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## **OCPF signs disposition agreement with Home Depot**

BOSTON -- The Office of Campaign and Political Finance announced today that it has entered into a disposition agreement with Home Depot USA Inc. for the company's violation of the state campaign finance law relating to the disclosure of corporate expenditures concerning local ballot questions.

The agreement stems from Home Depot's activities in support of a non-binding ballot question put to voters in Yarmouth on April 8, 1996. In that election, the question asking whether Home Depot should be allowed to open a store at the site of the former Christmas Tree Shops warehouse passed by a vote of 3,300-2,750. A complaint was received by OCPF after the election.

In the agreement, Home Depot, which is based in Atlanta, agreed to pay \$10,000 to the Commonwealth, in part to cover the cost of OCPF's investigation. The company also agreed to additional reporting requirements if it is involved in future ballot question elections in Massachusetts.

Massachusetts campaign finance law allows corporations to contribute without limit to ballot question committees and to otherwise spend money independently on a question submitted to voters, provided such activity is properly disclosed to OCPF and the local election official. In the agreement, OCPF concluded that Home Depot improperly reported \$63,406.69 of the \$88,406.69 it made in contributions and other expenditures concerning the Yarmouth question.

Of the \$88,406.69 it spent, Home Depot made two contributions totaling \$39,000 to the committee organized to support the question, known as Yarmouth for Jobs and the Economy. The committee reported that most of its expenditures went toward advertising, mailing and consulting.

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The remaining \$49,406.69 was independently spent by Home Depot to support the question, and included hiring a consultant to conduct a "get out the vote" campaign. Home Depot authorized a Washington, D.C.-based firm to conduct a campaign in support of the question, including direct mail, phone canvassing and other services.

The exact method of financing the campaign effort, such as whether it would be funded directly by Home Depot or through a ballot question committee, was "an open matter" when the work was started in March, according to the agreement.

On April 5, 1996, Home Depot filed a timely report with OCPF and the Yarmouth Town Clerk disclosing a contribution of \$25,000 to Yarmouth for Jobs and the Economy, made on March 26. However, an additional \$14,000 contribution to the committee made on July 10 and \$49,406.69 in expenditures that were made independently by Home Depot were not reported until Oct. 21, 1996, after inquiries by OCPF.

The agreement states that Home Depot did not report liabilities, including express or implied promises to pay that OCPF concluded it made to the consultant, in a timely manner. Such liabilities should have been disclosed in reports filed by the corporate treasurer on the fifth and twentieth day of each month prior to the election and, after the election, on the fifth day of each month until all declared liabilities are discharged. However, no such reports were filed between April 5, when Home Depot filed its first report, and Oct. 21, when the company filed after inquiries by OCPF.

OCPF Director Michael J. Sullivan noted that the agreement illustrates the importance of timely reporting of corporate campaign finance activity, especially in local referendum elections.

"Unlike candidate elections, corporations are allowed to spend money in ballot question elections. But that allowance also carries important disclosure requirements. The public should be able to review corporate involvement in the campaign. Local voters deserve no less," Sullivan said.

A copy of the agreement is available for public inspection at OCPF, Room 411, McCormack Office Building, One Ashburton Place, Boston.