

OCPF Reports

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From the Director

A growing success

Electronic filing of campaign disclosure reports began in early 2002 with statewide and governor's council candidates. In September, legislative candidates on the ballot, as well as ballot question committees, also starting filing their reports electronically.

As with any new process, there were some minor inconveniences to overcome, but candidates and their staff worked closely with OCPF to ensure accurate disclosure of campaign activity.

The success of the new system is easily seen by the overwhelming increase in the number of "hits" to our website. Clearly, the electronic filing and disclosure system on our website has become a popular destination for those interested in learning more about the source and amount of contributions to candidates.

As for the year-end filing that is due on January 21, 2003, electronic filing, as well as a paper copy, is required by statute. If everything goes as planned, however, I am hopeful that we will soon be able to move entirely to an electronic system and stop requiring reports to be filed on paper as well. Of course, there are some issues to be reviewed prior to making this final decision. Candidates and committees will be notified well in advance when the paper requirement is removed.

If you are reading this, chances are that you're reading it in electronic format. Due to the Commonwealth's budget crunch, we have decided to strictly limit the num-

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A new cycle starts for Clean Elections

The first run-through of the Clean Elections program is over, and a new one has already begun.

The future of the program is uncertain, however, with the recent rejection of a statewide advisory question asking voters whether they support public financing of campaigns.

Friday, Dec. 6 marked the start of a new election cycle under the Massachusetts Clean Elections Law. That day started the two-year cycle for candidates for the House, Senate and Governor's Council in 2004, as well as the four-year cycle for candidates for statewide office in 2006.

The election cycle is the period during which contribution and expenditure limits apply to participants in the Clean Elections program. The law provides public funds to candidates who agree to contribution and

expenditure limits during a cycle.

Under M.G.L. Chapter 55A, Section 1, an election cycle starts 31 days after a general election – in this case, Dec. 6. (The start date of the 2002 election cycle was changed to March 31, 2001, but that provision applied to that cycle only.)

Though the cycle has started, a few things are unresolved. First, pursuant to the law, OCPF will adjust the aggregate contribution and expenditure limits for each office by Feb. 1, to account for inflation.

Also unresolved is the fate of the entire program after the rejection of the statewide question asking whether they support the use of public funds for campaigns. However, the question, which was defeated 74 percent to 26 percent, was non-

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Clean Elections participants and disbursements

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Spending by statewide candidates hit record level in 2002 elections

Candidates for statewide office spent a record \$47.1 million in the two-year period leading up to the Nov. 5 general election, with record spending for three offices, according to a recent study by OCPF.

According to candidates' reports, a total of \$45,970,764 was raised and \$47,099,531 was spent by 30 candidates from Jan. 1, 2001, through Nov. 15, 2002. Those two totals exceed the previous highs of \$25 million and \$27.9 million, reported in the 1998 campaign, and are more than three times the amounts reported in

the 1994 campaign. In fact, the 1998 records had already been exceeded by the end of the 2002 primary campaign, when the receipts were \$36.4 million and expenditures stood at \$35.4 million.

The 2002 totals show record receipts and expenditures in the races for Governor, Lieutenant Governor and Treasurer. All three seats were open, and the races featured several candidates with significant campaign finance activity.

The greatest activity was once again

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Clean Elections: New cycle starts

From Page 1

binding, and as of this writing, the law is still on the books.

OCPF recently mailed notification of the start of the new cycle to all candidates for the offices covered by the Clean Elections Law. The notice is also posted on the office's web site, www.mass.gov/ocpf.

Candidates are not required to decide whether they plan to participate in the program at this time. However, those who have not ruled it out are advised to take certain steps to keep that option open in the future.

Specifically, potential participants should open a separate campaign bank account from which funds will be spent during the cycle. All contributions during the

cycle will also go into this account. Funds on hand before Dec. 6 may not be used in the upcoming cycle, except as provided in OCPF regulations.

Those who do not wish to become certified as participants are not required to freeze their funds or open a separate account. They should realize, however, that any expenditures made from their campaign account from Dec. 6 forward will be attributed to their primary campaign expenditure limit. If, prior to Primary Day, their campaign's expenditures exceed the expenditure limit for their specific office and they are opposed by a certified candidate in the primary, the certified opponent will receive additional public funds on a dollar for dollar basis up to twice the expenditure limit.

Clean Elections participants, payouts

The Clean Elections program provided public funds to 10 candidates for state office in 2002, for a total outlay of just under \$4.1 million.

A total of 36 candidates filed, and did not withdraw, notices of their intention to participate in the Clean Elections program in the 2002 election cycle. Of that number, 21 applied for certification by submitting qualifying contributions by the deadlines in late May and early June.

OCPF certified 12 candidates as eligible to receive public funds: one candidate for governor and the rest for the House. Ten applied for and received public funding; those candidates and the amounts received are listed below. A more detailed list, including a breakdown of payments for the primary and general election periods, is available online at www.mass.gov/ocpf:

Candidate	District	Total payments
1. Aleo, Michael (G)	1st Hampshire	\$ 17,800.00
2. Allan, William (D)	15th Suffolk	16,200.00
3. Brookins, Kathryn (D)	15th Suffolk	16,200.00
4. Collamore, Robert (R)#	12th Hampden	16,200.00
5. Eldridge, James (D)*	37th Middlesex	43,877.57
6. Grady, Kathleen (D)	2nd Hampden	17,800.00
7. Lachelier, Paul (G)	26th Middlesex	17,800.00
8. Leavitt, Jonathan (G)	14th Essex	29,675.60
9. Petersen, Douglas (D)(I)*	8th Essex	--
10. Stokes, Thomas (U)	4th Berkshire	24,651.95
11. Story, Ellen (D)(I)*	3rd Hampshire	--
12. Tolman, Warren (D)	Governor	3,888,200.00
TOTAL		\$4,088,405.12

I = Incumbent. * Won election in November.

#: Collamore was decertified and ordered to return his public funds. See Page 3.

--: Petersen and Story did not apply for public funds.

From the Director

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ber of hard copies that we print and send it to our subscribers via e-mail. A limited number of paper copies will be available at the office in Boston. I hope that we will be able to increase our readership with this method and look forward to hearing any suggestions you may have.

Best wishes for a happy holiday season and a healthy New Year.

Mike Sullivan
Director

Year-end reports are due by Jan. 21

All candidates and committees registered with OCPF are required to file their year-end reports with the office by Tuesday, Jan. 21, 2003.

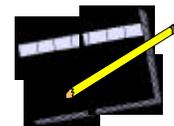
Candidates for statewide or legislative office or the Governor's Council whose fundraising or spending exceeds statutory thresholds file electronic versions of their reports in addition to paper copies. PACs, people's committees and local party committees are only required to file paper copies.

Local candidates and committees who do not file with OCPF must submit reports to their local election officials by Jan. 21.

OCPF will once again offer help over the phone to candidates and committees preparing their year-end reports over the Martin Luther King holiday weekend, Saturday, Sunday and Monday, Jan. 18-20.

The call-in hours are 10 a.m.-4 p.m. on Saturday, 11 a.m.-4 p.m. on Sunday, and 9-5 p.m. on Monday.

The office numbers are (617) 727-8352 and (800) 462-OCPF.



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 referral to the Office of the Attorney General for further action.

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 any wrongdoing on the part of a subject and does not require agreement by a subject.

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.

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 Agreement

Michael J. D'Amico, Quincy, (6/24/02)

OCPF entered into an agreement with former Quincy City Councilor D'Amico for not properly accounting for car lease payments from his campaign funds in 2000 and 2001.

In the agreement, OCPF concluded that monthly lease payments totaling \$5,000 by D'Amico's committee for his personal vehicle were not supported by records maintained by the candidate and should have been made on a per-mile basis, not regular lump sums. The office also concluded that D'Amico used the vehicles for political or constituent purposes for substantially less than the mileage that would have justified the payments made by the Committee toward the lease.

D'Amico agreed to reimburse \$2,000 to his committee from his personal funds and to pay a \$500 civil forfeiture to the Commonwealth. OCPF agreed not to refer the matter to the Attorney General for further action.

Clean Elections Decertification

Robert Collamore, Springfield (9/26/02)

OCPF issued a ruling decertifying Collamore, a candidate for state Representative in the 12th Hampden District, as a Clean Elections program participant following a two-day hearing, at which OCPF Director Michael Sullivan reviewed information suggesting that numerous contributor signatures had been forged

on the qualifying contribution forms submitted by Collamore to receive certification to receive public campaign financing, and that the corresponding contributions had never been made.

The Director found that there was a "widespread pattern of falsification" in signatures that appeared on Collamore's qualifying contributor lists, including a pattern of misspelled names and forgeries and 15 instances where contributions had been falsified. There was, therefore, "substantial credible evidence" that Collamore and/or his Committee falsely reported numerous qualifying contributions and that such activity was done knowingly.

In accordance with M.G.L. Chapter 55A, Section 16, a participant who "knowingly ... falsely reports any expenditure or contribution" may be decertified and required to pay back all Clean Elections funds received plus interest calculated from the date the funds were received. The participant may also be fined two times the aggregate amount of any false contributions disclosed in any reports required to be filed.

In addition to being decertified, Collamore was fined \$160 for falsely reporting fifteen contributions totaling \$80. He was also ordered to pay back the \$16,200 in public money he received for his campaign under the Clean Elections law, plus interest. Both payments to the state Clean Elections Fund are required to be made by January 24, 2003. Collamore subsequently notified OCPF of his intention to appeal the ruling in Superior Court.

Public Resolution Letters

02-44: Albert W. Bleau, Jr., Swampscott.

Did Not Comply (receipt of excess contributions); 9/26/02. Committee received excess contributions by accepting loans from the candidate's relatives that exceeded \$500. The candidate personally obtained a bank loan to refund the excess amount received by the Committee.

02-51: Save Historical Woburn High School.

Did Not Comply (failure to organize a ballot question committee); 10/8/02. Organization did not form a ballot question committee before raising funds specifically to influence a municipal ballot question.

02-46: James E. Mullaney III, Quincy.

Did Not Comply (failure to accurately report committee activity); 10/16/02. Candidate amended his pre-primary and year-end report to provide missing expenditure information and accurately report a \$2,000 loan from the candidate to his committee.

02-62: Claudia Bach, Andover. No Reason to Believe (use of public resources for a political purpose); 10/17/02. A school superintendent may use public resources to encourage teachers to attend town meeting and otherwise

advocate the passage of the school budget at town meeting, even if that budget requires approval at a ballot election.

02-74: Committee for Constructive

School Change, Nantucket. No Reason to Believe (failure to form a political action committee); 10/30/02. School group did not need to organize a PAC because it did not solicit, receive or spend money for a political purpose.

02-68: Betsy Eldridge, Acton. Did Not Comply (solicitation of political contributions by a public employee and in a public building); 11/18/02. A public school teacher solicited and received six qualifying contributions for a Clean Elections participant in a school building in violation of M.G.L. c. 55, ss. 13 and 14. The committee refunded the contributions upon learning that they did not comply with the campaign finance law. The refund of the contributions did not affect the candidate's certification under the Clean Elections law.

02-78: The Shefa Fund, Philadelphia. No Reason to Believe (ballot question activity by a group other than a ballot question committee); 11/19/02. Charitable organization made a contribution to a Massachusetts ballot question committee and filed Form CPF 22 disclosing the payment. There was no evidence that the money given was raised specifically to influence the state election.

02-81: John C. Conniff, Longmeadow.

Did Not Comply (solicitation of political contributions by a public employee); 11/21/02. A registrar of voters, who receives \$300 for his services to the town, violated M.G.L. c. 55, s. 13 by soliciting and receiving qualifying contributions for a Clean Elections participant. The committee disgorged \$50 after learning that the receipt of these contributions did not comply with the campaign finance law.

Advisory Opinions

OCPF issues written advisory opinions on prospective activities. Each opinion summarized below also notes the OCPF file number and the requesting party. Copies of all advisory opinions are available from OCPF and online at www.mass.gov/ocpf.

02-32: A non-profit corporation must organize a separate ballot question committee prior to soliciting or receiving funds specifically to influence a Massachusetts ballot question. Contributions received by the corporation should be made payable to the committee. The committee may receive stock as an in-kind contribution, but must liquidate the stock within five business days of receipt. (Conroy).

02-33: Special committees formed for the limited purpose of receiving contributions and making expenditures in conjunction with a joint fundraiser between candidate and party com-

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Statewide candidates spent \$47.1m in 2001-2002

From Page 1

reported in the race for Governor, where nine candidates reported spending \$30.6 million. This figure is the highest ever reported by OCPF for any single statewide race. The figure far exceeds the previous gubernatorial spending records of \$18.6 million, from the 1998 campaign.

Governor-elect Mitt Romney set individual records for both fundraising and spending by a statewide candidate in 2002. Romney, who won a race for an open seat, reported raising \$9.8 million and spending \$9.4 million. Both figures are the highest ever recorded in an OCPF study of statewide races.

Record totals were also posted in the race for lieutenant governor, where eight candidates reported spending \$11.4 million, and for treasurer, where the total for the seven candidates was \$4.2 million.

The other three races, for Attorney General, Secretary and Auditor, showed relatively little activity.

The top spender was also the winner in five of the six contests, the sole exception being the race for Lieutenant Governor.

The figures do not include independent expenditures made on behalf of a candidate. Seven entities reported expenditures on behalf of four statewide candidates totaling \$897,560.

A copy of this report is available on OCPF's web site, www.mass.gov/ocpf.

Statewide Candidate Spending 2002-02

Candidates listed are those on the Nov. 5 general election ballot. The totals for each office, however, also include totals for candidates who lost in the primary.

Winner is listed first. Asterisk denotes incumbent.

Governor	Total: \$30,601,910
Mitt Romney (R)	\$9,361,004
Shannon O'Brien (D)	6,261,188
Carla Howell (L)	267,723
Jill Stein (G)	118,309
Barbara Johnson (U)	36,314

Lt. Governor	Total: \$11,450,417
Kerry Murphy Healey (R)	\$2,485,005
Christopher Gabrieli (D)	5,434,046
Richard Aucoin (L)	10,009
Anthony Lorenzen (G)	5,709
Joseph Schebel (U)	Did not report

Treasurer	Total: \$4,216,362
Timothy Cahill (D)	\$1,209,782
Daniel Grabauskas (R)	625,165
James O'Keefe (G)	40,858

Attorney General	Total: \$267,978
Thomas Reilly (D)*	\$267,978

Secretary	Total: \$265,304
William Galvin (D)*	\$186,098
Jack Robinson (R)	79,206

Auditor	Total: \$297,560
Joseph DeNucci (D)*	\$276,564
Kamal Jain (L)	\$20,996
John Xenakis (U)	0

Advisory Opinions

From Page 3

mittees are "political committees" subject to the \$500 limit set forth in s. 7(a)(3). (Cronin).
 §02-34: A party committee may operate a phone bank at a union hall to promote a slate of candidates, including a Clean Elections participant, as long as the market value of the services, along with any other in-kind contributions by the party committee to the participant during the election cycle, does not exceed \$1,000. The party committee should assume all costs associated with the phone bank to offset the receipt of an in-kind contribution from the union to the participant. (Grady).

§02-35: A legislative candidate's committee may, without limitation, make an independent expenditure to benefit another candidate where such an expenditure is in the legislator's politi-

cal interest and not for anyone's personal use. The costs associated with the expenditure should be disclosed on the committee's relevant campaign finance report. (Straus Committee).
 §02-36: PAC contributions may be solicited from association members in conjunction with the association's annual dues billing. Where the source, form and amounts are otherwise consis-

tent with the campaign finance law, such contributions and the dues may be paid together on a single check if the association accepting the check has first established a separate transmittal account to receive such payments. The dues and the political contributions then must be promptly distributed to the association and the PAC. (MA Assoc. of Realtors).



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