

# OCPF Reports



## From the Director

Mike Sullivan

### Testimony

I recently attended a public hearing held by the Joint Committee on Election Laws to speak in support of [Senate 399](#).

The bill would transition House and Senate candidates into the depository system of campaign finance reporting. This is the same system used by statewide, county and Governor's Council candidates, as well as mayoral and city council candidates in cities with populations of 65,000 or more. PACs and state party committees are also in the depository system.

The depository system requires a third party — the candidate's bank — to file reports with OCPF on behalf of the committee. The campaign also files reports with OCPF.

[Click here](#) for my public testimony on the legislation.

### Municipal Election: 2019

OCPF has been traveling the state conducting seminars for municipal candidates, sweeping west through Springfield, Chicopee, Greenfield and Pittsfield, and east in Somerville, Lynn, Winthrop and Brockton.

*Continued on the Next Page*

**Reminder: Mid-year reports are due July 22 for all individuals organized as House and Senate candidates.**

## New regulation reduces what entities can give to candidates

**If an organization exceeds \$15,000 in contributions, it must organize as a PAC**

A new regulation that reduces contribution limits for certain entities, such as non-profit organizations and unions went into effect May 31.

The new regulation limits contributions to \$1,000 per candidate, \$5,000 per party and \$500 per PAC. An entity must organize as a PAC if it exceeds either \$15,000 or 10 percent of its general fund in aggregate contributions, according to the regulation.

Prior to the regulation, OCPF's interpretive bulletin, IB-88-01, allowed an entity that was not a political committee to contribute \$15,000 to a single candidate, party or PAC.

[Click here](#) for a timeline concerning IB-88-01.

The impetus for a new regulation was a Sept. 6, 2018, Supreme Judicial Court decision, *IA Auto, Inc. v. Director of the Office of Campaign and Political Finance*. The court wrote that IB-88-01 is not a promulgated regulation that carries the force of law.

Following the court's comment on IB-88-01, Common Cause Massachusetts submitted a rulemaking petition to OCPF in November, 2018, requesting that OCPF define

“political committee” in its regulations, and further address the incidental threshold matter.

OCPF then held two public hearings to develop a new regulation, the first in December, 2018, and then on March 5, 2019.

Please [click here](#) for the regulation.

### Differences

\$1,000 limit from a union or other entity to a candidate. Previously \$15,000.

\$500 limit from a union or other entity to a PAC. Previously \$15,000.

\$5,000 limit from a union or other entity to a party. Previously \$15,000.

If a union or other entity exceeds \$15,000 in contributions in a calendar year, it must organize as a PAC. This was not a requirement previously.

Contributions to Independent Expenditure PACs do not count toward the \$15,000 threshold. They did previously.

## Continued: From the Director

We still plan on doing seminars in Revere, Cambridge and Salem. Please continue to check the [front page](#) of OCPF's website for future seminars.

If you can't make one of the seminars above, I suggest attending our in-house seminar, held each Wednesday at 2 p.m. You may also want to review our short tutorials [here](#).

### On-Line Training

The campaign finance law requires treasurers who e-file with OCPF to complete on-line treasurer training during the first six months of odd-numbered years (such as 2019).

OCPF's treasurer training program for 2019 is available by signing into Reporter 7 at [this link](#), then clicking the "tools" tile. To start the training, choose the "treasurer training" tile.

Have a great summer.

Mike Sullivan



# Tips for Municipal Candidates who File Locally

Hundreds of candidates will raise and spend money for the city elections this fall, and will file their campaign finance reports with their local election officials. For example, candidates file locally if they run for school committee in cities of any size, or for city council in cities with populations of 65,000 or less.

1. File an [M101 form](#) with your local election official to officially organize your campaign.
2. Open a segregated bank account if you plan on raising money. Most banks require campaigns to [register for an EIN](#) with the IRS to open an account.
3. Keep records for all the contributions you receive, including cash. You're required to collect the name and address for all contributors, and occupation and employer for donors of \$200 or more for the year.
4. Expenditures can be made to enhance the candidate's political future. To show that an expenditure has been made to enhance a candidate's political future, please use detailed information when describing the purpose of the expenditure.
5. Best Practice: Use OCPF's Reporter 7 system to create and print reports. Please see page 10 of this newsletter for more information.
6. File the pre-preliminary [report](#) eight days before the preliminary election, but only if the candidate's name appears on a preliminary ballot.
7. File the pre-election report eight days before the general election, due Oct. 28.
8. File a year-end report, due Jan. 21.

# 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.

### Middlesex clerk of courts resolves “personal use” issue with OCPF

Middlesex Clerk of Courts Michael A. Sullivan has made a personal \$4,500 payment to the state, and reimbursed his campaign committee \$4,500, to resolve an issue involving the personal use of campaign funds, according to a disposition agreement between Sullivan and OCPF.

A review of the Sullivan Committee’s expenditures and related documents found that the campaign included Sullivan’s son on the insurance policy for its leased vehicle from 2016 through 2018. The additional cost of the insurance was \$4,493.

The campaign finance law prohibits the use of campaign funds for personal purposes.

As part of the disposition agreement, Sullivan agreed to meet with OCPF quarterly to review all committee documents relative to automobile expenditures through July, 2021.

The disposition agreement was signed May 10 by Sullivan and OCPF Director Michael J. Sullivan. [Click here](#) for the agreement.

## 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-18-130: Rep. David Biele, Boston.** No further action (reporting); 3/14/2019. The committee did not accurately and timely disclose outstanding liabilities on its pre-primary and pre-election reports for rent in 2018.

**CPF-18-116: Dina Pichette, Rehoboth.** Did not comply (true source); 4/2/2019. Pichette made a \$1,000 contribution to the Jasiel Correia Committee in 2018, and reimbursed three other family members who each made \$1,000 contributions to the committee. The annual limit per individual is \$1,000, and the campaign finance law prohibits disguising the true source of campaign contributions. To resolve the issue, Pichette made a payment of \$5,000 to the state’s general fund, and the committee agreed to disgorge \$3,000 in prohibited funds.

**CPF-19-04: IBEW Local 2325 Committee for Political Education PAC, Worcester.** Did not comply (excess contribution); 4/4/2019. The PAC reimbursed the union \$5,846, and three members \$331, for payroll and travel reimburse-

# Continued: Cases and Rulings

ments for union members working to support Sen. Paul Feeney's re-election campaign. PACs are limited to \$500 contributions per calendar year. To resolve the issue, the union refunded \$6,178 to the PAC, and the Feeney Committee amended its reports.

**CPF-19-07: Brian DePena, Lawrence.** Did not comply (disclosure); 4/17/2019. The committee received hats as in-kind contributions from two individuals, and received free radio airtime. The committee did not initially disclose this activity. In addition, the committee received a prohibited in-kind corporate contribution of free radio air time. After being contacted by OCPF, the committee filed required amendments and paid the radio sta-

tions for the airtime received.

**CPF-19-19: Rep. Carlos Gonzalez, Springfield.** Did not comply (disclosure); 5/21/2019. The committee did not accurately disclose receipts and expenditures in 2017 and 2018. The committee did not disclose \$7,101 in receipts, and reported \$3,271 in contributions that did not appear in the bank account. Additionally, the committee did not disclose \$5,589 in expenditures, and reported \$810 in expenditures that never cleared the bank. To resolve the issue, the committee agreed to provide supplemental reports to OCPF through Jan. 20, 2021.

## OCPF LEGAL TEAM

**Gregory Birne, General Counsel**

**Sarah Hartry, Deputy GC**

**Maura Cronin, Attorney**

**Jeff Tancreti, Attorney/Auditor**

**Michael Joyce, Investigator**

**Caroline Paras, Compliance Coordinator**

**To file a legal complaint with OCPF,  
send an e-mail to:**

**[ocpf@cpf.state.ma.us](mailto:ocpf@cpf.state.ma.us)**

**WE ENCOURAGE YOU TO  
CALL OR E-MAIL OCPF  
WITH YOUR QUESTIONS**

617-979-8300

Fax: 617-727-6549

ocpf@cpf.state.ma.us

Twitter: @OCPFreports

Facebook: @massocpf

**One Ashburton Place**

**Room 411**

**Boston, MA 02108**



**Can my campaign accept  
cash from donors?**



**Yes, up to \$50  
per year per  
individual.**

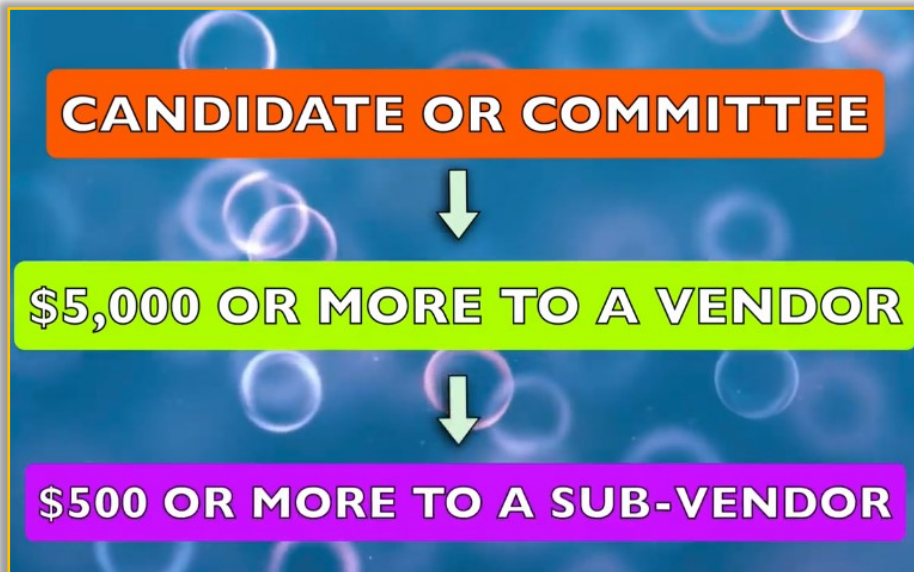
**Please remember to  
collect their  
names and addresses.**

**WHEN A COMMITTEE COLLECTS  
CONTRIBUTIONS BY CREDIT OR DEBIT  
CARD, THE DONOR MUST AFFIRM THAT HE  
OR SHE IS CONTRIBUTING PERSONAL  
FUNDS, NOT MONEY GIVEN TO THEM BY  
ANOTHER PERSON OR ENTITY.**

**[CLICK HERE](#) FOR OCPF'S GUIDE.**



**Sub-vendor reporting** is required when a vendor is paid \$5,000 or more in a calendar year, and the vendor makes an expenditure of \$500 or more on behalf of the committee



[Click here](#) for an OCPF tutorial on sub-vendor reporting for depository candidates and committees.

[Click here](#) for an OCPF tutorial on sub-vendor reporting for non-depository candidates and committees who e-file with OCPF.

## OCPF TIP: Public Resources

### QUESTION

Can a school department use its official Instagram account to advocate for a local ballot question, such as voting yes on a new school building?



### ANSWER

No. Instagram is free to use, but school social media accounts run by public employees are considered a public resource. Public resources cannot be used for political purposes.



Click the image to view the log



The **REPORT LOG** is a live listing of campaign finance reports that are posted to the OCPF website as soon as they are filed.

## 2020: A Federal Election Year

**FAQ:** Can my committee, which is organized with OCPF, donate to a presidential candidate?

**ANSWER:** The Massachusetts campaign finance law does not prohibit campaigns from contributing to federal campaigns. However, the Federal Election Commission has rules about nonfederal committees donating to federal candidates. Please [contact the FEC](#) for information about limits.



## **MAYORAL AND CITY COUNCIL CANDIDATES IN CITIES WITH POPULATIONS OF MORE THAN 65,000**

# **WHAT DO YOU DO IF YOU'RE UNSUCCESSFUL IN THE CITY ELECTION?**

THE CANDIDATE CAN KEEP THE ACCOUNT OPEN AND RUN AGAIN.  
IF THE CANDIDATE IS DONE RUNNING FOR OFFICE, THE COMMITTEE  
CAN DISSOLVE.

TO DISSOLVE, THE COMMITTEE MUST HAVE A ZERO BALANCE IN ITS  
BANK ACCOUNT.





REAL PHONE CALLS  
RECEIVED BY OCPF



- Can my friend's LLC donate to my campaign?
- Are door prizes OK?
- Can I contribute my remaining campaign money to other candidates?

[Click here for the full playlist.](#)

***A LOOK AHEAD***

**In 2020, all local party committees will reorganize**

**CLICK THE IMAGE FOR THE STATE'S GUIDE FOR LOCAL PARTY COMMITTEES IN 2020**



**FOR CANDIDATE FILINGS ONLY: Affidavit of Candidate: (check 1 box only)**

**Candidate with Committee and no activity independent of the committee**  
 I certify that I have examined this report including attached schedules and it is, to the best of my knowledge and belief, a true and complete statement of all campaign finance activity, of all persons acting under the authority or on behalf of this committee in accordance with the requirements of M.G.L. c. 55. I have not received any contributions, incurred any liabilities nor made any expenditures on my behalf during this reporting period.

**Candidate without Committee OR Candidate with independent activity filing separate report**  
 I certify that I have examined this report including attached schedules and it is, to the best of my knowledge and belief, a true and complete statement of all campaign finance activity, including contributions, loans, receipts, expenditures, disbursements, in-kind contributions and liabilities for this reporting period and represents the campaign finance activity of all persons acting under the authority or on behalf of this committee in accordance with the requirements of M.G.L. c. 55.

Signed under the penalties of perjury: \_\_\_\_\_ (Candidate's signature)      Date: \_\_\_\_\_



**OLD SIGNATURE BOX**

*OCPF has simplified the M102 campaign finance report to remove language from the signature box that has caused some confusion in the past.*

**NEW SIGNATURE BOX**



**FOR CANDIDATE FILINGS ONLY: Affidavit of Candidate: (check 1 box only)**

**Candidate with Committee**  
 I certify that I have examined this report including attached schedules and it is, to the best of my knowledge and belief, a true and complete statement of all campaign finance activity, of all persons acting under the authority or on behalf of this committee in accordance with the requirements of M.G.L. c. 55. I have not received any contributions, incurred any liabilities nor made any expenditures on my behalf during this reporting period that are not otherwise disclosed in this report.

**Candidate without Committee**  
 I certify that I have examined this report including attached schedules and it is, to the best of my knowledge and belief, a true and complete statement of all campaign finance activity, including contributions, loans, receipts, expenditures, disbursements, in-kind contributions and liabilities for this reporting period and represents the campaign finance activity of all persons acting under the authority or on behalf of this candidate in accordance with the requirements of M.G.L. c. 55.

Signed under the penalties of perjury: \_\_\_\_\_ (Candidate's signature)      Date: \_\_\_\_\_

**MUNICIPAL CANDIDATES\* WHO FILE WITH THEIR LOCAL ELECTION OFFICIALS CAN USE **REPORTER 7** TO CREATE CAMPAIGN FINANCE REPORTS**

**R7** Benefits:

1. Keeps your records
2. Does the math
3. Alphabetizes contributions, expenditures, in-kind contributions and liabilities
4. Ensures legible reports

To register for **R7**, contact Jason Tait at jtait@cpf.state.ma.us

\*Includes such candidates as school committee, city council in cities with populations of less than 65,000, zoning board, planning board, town treasurer, etc.