

OCPF Reports



From the Director

Mike Sullivan

Shortly after the U.S. Supreme Court's *McCutcheon v. FEC* decision, the questions started coming: "What's OCPF going to do?"

We reviewed the decision, which concerned aggregate contribution limits at the federal level, and it was clear that we could no longer enforce the state's \$12,500 aggregate limit. In Massachusetts, the individual annual limit to a candidate is \$500, with an aggregate limit of \$12,500 to all candidates for the year.

We are still reviewing the decision's impact on other sections of the state's campaign finance law.

For example, there are several aggregate limits in the state's law, such as the \$5,000 aggregate limit to party committees from individuals, which differ from the federal law that was analyzed by the court. We'll determine the applicability of the decision on other aggregate limits after a careful review.

Feel free to send me a letter or e-mail on this issue. Our office always welcomes public input.

Reporting Software

Our excellent technology team has been working on a new Web-based reporting system for all candidates and committees,

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Over 30 statewide candidates have organized for 2014 election

In an election year with four open statewide seats, the field of candidates has expanded to numbers not seen since 2002, when 30 candidates made the ballot.

As of April 25, there are 33 candidates organized with OCPF for statewide offices. The open seats include governor, lieutenant governor, attorney general and treasurer. Of the 33 candidates, 11 are running for governor — five Democrats, two Republicans and four unenrolled.

The 11 candidates for governor have already reported spending \$3.2 million during the first three months of 2014, and have another \$2.9 million cash-on-hand.

Statewide candidates disclose receipts and expenditures at least monthly with OCPF until July this year, when they must disclose their activity every two weeks.

To track all of this activity, OCPF has created a tool for the public that shows current balances and year-to-date fundraising and spending. The tracker tool is available [here](#).

The highest amount of money spent by statewide candidates is \$51.3 million, recorded in 2006.

Total number of statewide candidates by year

Year	Candidates	Expenditures*
1990	22	\$24,663,609
1994	27	\$14,020,286
1998	23	\$27,876,979
2002	30	\$47,099,530
2006	21	\$51,317,132
2010	23	\$30,433,279
2014	33	Not available

*Totals are for all candidates for two calendar years

Most fundraising and spending records broken in 2013 mayoral elections

All major mayoral fundraising and expenditure records, which former Boston Mayor Thomas Menino held during his 21 years as mayor, were eclipsed during the 2013 election, according to a study of campaign finance reports filed by mayoral finalists.

The 63 mayoral candidates in 2013 reported total expenditures of \$8.8 million and

receipts of \$8.5 million — both records. Candidates also reset the record book on totals per race, totals per vote and totals for individuals.

The driving factor was the Boston mayoral race, which opened up just seven months before the general election with

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Roofing company agrees to pay \$45,000 to settle contribution

Disposition Agreement

Reliable Roofing and Sheet Metal, a Framingham-based company, made a \$45,000 payment to the state’s general fund to settle campaign finance matters concerning prohibited corporate campaign contributions to Martin Walsh’s Boston mayoral committee and disguising the true source of those funds, according to a disposition agreement between company president and owner James O’Donovan and OCPF.

The Walsh committee had no knowledge that the contributions were made using corporate funds, and it has voluntarily donated the money to charity.

OCPF’s investigation into the matter started after a routine review of campaign finance reports.

OCPF concluded that Reliable Roofing made corporate contributions to Walsh’s committee in 2013 by reimbursing or paying its employees or their relatives for making the contributions. The

state’s campaign finance law prohibits corporate contributions to candidates and disguising the true source of campaign contributions. Based on interviews with Reliable Roofing employees, persons associated with the company and a review of personal and corporate bank records, OCPF determined that \$15,500 in contributions were disguised by the company to the Walsh Committee. According to the agreement, two events were held on April 30, 2013, at the Stockyard Restaurant in Brighton: one was held to celebrate O’Donovan’s birthday and the other was to raise money for the Walsh Committee. At least 20 individuals associated with Reliable Roofing attended the events or made contributions totaling \$10,500 to the committee on or about the same day as the events. Another \$5,000 was contributed by people who were apparently related to those individuals.

Each person interviewed by OCPF indicated that he or she made a contribution using their own personal funds. However, the bank records obtained by OCPF during the course of its review indicated that some contributors deposited funds received from Reliable Roofing into their personal checking accounts either shortly before or shortly after the April 30 event. Some of the payments were made in the exact amount of the reported contributions, and “reimbursement” was noted in the memo section of some checks.

As part of the agreement, Reliable Roofing and O’Donovan agreed not to make any independent expenditures, make contributions to independent expenditure PACs or to permit solicitation of contributions on its premises for any Massachusetts candidate or political committee, through Dec. 31, 2016.

The agreement was signed by O’Donovan and OCPF Director Michael J. Sullivan, and is available by [clicking here](#). 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.

2014 Reporting Schedule

State Senate, State Representative, Political Action Committees, People’s Committees and Local Party Committees

Report	Due Date	Report Period
Pre-Primary	Sept. 2	Jan. 1—Aug. 22
Pre-Election	Oct. 27	Aug. 23—Oct. 17
Year-End	Jan. 20, 2015	Oct. 18—Dec. 31

*Candidates are also required to file late contribution reports for receipts of \$500 or more that are **received and deposited** shortly before an election. For more information on late contribution reports, [click here](#).*

Coakley Committee resolves campaign finance issues concerning federal committee expenditures

Disposition Agreement

The state campaign committee of Attorney General Martha Coakley will make a payment of \$17,813 to charity as part of a disposition agreement with OCPF concerning expenditures made with federal committee funds. The state committee also paid \$6,000 to the state for the cost of OCPF's review.

OCPF concluded that Coakley's state campaign committee was not in compliance with the campaign finance law when her U.S. Senate committee paid for campaign services that should have been paid by the state committee. Under Massachusetts law, federal committees are prohibited from providing anything of value to state committees.

The issues in the agreement address expenditures made to a vendor for database services, as well as expenditures related to attending the 2012 Democratic National Convention.

According to OCPF's review, Coakley's federal committee began making payments in 2009 to NGP VAN, a vendor that offers technology services to political campaigns for fundraising, compliance, field-organizing and social media. In 2009, the monthly bill was \$850 – the federal committee paid \$750 and the state committee paid \$100 a month as a secondary account.

In 2010, after the U.S. Senate election was over, Coakley announced she would run for re-election as attorney general. Although Coakley had now become a candidate for state office and NGP VAN's services primarily supported her campaign for state office, the NGP VAN billing remained the same until September of 2013.

Based on a review of documents provided by NGP VAN, campaign finance reports filed by the committees and interviews conducted by OCPF, the agency determined that the federal committee's payments to NGP VAN from 2010 to 2013 resulted in an approximate total of \$14,050 being paid by the federal committee that should have been paid by the state committee.

OCPF also determined that Coakley's federal committee paid \$3,763 for expenses associated with her attendance at the

2012 Democratic National Convention while she was attorney general and not an active candidate for federal office. According to the disposition agreement, OCPF determined that Coakley's state committee should have paid for the convention costs.

OCPF has further concluded that there was no reason to believe that the state committee violated the campaign finance law in relation to Anne Gentile's services as treasurer for the state committee.

The disposition agreement was signed by OCPF Director Michael J. Sullivan and the Coakley Committee's attorney, Andrew Upton. A copy of the agreement is [available here](#).

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.

New reporting system will be launched after 2014 state election

OCPF will launch a new campaign finance reporting system, called Reporter, after the 2014 election year.

The Reporter system will combine OCPF's software (Reporter 5) and the agency's web-based reporting system (Web Reporter) into one system.

OCPF planned on launching the new system this year for the 2014 election but has decided to defer the launch for two reasons — to further develop and test the system, and to give candidates and committees more time to learn how to use Reporter.

When the new system is launched in 2015, our office will host seminars and provide phone support for candidates and committees that make the switch. We'll also create step-by-step instructional videos, which will be available at www.ocpf.us.

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which we planned to launch this year. I've seen the test version and I know you're going to like it.

However, we're delaying the release of the new system until after the 2014 state election. We decided to give our IT department more time to refine the reporting system, and we don't want to push people into a new system while they're in the middle of a campaign.

Early next year, after the 2014 cycle, everyone will switch to the new Reporter system.

Local Party Committee Seminars

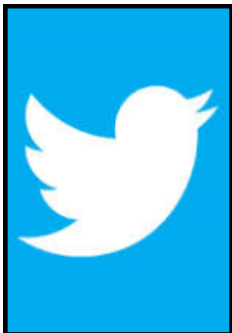
Our office is hosting local party committee seminars across the state in April and May. We've already been to Lenox, Peabody and Chelmsford, and we'll be in Taunton, Marlborough, Amherst and Barnstable.

We review how local party committees can get involved in the 2014 election and how they disclose their activity with our office. Our seminar calendar is [available here](#).

Have a great spring and please call us with any questions.

Michael J. Sullivan, Director

@OCPFreports



*Announcements
News
Reporting Tips*

PACs pay \$17,500 to resolve excess contribution issue

Disposition Agreement

Three affiliated political action committees and their representatives agreed to pay \$17,500 to the state's general fund to resolve excess contribution issues, according to a disposition agreement between OCPF and the PACs.

The three PACs are the Massachusetts Republican Municipal Coalition PAC (MRMC), the Massachusetts Independent PAC for Working Families (MIPAC) and the Catholic Citizenship PAC (CCPAC). The PACs were organized with OCPF by three individuals but operated as "affiliated committees" under the direction of a single person, Chanel Prunier of Shrewsbury, according to the agreement. Prunier was chair of the MRMC PAC.

The campaign finance law and OCPF's regulations prohibit affiliated PACs, which are defined as two or more PACs that are established, financed, maintained or controlled by any person. Affiliated PACs, if not prohibited, would allow a single person to operate two or more PACs to make excess contributions to candidates.

OCPF's analysis resulted in a list of more than 25 instances where a candidate received contributions from two or three of the above PACs that exceeded the \$500 limit in 2012. In total, the PACs made approximately \$24,000 in excess contributions.

Based on a review of political committee records and interviews with several committee officers, OCPF concluded that Prunier had significant influence in determining which candidate committees the PACs would support. She also drafted or provided input into fundraising letters for the three PACs and there were numerous instances where contributions to individual candidates were made on the same day and in the same amount by more than one of the PACs.

According to the disposition agreement, the \$17,500 payment to the state's general fund was made collectively by the three PACs, Prunier and Robert Bradley, chair of the MIPAC.

The MIPAC and the CCPAC will dissolve with OCPF, but the MRMC PAC will remain open, according to the agreement.

Also, Prunier has agreed to have no future involvement with any other PAC, other than the MRMC PAC.

The MRMC PAC will not make any contributions prior to January, 2017, to candidates who received contributions from the three PACs in 2012, according to the agreement. The PAC will also file additional campaign finance reports with OCPF through July, 2016.

A copy of the disposition agreement is [available here](#). 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 actions.

From Page One: Most fundraising and spending records broken in 2013 mayoral elections

From Page One

Menino's announced retirement from public office.

Boston mayoral finalists Martin Walsh, a former state representative, and John Connolly, a former city councilor, reported total combined expenditures of \$6,020,548 for the calendar year, the highest total for any mayoral race in state history. The previous record of \$4.1 million was set in 2009 by Menino and his opponent, Michael Flaherty.

As an individual campaign, Walsh reported spending \$3,015,209 in 2013, breaking the mark set by Menino in 2009 (\$2.7 million). Walsh only exceeded Connolly's expenditure total by \$9,870.

Walsh also set the fundraising record in 2013, doubling the previous mark of \$1.5 million, set by Menino in 2009. Walsh's final tally for the year was \$3,004,406, followed by Connolly at \$2.8 million.

New per-vote records were also set. The average spent per vote by all candidates in 2013 was \$20.96, breaking the previous mark of \$16.52 in 2009. Everett Mayor Carlo DeMaria broke the individual record at \$54.33 per vote. The previous record of \$42.40 was set by Menino in 2009.

On the other end of the spending spectrum, Haverhill

Mayor James Fiorentini logged the smallest per-vote total for an opposed, winning candidate: \$1.72 per vote. The contested race with the least spending was in Gardner, where Mayor Mark Hawke and challenger Christine Wilson spent a total of \$13,143.

Incumbents lost in five cities – Thatcher Kezer, Amesbury; Linda Balzotti, Brockton; Michael Bissonnette, Chicopee; William Lantigua, Lawrence; and Gregory Neffinger, West Springfield. Of those five, Balzotti, Lantigua and Neffinger spent less than their challengers.

OCPF began issuing mayoral studies after the 1997 city elections. The 2013 study is available by [clicking here](#), and is limited to those candidates who were on the ballot in the November election in cities and does not include those who were eliminated in preliminary elections.

However, it is worth noting that 12 candidates ran for mayor in Boston and spent a total of \$10,945,919 in 2013.

Of those 12 candidates, four exceeded the \$1 million mark. In addition to Walsh and Connolly, Daniel Conley spent \$1.78 million and Michael Ross spent \$1.05 million. Only data from the two finalists, Walsh and Connolly, are included in the study.

Mayoral Candidate Receipts and Expenditures: 1997—2013

Year	Number of	Receipts		Expenditures		Average spent per vote
		Total	Median	Total	Median	
1997	66	\$3,708,975	\$28,157	\$3,835,055	\$27,127	\$6.63
1999	69	\$3,198,736	\$32,289	\$3,284,268	\$23,388	\$7.44
2001	76	\$4,546,947	\$32,644	\$5,852,880	\$33,040	\$11.70
2003	70	\$3,587,911	\$31,586	\$3,949,051	\$27,672	\$11.03
2005	71	\$5,778,781	\$30,021	\$6,209,404	\$27,621	\$14.18
2007	69	\$3,577,819	\$29,122	\$3,914,462	\$25,339	\$12.23
2009	73	\$5,549,845	\$30,523	\$7,542,006	\$28,924	\$16.52
2011	71	\$3,386,403	\$30,218	\$3,549,375	\$27,469	\$11.01
2013	63	\$8,508,820	\$34,626	\$8,839,321	\$32,964	\$20.96

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). 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. PRLs and disposition agreements are matters of public record once cases are concluded.

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-13-91: Mayor Edward C. Sullivan, West Springfield. *No further action* (public employee); 2/12/2014. The City Council clerk sent an e-mail to West Springfield city councilors advertising Mayor Sullivan’s inaugural event and solicited contributions for the event in the amount of \$50 per person. Public employees are prohibited from soliciting or receiving contributions for any political purpose. After contacting OCPF, the council clerk sent an e-mail acknowledging that the previous e-mails were sent in error. To resolve the matter, the committee donated \$550 to charity, the total received as a result of the council clerk’s e-mail.

CPF-13-85: Martina Jackson, Newtonville. *Did not comply* (public employee); 2/12/2014. Jackson was the chair of the Newton Democratic City Committee and a public employee. Individuals mailed contributions to her home, the address for the NDCC. Public employees are prohibited from receiving campaign contributions. To resolve the matter, Jackson made a payment of \$300 to the state’s general fund.

CPF-14-06: Mayor Richard Kos, Chicopee. *No further action.* (public employee, public buildings and public resources); 3/28/2014. According to OCPF’s review, the city clerk sent an e-mail on Dec. 19, 2013, to all department heads in Chicopee with an attachment advertising \$40 tickets to the mayor’s inaugural ball. The City Council admin-

istrative assistant printed the e-mail and placed it in each city councilor’s mailbox. At the end of that week, the city’s messenger delivered the invitation to city councilors at their homes. The campaign finance law prohibits political solicitations by public employees and in public buildings, and prohibits the use of public resources for political purposes. The Kos Committee paid \$2,755 to charity to disgorge prohibited funds that were raised for the mayor’s inaugural committee.

Advisory Opinion

AO-14-03: A candidate may sell something of value that he owns and use the proceeds of the sale to make a contribution in the form of a loan to his campaign, provided it is an arms-length transaction and the candidate receives fair market value for the item or asset sold.

How to Contact OCPF’s Auditors

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