



# OCPF Reports

## From the Director

Mike Sullivan

Our goal is to make our data as user-friendly as possible. With that in mind, we've posted a useful tool on the front page of our website to help track cash on hand, fundraising and spending by **statewide candidates**. A link to the chart is [here](#).

It lists the 10 candidates for governor and the 17 candidates currently organized for other statewide offices.

Our first candidate tracker was the 2013 Boston mayoral race and it had more hits than any other page on our Website. We hope the statewide chart is equally helpful.

### Special Elections

There are currently six special **legislative elections** scheduled.

All candidates running for these offices are filing special reports to disclose their campaign finance activity. The first reports for five of those races are due Feb. 24. To view special election reports, [click here](#).

### State Election

Please call us with questions about filing requirements for this state election year. Pre-primary and pre-election reports will be due from legislative candidates, local party committees and PACs.

We look forward to hearing from you.

**Mike Sullivan, Director**

## OCPF will launch a new reporting system for the 2014 election

OCPF plans to launch a new reporting system this summer, replacing the electronic filing software that has been used by candidates and committees since 2002.

The new system, called **OCPF Reporter**, combines the best features from the current reporting systems — Reporter 5 and Web Reporter — into one user-friendly package. Reporter 5 is software downloaded to a PC, and Web Reporter is a web-based reporting system that can be used on any computer product (including Apple).

The new Reporter system is also Web-based and can be used from any computer, tablet or smartphone with access to the Internet.

“Our reporting systems have evolved since 2002,” said Albert Grimes, OCPF’s technology director. In 2002, not everyone had high-speed Web access and Web pages had limited functionality, which is why the software was devel-

oped, Grimes said. Because Web-systems have developed so quickly, downloadable software is no longer needed.

“Based on feedback from committees, we saw multiple opportunities to improve the software,” he said. “We also felt a Windows program did not meet the needs of tablet and non-Windows users, so we decided to merge our two e-filing systems into one web-based one. This will allow committees to access their campaign finance data from any computer with the best features of Reporter 5.”

### Launching the New System

When the new system is launched, OCPF will provide support services to all candidates and committees, including seminars and one-on-one phone support.

The switch will include data migration. Reporter 5 users will be able to move data from their current database to the new Reporter system (instructions will be provided).

All the special features contained in the original Reporter 5 software will remain, such as a warning when a contributor exceeds a threshold or limit, and other data-maintenance that was not available on Web Reporter.

Other features for the new system:

- It will reduce the number of computer-related “bugs” and technical problems.
- A transaction log tracks when changes were made to a report, and who made the changes.

**Continued on Page 2**

Status	Report Year	Report Type	Re
Draft	2013	Mid-Year	1
E-Filed, Modified	2012	Year-End	10/
E-Filed, Unmodified	2012	Pre-Election	8/2

The new Reporter system, above, allows committees to create reports, enter data and file the reports electronically with OCPF. Municipal candidates who file with local election officials will also be able to use the system.

# New Reporting System will Launch in Summer 2014

## From Page One

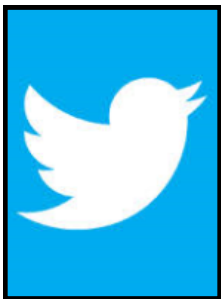
- Amendments made by candidates and committees will be highlighted to help campaigns and the public track changes made from the original report.
- Maintaining and reporting liability records will be more efficient.
- The process of creating and filing reports will be streamlined.

OCPF will make several educational platforms available — **training videos on our website** with step-by-step instructions on how to use the system; **seminars** in various locations, starting in early summer; and **seminars** each Wednesday at 2 p.m. in the OCPF conference room in Boston.

Follow OCPF on Twitter @OCPFreports for announcements concerning the new reporting system.

OCPF Reporter updates will also be posted on OCPF’s website, [www.ocpf.us](http://www.ocpf.us).

@OCPFreports



*Announcements*  
*News*  
*Reporting Tips*

## OCPF Advisory Opinions

### Candidates and committees can accept Bitcoin currency

Candidates and committees can now accept Bitcoins, a type of digital currency created in 2009, according to a recent OCPF opinion issued in January.

The opinion does not, however, allow candidates and committees to make expenditures using Bitcoins.

Bitcoins are a privately-issued digital currency that can be purchased using U.S. dollars. A user can then transfer Bitcoins from their online account to other users as payments for goods or services, including contributions to Massachusetts candidates.

If a committee accepts Bitcoins, the funds must be cashed-out within five days of receipt and are subject to the same disclosure requirements and limit restrictions that apply to standard monetary contributions. The contribution must be reported as the gross amount for which the Bitcoins were exchanged, before any fees are paid or deducted.

Bitcoin contributions, like any other contributions, are subject to the individual \$500 aggregate annual contribution limit. If a Bitcoin contribution results in an excess contribution, the committee is required to return the excess amount.



The full opinion is available here: [AO-14-01](#).

### Committees can scan and save paper receipts and other records

A candidate or committee can destroy its paper records once the records are scanned and saved electronically, according to an advisory opinion issued by OCPF in December.

Care must be taken to ensure that all required records are kept and are readily available in response to any OCPF audit inquiry.

The campaign finance law requires candidates and treasurers to keep and preserve detailed accounts of all financial activity, such as sales receipts, correspondence, fundraising materials, bank statements, ledgers, canceled checks, bills and other records.

The opinion is available here: [AO-13-06](#).

# Total number of committees organized with OCPF increased to over 2,200 in 2013

A total of 2,206 candidates and committees were registered with OCPF as of Dec. 31, 2013, an increase of 69 from the previous year.

In addition to candidates, committees include political action committees, ballot question committees, and local and state party committees.

**Candidates:** The number of candidates registered with OCPF at the end of 2013 represents a decrease of eight from the year before, a state election year. Generally, the number of candidates decreases during odd numbered years without a state election.

Of the **959 total candidates** registered with OCPF in 2013, 378 were in the depository system (candidates for statewide and county office, the Governor’s Council, and mayor or city councilors in Boston, Cambridge, Lowell, Springfield and Worcester) and 581 were in the non-depository system (House and Senate, and mayoral candidates in cities with populations

between 40,000 and 100,000). The depository figure was up 31 from the year before, and the non-depository total represented a decrease of 39.

**PACs:** A total of **314 political action committees**, including eight people’s committees and 16 Independent Expenditure PACs, were registered with OCPF. That figure was an increase of eight from the year before. The number of PACs has hovered slightly above 300 for many years, subject to fluctuations as committees organize and shut down.

**Local Party Committees:** A total of **918 local party committees** were active with OCPF as of Dec. 31, 2013, an increase of 72 from 2012. There were 491 Democratic party committees registered and 427 Republican party committees. The city, town and ward party committees form every four years following the presidential primary election.

---

## Municipal office-holders must file a change of purpose form if they decide to run for state or county office in 2014

Each state election year, many municipal office-holders decide to run for state or county office. In those cases, the campaigns must register with OCPF and may have dual filing requirements at the state and local levels.

Once a city or town candidate decides to run for state or county office, **he or she must file a “change of purpose” form CPF 101P** with OCPF and provide a copy of the form to their local election official.

In addition to the change of purpose form, a copy of a candidate’s M101 organizational form from the local level should be filed with OCPF.

Also, the candidate should file with OCPF a copy of the summary page from the most recent campaign finance report filed with their city or town clerk.

Once registered with the state, the candidate will be given an identification number and password to allow them to file electronically with OCPF.

If a candidate continues to seek office at both the state and municipal levels, he or she will continue to file campaign finance reports at both levels.

For more information, please see OCPF’s memo on the subject, [M-95-07](#).

### OCPF E-Mail Contacts

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

**General Counsel:** Greg Birne at [gbirne@cpf.state.ma.us](mailto:gbirne@cpf.state.ma.us)

**Audit Director:** Tricia Jacobson at [pjacobson@cpf.state.ma.us](mailto:pjacobson@cpf.state.ma.us)

**Tech. Director:** Al Grimes at [agrimes@cpf.state.ma.us](mailto:agrimes@cpf.state.ma.us)

# Municipal candidates can scan & e-mail reports to local election officials

It's a call we get each municipal election cycle: "I'm in Florida and I have to file my campaign finance report. Can I sent it to the clerk by fax or e-mail?"

OCPF used to say the original signed report was required, but we're changing that advice based on state law. (MGL Chapter 110G allows signatures to be conveyed by electronic means).

Starting in 2014, local election officials may accept campaign finance reports and organizational forms from candidates by fax or e-mail.

**On the state level**, OCPF also accepts organizational statements and other paper forms by fax or e-mail. All candidates and committees file electronically with OCPF, except for a small number of local party committees that still file reports on paper. Those reports can now be faxed or e-mailed to OCPF.




---

## *Local Party Committee Campaign Finance Seminars*

OCPF is hosting six regional seminars for local party committees this spring. The seminar lasts about one hour and includes instruction on fundraising, filing reports and how local party committees can help candidates.

There will also be time for questions during and after the seminar. Local party committees from both parties are invited to attend a seminar of their choice below.

April 15, 6 p.m.	<b>Lenox</b> Public Library, 18 Main St.
April 24, 6:30 p.m.	<b>Chelmsford</b> Public Library, 25 Boston Road
April 28, 6 p.m.	<b>Taunton</b> Public Library, 12 Pleasant St.
April 30, 6:30 p.m.	<b>Marlborough</b> Public Library, 35 W. Main St.
May 6, 6:15 p.m.	Jones Library, <b>Amherst</b> , 43 Amity St.
May 13, 6 p.m.	<b>Barnstable</b> Sturgis Library, 3090 Main St.

# 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.*

*Public resolution letters 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-13-11: Justin Brooks, Leominster.** *Did not comply* (reporting); 12/4/2013. A candidate for state representative in 2012, Brooks’ campaign committee did not disclose approximately \$800 in in-kind contributions and did not accurately disclose purpose information for some of its campaign expenditures. The committee has taken appropriate action by amending its campaign finance reports.

**CPF-13-47: Councilor Vesna Nuon, Lowell.** *Did not comply* (reporting, corporate contributions, anonymous contributions and excess contributions); 12/4/2013. A review of the Nuon Committee’s financial activity for April 2011 to July 2013 identified several issues — the committee deposited \$19,995 in contributions but did not file deposit reports itemizing contributor information; the committee received \$5,315 in prohibited business contributions; the committee received two prohibited money order contributions; the committee deposited a total of \$2,760 in cash, for which no records were kept; and the committee received two excess contributions from individuals. To resolve the issues, Nuon personally paid a civil forfeiture of \$500 to the state’s general fund, and the committee agreed to make charitable donations of \$1,750 each quarter through March 31, 2014.

**CPF 13-86: Mayor Mark Hawke, Gardner.** *Did not comply* (public employee); 12/6/2013. Jeffery Gallant served as the Hawke Committee’s treasurer while he was the golf commissioner for the city and a public employee (public employees are prohibited from serving as treasurers of political committees). Gallant resigned and a new treasurer was appointed. To resolve the matter, Mayor Hawke made a payment of \$250 to the state’s general fund.

**CPF-13-65: The Lincoln School, Winchester.** *No reason to believe* (public resources); 12/13/2013. The school’s PTO used the school’s e-mail list for its weekly newsletter to parents, which referred to the proposed high school renovation project, which at the time was a town meeting issue. The campaign finance law does not prohibit the use of public resources relating primarily to a town meeting issue.

**CPF-13-43: John Phelan, Lynn.** *Did not comply* (public employee); 12/13/2013. Stacy Phelan, a public school teacher, served as the Phelan Committee treasurer. Public employees are prohibited from serving as committee treasurers. To resolve the matter, Stacy Phelan resigned as treasurer and John Phelan make a payment of \$250 to the state’s general fund.

**CPF-13-58: Kenneth Reeves, Cambridge.** *No reason to believe* (reporting); 12/18/2013. A complaint filed with OCPF alleged that the Reeves Committee received an in-kind contribution of office space and made expenditures for a consultant who did not perform work for the committee. Based on a review, OCPF determined that the committee complied with the campaign finance law.

# Suffolk Register of Probate pays \$10,000 to resolve campaign finance matter

Suffolk Register of Probate Patricia Campatelli of Boston has paid \$10,000 to the state’s general fund to resolve several campaign finance issues, according to a disposition agreement between the candidate and OCPF.

According to the agreement, the Campatelli Committee did not comply with several aspects of the campaign finance law in 2012 and 2013, including the requirements for the timely disclosure of receipts, accurate recordkeeping and the prohibition on personal use of campaign funds.

OCPF’s review of the Campatelli Committee records found the following issues:

- The committee made approximately \$10,000 in expenditures using the candidate’s personal funds, and personal debit and credit cards. The campaign finance law requires depository candidates, including candidates for Suffolk Register of Probate, to make all expenditures

with their campaign checking accounts or with committee credit cards.

- The candidate used \$600 in committee funds for personal purposes.
- The committee made more than \$9,000 in wire transfer payments to Verizon and Capital One in 2012 and 2013. Wire transfers are prohibited, except when used for payroll or media services.
- The candidate or another authorized individual made expenditures on behalf of the committee that resulted in a negative balance in the bank account in September of 2012, and in January and November of 2013.
- The committee did not file timely deposit reports disclosing contributions on 20 occasions, and did not file deposit reports disclosing and itemizing \$1,500 in contributions.
- The committee failed to accurately disclose receipt information for at least six contributions, totaling \$1,300. Four of those contributions were from prohibited business entities.
- The committee was unable to produce receipts or other records for numerous expenditures.

The agreement also requires the committee to forgive a liability to the candidate for \$5,839, and requires the candidate and the committee to keep complete and accurate records of all receipts and expenditures. The candidate and the committee agreed to provide OCPF with copies of all deposited items and invoices or sales receipts periodically until Jan. 20, 2017.

The agreement was signed by Campatelli and OCPF Director Michael J. Sullivan. A copy of the agreement is available on OCPF’s website at [www.ocpf.us](http://www.ocpf.us) or by [clicking here](#).

## 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](#).*