

OCPF Reports



From the Director

Mike Sullivan

Legislation

As of the publication of this newsletter, legislation that would transition House, Senate and all mayoral candidates into the depository system of reporting has not been finalized. If the legislation is signed into law, OCPF will send educational materials by email to everyone on our newsletter list. Stay tuned.

Credit cards and country clubs

We've issued two new memos to help clarify campaign finance issues that are important to many committees.

One memo clarifies a frequently asked question about air miles and points earned on committee credit cards.

In summary, the miles and points can be used for committee and campaign purposes, but can't be used for any person's personal use.

Nearly 80 candidates who file with OCPF use committee credit cards.

The other memo addresses when a candidate or committee receives a discount or benefit from a club, organization and business due to membership or employment.

For example, if a candidate is a member of the VFW, the campaign can use the candidate's special membership discount to use the building for a fundraiser (instead of paying the standard fee).

Continued on the Next Page

Legal resolutions start on
Page 7

Mayoral candidates in 34 cities reported spending \$2.9 million

Mayoral candidates in 34 cities reported raising \$3,096,589 and spending \$2,868,799 prior to the 2019 general election, according to data filed by the candidates with OCPF.

There were a total of 99 candidates — 70 in 27 cities with populations of 65,000 or less, and 29 in seven larger cities.

The candidate with the highest expenditure total for 2019 was Revere Mayor Brian Arrigo (\$329,593), followed by Mayor Thomas Koch of Quincy (\$236,739) and Daniel Rizzo of Revere (\$189,663). Arrigo and Koch won their elections.

Campaign Finance Stats

- The 99 candidates averaged \$28,977 in expenditures.
- The candidate who spent the most money won in 29 of 34 races.
- Three incumbents were unsuccessful in Amesbury, Fall River and Medford.
- Of the 99 candidates, six reported spending more than \$100,000, and 10

reported expenditures of less than \$1,000.

[Click here](#) to view mayoral reports.

The totals will change as candidates file reports covering the end of the 2019 calendar year.

TOP 10 MAYORAL RACES, BY EXPENDITURES

1. Revere—\$519,256
2. Brockton — \$254,869
3. Quincy — \$238,165
4. Melrose — \$205,318
5. Fall River — \$163,052
6. Somerville — \$156,673
7. Methuen — \$137,940
8. Medford — \$128,177
9. Malden — \$117,246
10. Springfield — \$107,496

Totals include the preliminary and general elections

MAYORAL CANDIDATES IN CITIES WITH POPULATIONS OF 65,000 OR LESS

REPORTED RAISING \$1,926,005 AND SPENDING \$1,826,370 FROM JAN. 1 UNTIL OCTOBER 18.

MAYORAL CANDIDATES, ON AVERAGE, RAISED \$27,514 AND SPENT \$26,091.

THE TOP FUNDRAISER WAS DANIEL RIZZO OF REVERE WITH \$183,535.

THE CANDIDATE REPORTING THE MOST EXPENDITURES WAS INCUMBENT MAYOR BRIAN ARRIGO OF REVERE WITH \$329,593.

[CLICK HERE](#) TO VIEW ALL TOTALS, BY RACE.

Continued: From the Director

These questions also come up with country clubs and employee discounts, such as an employee of a restaurant getting discounted food for a fundraiser. Both of these memos are available by [clicking here](#).

New OCPF Auditors

We recently hired two auditors to fill open positions.

Alex McKenzie was raised in Washington, D.C., and attended Bates College in Maine as a history major. Prior to working at OCPF, he was a co-op graduate student working for the Massachusetts Office of the Inspector General.

Dan Juffre is a Weymouth native and UMASS-Amherst political science graduate. He worked as a paralegal at a Boston law firm and as a campaign finance compliance associate in Rhode Island, specializing in FEC compliance.

Auditors work with candidates and committees on a daily basis, assisting with filing requirements and answering questions about permissible campaign finance activity. They also review campaign finance reports as they are filed.

Looking ahead to 2020

OCPF will be focused on the **state election** in 2020, but will likely get a significant number of questions about the **federal election** for president and U.S. Congress.

For example, public employees will want to know if they can raise money for U.S. House and Senate candidates (they can't). Massachusetts candidates will want to know if they can donate their committee funds to presidential or congressional candidates (they can, but they need to contact the Federal Election Commission for contribution limits).

If you have questions about state rules concerning the federal election, please call our legal department at 617-979-8300.

We hope you continue to have a great fall.

Mike Sullivan



NEW OCPF MEMO



EXAMPLE: A CANDIDATE WHO IS ALSO A MEMBER OF A COUNTRY CLUB MAY USE HIS/HER MEMBERSHIP DISCOUNT TO HOLD A FUNDRAISER IN THE CLUBHOUSE. [CLICK HERE FOR THE MEMO.](#)

OCPF HAS ISSUED A NEW LEGAL MEMO:
RECEIPT OF MEMBERSHIP AND EMPLOYEE DISCOUNTS AND BENEFITS
THE MEMO DESCRIBES HOW AN INDIVIDUAL'S MEMBERSHIP OR EMPLOYEE DISCOUNT CAN BE USED FOR POLITICAL CAMPAIGN PURPOSES.

[Tutorial](#)

2020: State and local party committee office

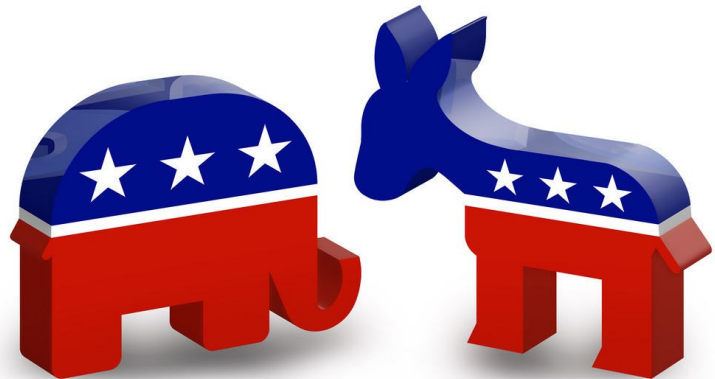
QUESTION: Are candidates for state and local political party committee office required to organize with OCPF and file campaign finance reports?

ANSWER: No

The funds raised and spent to run for state or local political party committee positions are not “contributions” or “expenditures” subject to the disclosure requirements of the campaign finance law*.

[Click here](#) for OCPF’s memo on party committee office. [Click here](#) for OCPF’s 4-minute tutorial for local party committees.

*Public employees are prohibited from soliciting or receiving funds for candidates for state or local political party committee office.



DonkeyHunt

Traditional PACs reported \$903,671 in contributions to candidates during the first nine months of 2019.

[Click here](#) for an itemized list of PAC contributions to candidates (1/1 to 9/30).

This list shows reported contributions to candidates. It does not account for money that may have been returned to a PAC due to contribution limits.



NEW OCPF MEMO

WHAT CAN CANDIDATES/CAMPAIGNS DO WITH THE “AIR MILES,” “POINTS,” & “REWARDS” THEY EARN BY USING A COMMITTEE CREDIT CARD?

**OCPF ANSWERS THIS QUESTION IN A NEW MEMO, [AVAILABLE HERE](#).
BOTTOM LINE: THE AIR MILES/POINTS/REWARDS CAN BE USED FOR CAMPAIGN AND POLITICAL PURPOSES, BUT CANNOT BE USED PERSONALLY. DISCLOSURE IS ALSO REQUIRED.**






AUDIT REMINDER: DEPOSITORY CANDIDATES AND COMMITTEES MUST CLARIFY THE EXPENDITURES THEY MAKE WHEN USING A CAMPAIGN DEBIT CARD.

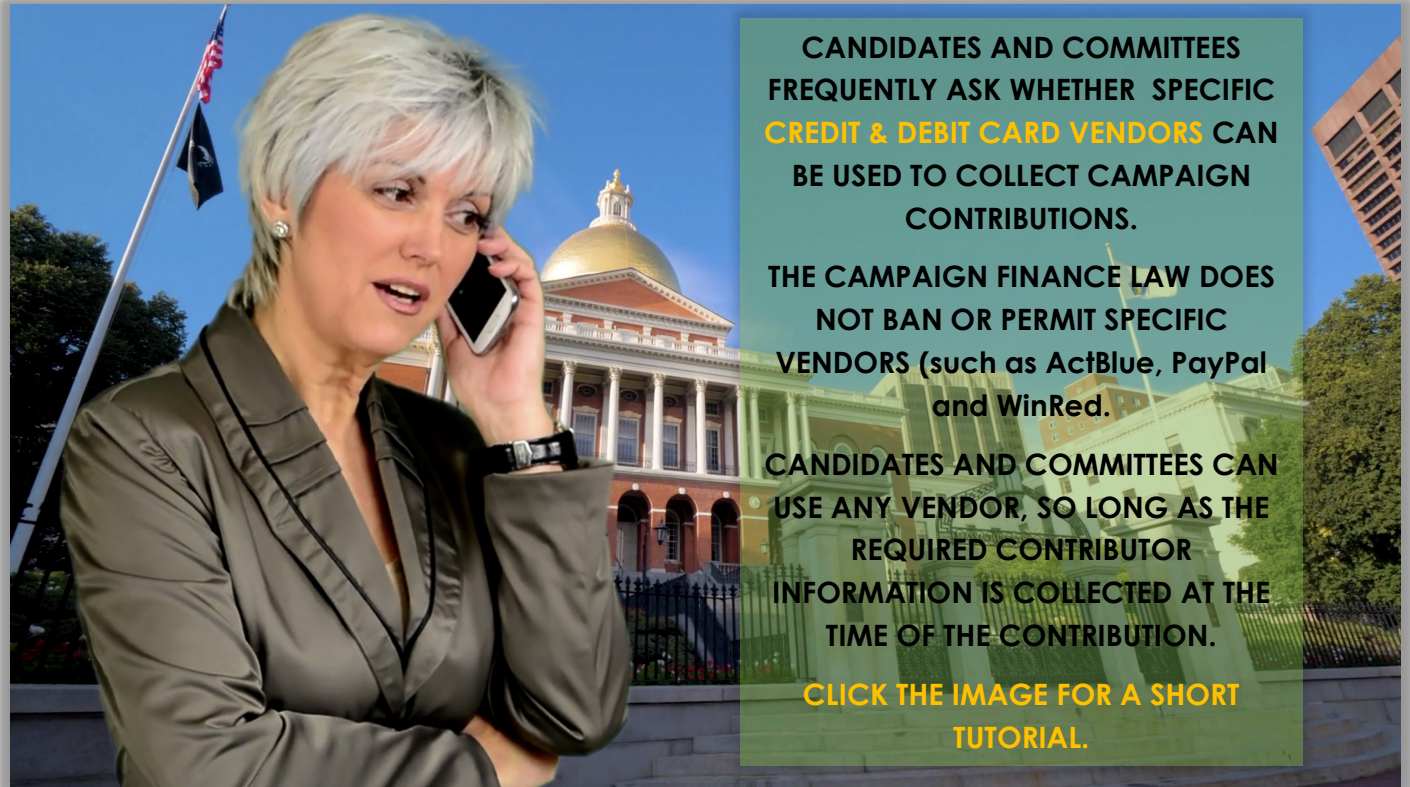
[CLICK HERE FOR A SHORT TUTORIAL ON HOW TO CLARIFY EXPENDITURES.](#)

PLEASE CLARIFY ALL EXPENDITURES ON **REPORTER 7 WITHIN SEVEN DAYS OF THE DATE THAT THE BANK FILES YOUR REPORT.
OCPF SENDS YOU AN E-MAIL WHEN YOUR BANK FILES YOUR REPORT.**



Reporter 7 *Tank Dep Committee (40024)*

 CREATE A DEPOSIT REPORT	 CLARIFY AN EXPENDITURE (6)	UPDATE C
 CONTINUE EDITING YOUR 9/9/2019 DEPOSIT	 ALL REPORTS	FILE A R
 R7 HELP		



CANDIDATES AND COMMITTEES FREQUENTLY ASK WHETHER SPECIFIC CREDIT & DEBIT CARD VENDORS CAN BE USED TO COLLECT CAMPAIGN CONTRIBUTIONS.

THE CAMPAIGN FINANCE LAW DOES NOT BAN OR PERMIT SPECIFIC VENDORS (such as ActBlue, PayPal and WinRed).

CANDIDATES AND COMMITTEES CAN USE ANY VENDOR, SO LONG AS THE REQUIRED CONTRIBUTOR INFORMATION IS COLLECTED AT THE TIME OF THE CONTRIBUTION.

CLICK THE IMAGE FOR A SHORT TUTORIAL.

PACs: How to Organize, Operate & Report

More than 250 political action committees are organized in Massachusetts, and can give up to \$500 per year to each candidate.

[Click here](#) for a short tutorial. [Click here](#) for a list of 2019 activity by PACs.

Anonymous cash is prohibited



Click the image for a short tutorial on anonymous cash contributions

ELECTION 2019: Mayors in the depository system

Jan. 1—Oct. 31	Receipts	Expenditures
Brockton		
Jimmy Pereira	\$48,220	\$38,100
Robert Sullivan*	\$124,381	\$96,095
Fall River		
Paul Coogan*	\$118,458	\$105,786
Jasiel Correia	\$24,316	\$87,261
New Bedford		
Jon Mitchell*	\$31,569	\$18,147
Tyson Moultrie	\$1,153	\$901
Quincy		
Thomas Koch*	\$332,670	\$236,739
Brenda Ryan	\$0	\$0
Somerville		
Joseph Curtatone*	\$128,275	\$143,858
Marianne Walles	\$15,398	\$12,808
Springfield		
Yolanda Cancel	\$4,134	\$3,547
Domenic Sarno*	\$97,813	\$93,463
Worcester		
William Coleman	\$0	\$0
Donna Colorio	\$22,996	\$17,276
Joseph Petty*	\$46,123	\$31,579
Owura-Kwaku Sarkodieh	\$2,575	\$1,952

*Winner

Seven cities with populations of 65,000 or more held mayoral elections in 2019.

Originally, 29 candidates appeared on ballots to run for mayor. After the preliminary elections, there were 16 finalists, listed here.

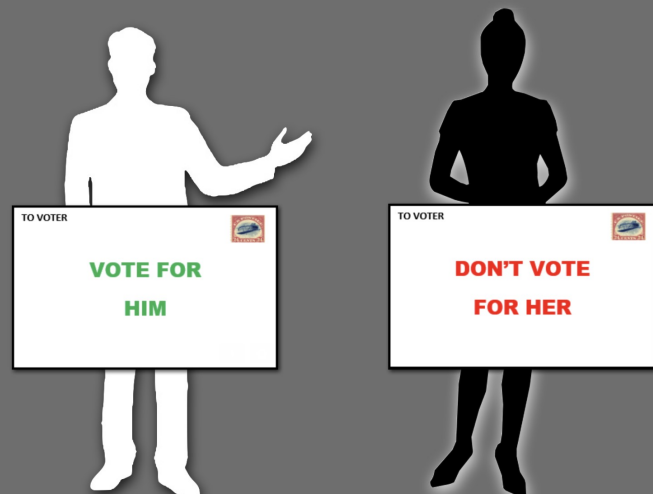
Of the 16 finalists, three exceeded \$100,000 in spending and three reported less than \$1,000.

SUPERPAC

- [Click here for a short IEPAC video](#)
- [Click here to view IEPAC reports](#)

Independent Expenditure PACs, also known as SuperPACs, reported more than \$300,000 in expenditures to **support** or **oppose** municipal candidates in 2019.

IEPACs are political committees that make independent expenditures to **support** or **oppose** candidates, without coordinating with candidates or their campaigns.



Recent Cases & 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 (below). The identity of any complainant is kept confidential. Disposition agreements are matters of public record once cases are concluded.

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.

Disposition Agreements

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.

Former Uxbridge senator forfeits \$90,000 to resolve campaign finance issues

Former Uxbridge State Sen. Richard Moore and his treasurer entered into a disposition agreement with OCPF to resolve issues related to the non-disclosure of approximately \$175,000 in credit card expenditures made by the committee and to filing false campaign finance reports.

The committee, from 2008 to 2015, made \$181,942 in payments on five credit cards, of which only \$7,253 was disclosed on campaign finance reports.

To resolve the matter, Moore made a personal payment of \$48,082 to the state’s general fund, and disgorged the balance of his campaign account (\$477).

Moore also forgave \$41,440 in outstanding loans that he made personally to his committee.

The total forfeiture is \$90,000.

“This agreement vividly illustrates the major problem with the non-depository system of disclosing campaign finance activity,” said OCPF Director Michael Sullivan. “Legislative candidates, like statewide candidates, would be far better served by using the [depository system](#).”

The [depository system](#) combines candidate reporting with independent third party disclosure of activity by the candidate’s bank on a regular basis.

“If the Moore Committee had been required to disclose its activity through the depository system, the non-disclosure of the Moore Committee’s expenditures would never have oc-

curred and their reports would have been accurate,” Sullivan said.

According to the disposition agreement, the Moore Committee filed reports with OCPF that did not fully disclose its expenditures, resulting in discrepancies between the ending balances disclosed on campaign finance reports and the actual ending balance in the committee bank account. For example, in 2018, the Moore Committee disclosed a balance of \$165,495 on campaign finance reports, but the bank account held only \$537.

The following are OCPF’s conclusions, according to the disposition agreement:

- The campaign finance reports filed by the Moore Committee between 2009 and 2018 failed to accurately reflect committee activity.
- Committee funds were used from 2008 to 2015 to make \$181,942 in payments to five different credit cards, only one of which was solely a committee card. The other four were held personally, but were also used for campaign activity.
- Moore and his treasurer (who is married to the candidate) commingled committee and personal expenditures by using the same credit cards for committee and personal use.
- Moore and his treasurer acknowledged that they knew the committee’s campaign finance reports were not accurate, but filed false reports because they did not know how to rectify the situation.
- The committee failed to maintain required records, such as bank and credit card statements.

Moore, as part of the disposition agreement, dissolved the committee. He was a state senator from 1996 to 2015, and a state representative from 1977 to 1994.

Continued on the Next Page

Continued: Cases and Rulings

The disposition agreement, [available here](#), was signed by Sullivan, Moore and Moore’s treasurer, Joanne Moore.

Public Resolution Letters

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.

CPF-19-42: Stephen Chaletzky, Newton. Did not comply (excess contributions); 6/12/2019. While conducting a standard audit of campaign finance reports, OCPF identified four local party committees that reported receiving contributions from Chaletzky in the amount of \$5,000 each during calendar year 2018. The annual aggregate limit from an individual to all party committees is \$5,000, resulting in Chaletzky making excess contributions of \$15,000. To resolve the matter, and because none of the recipient committees have sufficient funds to refund the excess contributions received, Chaletzky agreed to refrain from making additional contributions to any Massachusetts Republican party committee for a period of three years. The local party committees that received contributions from Chaletzky in 2018 were the North Andover Republican Town Committee, the Taunton Ward 7 and Ward 8 Republican Ward Committees, and the Billerica Republican Town Committee.

CPF-19-48: Ivette Hernandez, Springfield. Did not comply (disclosure); 6/27/2019. During 2018, the committee’s campaign finance reports did not accurately disclose receipts and expenditures. Specifically, the committee did not disclose nine expenditures totaling \$1,767, and did not report a \$150 contribution from an individual. To resolve the issues, the committee dissolved by purging its remaining funds, \$893, to the state’s general fund.

CPF-18-110: Progressive Massachusetts. Did not comply (organization); 7/18/2019. Progressive Mass, a non-profit group organized in 2013, acted as a PAC when it solicited and received funds for the purpose of supporting progressive candidates. Once notified by OCPF, the group formed the Progressive Mobilization PAC of Massachusetts.

CPF-19-73: Westfield Democratic City Committee. Did not comply (disclosure); 7/18/2019. The committee did not disclose nearly \$10,000 in contributions, \$1,100 in in-kind contributions and \$7,800 in expenditures during the 2016-18 period. The committee also deposited \$200 in prohibited corporate contributions, received \$4,400 in anonymous cash contributions, and cashed three checks for \$400. The treasurer also signed a check to herself for \$101 as a reimbursement. The law prohibits anyone from signing a check to himself or herself. To resolve the issues, the committee filed accurate reports and made a \$400 payment to the state’s general fund.

CPF-19-80: Cape Cod Republican Club PAC. Did not comply (excess in-kind contribution); 7/18/2019. The PAC made payments totaling \$2,690 for radio advertisements supporting Rep.

Continued on the Next Page

Click the image for OCPF’s top 10 campaign finance tips.



Continued: Cases and Rulings

Randy Hunt in the 2018 election (\$1,940 was paid in 2018, and \$750 was paid in 2019 for the 2018 election). PACs are limited to contributing \$500 per calendar year, including in-kind contributions. To resolve the issue, Hunt reimbursed the PAC for the excess in-kind contributions.

CPF-19-32: Marlborough Republican City Committee. Did not comply (disclosure); 8/5/2019. The committee significantly under-reported both expenditures and receipts. The committee has amended its reports and has agreed to provide OCPF with bank statements for each report filed in 2019 and 2020.

CPF-19-72: Plymouth County Democratic League PAC. Did not comply (disclosure); 8/20/2019. Between December, 2018, and April, 2019, the committee failed to file deposit reports for at least 20 deposits totaling more than \$6,000. In addition, during that same period, the committee made 17 expenditures, totaling approximately \$3,800, without sufficient purpose information. To resolve the issues, the committee disclosed its activity, changed its treasurer and made a payment of \$40 to the state’s general fund.

CPF-19-69: Hopkinton Republican Town Committee. No further action (disclosure); 8/20/2019. The committee did not file reports when due for 2015-18, during which the commit-

tee had more than \$4,000 in receipts and \$3,400 in expenditures. The committee also did not keep records. To resolve the issues, the committee filed amended reports.

CPF-19-64: Brenda Brown, Shrewsbury. No further action (disclosure); 9/10/2019. The candidate made out-of-pocket expenditures that were not correctly disclosed on campaign finance reports. To resolve the issues, the candidate filed amended reports.

**CONTACT THE OCPF
LEGAL TEAM**

617-979-8300

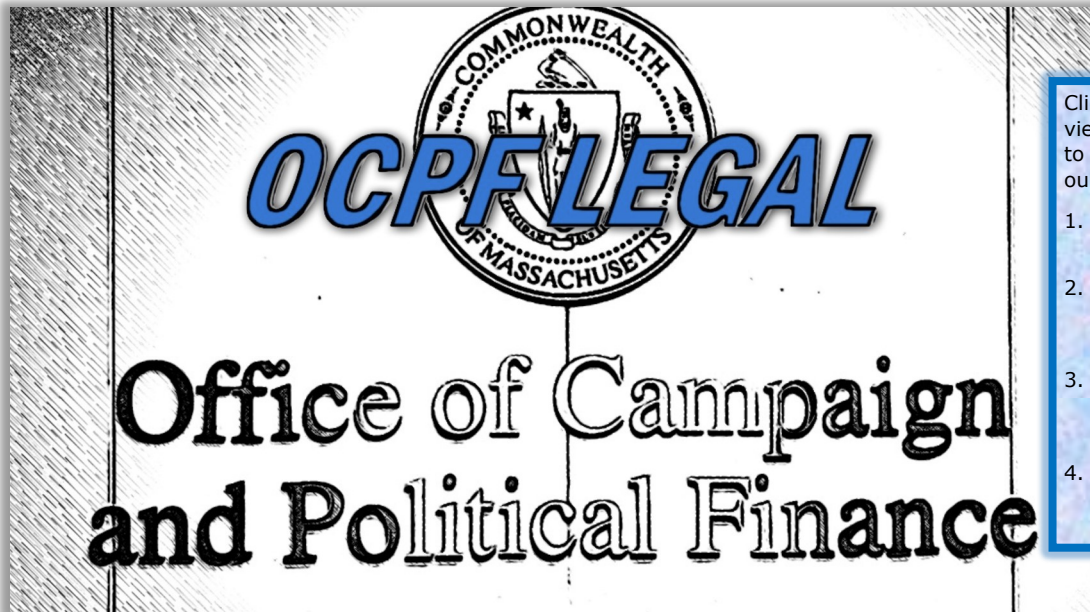
www.ocpf.us

E-Mail: ocpf@cpf.state.ma.us

General Counsel Greg Birne

Attorney Sarah Hartry

Attorney Maura Cronin



Click the image to the left to view OCPF’s quick answers to questions answered by our legal department.

1. Can a campaign raise money for charity?
2. Are substitute teachers prohibited from fundraising?
3. Are business contributions prohibited?
4. Can political committees pay travel costs to federal political events?



ELECTION 2020

CAN MASSACHUSETTS POLITICAL COMMITTEES PARTICIPATE IN FEDERAL ELECTIONS?

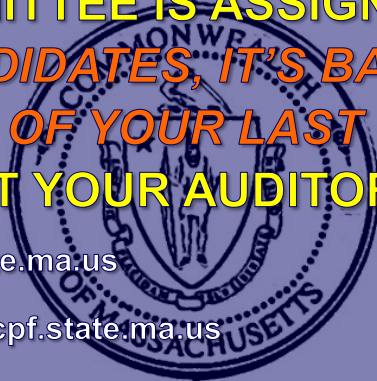
STATE LAW DOES NOT PROHIBIT MASSACHUSETTS CANDIDATES AND COMMITTEES FROM CONTRIBUTING THEIR CAMPAIGN FUNDS TO FEDERAL CANDIDATES (PRESIDENT / US SENATE / US HOUSE).

HOWEVER, PRIOR TO CONTRIBUTING CAMPAIGN FUNDS TO A FEDERAL CANDIDATE, WE RECOMMEND CONTACTING THE [FEDERAL ELECTION COMMISSION](#) FOR GUIDANCE ABOUT LIMITS: [202-694-1100](tel:202-694-1100).

MASSACHUSETTS CANDIDATES AND COMMITTEES ALSO ASK ABOUT ATTENDING EVENTS FOR FEDERAL CANDIDATES, SUCH AS A CONVENTION. PLEASE CONTACT OCPF FOR GUIDANCE ON ALLOWABLE TRAVEL EXPENSES.

[Click here](#) for OCPF's travel regulations, 970CMR 2.06 (3)(j).

OCPF'S AUDITORS ARE HERE TO ASSIST YOU. EACH POLITICAL COMMITTEE IS ASSIGNED TO AN OCPF AUDITOR (FOR CANDIDATES, IT'S BASED ON THE FIRST LETTER OF YOUR LAST NAME). YOU CAN CONTACT YOUR AUDITOR AT 617-979-8300.



A: Shane Slater—sslater@cpf.state.ma.us

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L-R: Alex McKenzie — almckenzie@massmail.state.ma.us

S-Z: Anne Bourque — abourque@cpf.state.ma.us

BQ's and IEPACs: Mike Joyce — mjoyce@cpf.state.ma.us

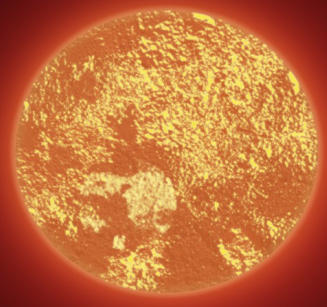
PAC (80000—80499): Anne Bourque

PAC (80500—89999): Caroline Paras

Local Party Committees: Anne Bourque and Sheila Cole — scole@cpf.state.ma.us

Local Filers (municipal): Mike Joyce

Office of Campaign and Political Finance



"Sunlight is said to be the best of disinfectants.
- Louis Brandeis"

- OCPF