen Johnson, East Sandwich. Did not comply (public resources); 7/27/2011. The school department’s automated telephone system was used to ask voters to support a ballot question regarding a school-related override. The campaign finance law prohibits the use of public resources for campaign purposes.

CPF-11-18: Joseph Connolly, S. Weymouth. Did not comply (reporting); 7/28/2011. The Connolly Committee (County Treasurer) made expenditures using the candidate’s personal credit card that were not disclosed as required by the campaign finance law. The committee also made more than 25 reimbursements for more than the $50 limit that applies to depository committees.

CPF-11-31: Gerald Kashuk, Paxton. Did not comply (check to self); 8/10/2011. The treasurer for the Committee to Elect Harriette L. Chandler, Gerald Kashuk, signed reimbursement checks to himself from the campaign account for a total of $71,066. The campaign finance law prohibits a person from signing a committee check to himself or herself. To resolve the matter, Kashuk made a $1,000 payment to the state’s general fund, and the committee changed its internal process for making expenditures.

CPF-11-25: James A. Barry and Kenneth E. Elstein, both of Belchertown. Did not comply (public employees); 8/24/2011. James Barry and Kenneth Elstein signed and sent a joint fundraising letter on behalf of their candidacies for selectmen for the May 16, 2011, town election. Both candidates were public employees and prohibited by the campaign finance law from soliciting or receiving campaign contributions. After OCPF notified the candidates of the issues, they returned the contributions to the donors.

CPF-11-63: Sheriff Joseph McDonald, Duxbury. No reason to believe (expenditures); 10/12/2011. Sheriff McDonald’s campaign committee is permitted to purchase an antique car. The expenditure was permitted because the car could not be readily leased, and it was used in a number of limited contexts to promote the sheriff’s political future, such as parades.

Advisory Opinions

AO-11-04: The Essex County District Attorney may use campaign funds to pay for enhanced security. The expenditure would meet the standard for committee expenditures and would not constitute the personal use of campaign funds.

AO-11-05: An elected official subject to a recall election may not sign fundraising letters or sell tickets for a political action committee organized to oppose the recall. Additionally, a candidate’s committee may not contribute more than $500 to the PAC. An elected official

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Former Rep. Wallace, treasurer indicted

The following is a press release distributed on July 21, 2011, by Massachusetts Attorney General Martha Coakley concerning campaign finance issues.

A former State Representative and his campaign treasurer have been indicted for failing to report thousands of dollars worth of campaign contributions and failing to preserve receipts for thousands of dollars in purported campaign expenditures, Attorney General Martha Coakley announced.

Brian Wallace, age 61, former State Representative from the Fourth Suffolk District in Boston, was indicted by a Suffolk Grand Jury on charges of Failing to Report Campaign Contributions and Failing to Preserve Expense Records. Timothy Duross, age 50, of Boston, was his campaign treasurer at the time of the alleged violations and was also indicted on similar charges. The violations are alleged to have occurred in 2008. The case is being prosecuted by the Attorney General’s Public Integrity Division.

"Candidates and their treasurers are required by law to accurately record campaign contributions and preserve all records of expenses," Attorney General Coakley said. "These laws are critical to the integrity of our campaign finance system, ensuring greater transparency and protecting against the misuse of campaign funds. We allege that Mr. Wallace and his treasurer failed to properly record thousands of dollars in contributions and expenses in direct violation of those laws."

Wallace was elected as State Representative for the Fourth Suffolk District in Boston in 2003 and served until January 4, 2011. He did not seek re-election in 2010. Duross was appointed treasurer for the Committee to Elect Brian Wallace in 2001. The campaign finance laws of Massachusetts mandate that every candidate for political office and the treasurer for a political campaign committee maintain and keep detailed accounts of all the committee’s financial activity on behalf of the candidate, including all contributions and expenditures received or made on behalf of the candidate and their political campaign committee. During each calendar year, the committee files periodic reports with the Office of Campaign and Political Finance (OCPF) and must file additional reports during election years. These reports are made available to the public on OCPF’s website.

The indictments stem from an investigation by the Office of Campaign and Political Finance in 2009, which referred the case to the Attorney General’s Office for further investigation. Based on that investigation, it is alleged that Wallace and Duross failed to report $6,345 worth of campaign contributions in 2008 (17 percent of his total contributions). When confronted by OCPF and asked to provide backup documentation to support reported campaign donations and expenditures, neither Wallace nor Duross were able to do so. Both candidates and committee treasurers are required under the law to maintain receipts for the campaign’s expenditures for six years after the relevant election.
Special Election Spending

House candidates average $17,730 in expenditures

Five House candidates for the 12th Bristol District special election reported spending a total of $88,654, an average of $17,730 each.

Special election activity for the 12th Bristol seat covered from Jan. 1 until Oct. 10, and the election was Sept. 20. The vacancy was caused by the resignation of former Rep. Stephen Canessa.

In other spending for the special election, independent expenditures were made to support one candidate in the race, Brunelle. The Massachusetts Teachers Association reported $11,475 in independent expenditures, and the 1199 SEIU union reported spending $6,301. Independent expenditure reports are file electronically on OCPF's Electronic Filing System.

Roger Philip Brunelle of Middleboro reported expenditures of $39,727, leading all other candidates. The winner, Keiko Orrall of Lakeville, was second in reported expenditures with $26,179. Spending levels for the special election were similar to those during the 2010 general election — successful House candidates averaged $39,621 in spending last year.

Orrall was the only candidate to report receiving in-kind contributions, totaling $12,215. Of that total, $8,635 came from the Marlborough Republican City Committee, and $3,241 came from the Republican State Committee.

Another special House election was decided in October for the 3rd Berkshire House District. Those figures are not included in this newsletter because the final campaign finance reports were not due until after the deadline for this newsletter.

<table>
<thead>
<tr>
<th>12th Bristol District</th>
<th>Total Receipts*</th>
<th>Total Expenditures*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Roger Philip Brunelle</td>
<td>$45,523</td>
<td>$39,727</td>
</tr>
<tr>
<td>Keiko Orrall (winner)</td>
<td>$39,070</td>
<td>$26,179</td>
</tr>
<tr>
<td>Derek A. Maksy</td>
<td>$1,850</td>
<td>$16,412</td>
</tr>
<tr>
<td>Allin J. Frawley</td>
<td>$4,925</td>
<td>$4,906</td>
</tr>
<tr>
<td>Nancy Yeatts</td>
<td>$1,428</td>
<td>$1,428</td>
</tr>
<tr>
<td>Totals:</td>
<td>$92,797</td>
<td>$88,654</td>
</tr>
</tbody>
</table>

*The activity covered from Jan. 1 until Oct. 10

New Ballot Question Committees Organized with OCPF in 2011

(As of Nov. 10)

**Committee for Excellence in Education**, 50 Congress Street, Suite 500, Boston, MA, 02109

**Committee for Compassionate Medicine**, 175 Federal Street, Boston, MA, 02110

**Dignity 2012**, 2 Hancock St., #302, Quincy, MA, 02170

**Campaign for the Updated Bottle Bill**, 44 Winter St., 4th Floor, Boston, MA, 02108

**The Bottle Bill Update Committee**, 14 Beacon St., Suite 714, Boston, MA, 02108

**MA Committee for a Citizens 9/11 Investigation Commission**, 16 Craig St., Milton, MA, 02186

**Consumers for Choice, Convenience and Savings in Automobile Repairs**, 9 Park St., Suite 500, Boston, MA, 02108

**Massachusetts Against the individual Mandate**, 325A Washington St., Wellesley, MA, 02481