

*Commonwealth of Massachusetts*  
*Office of Campaign and Political Finance*

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## **OCPF, Governor's Councilor Callahan sign agreement regarding campaign finance violations**

The Office of Campaign and Political Finance announced today that it has entered into a disposition agreement with Governor's Councilor Michael J. Callahan of Medford for violations of the campaign finance law during his campaign for the state Senate in 2005.

The agreement states that in addition to failing to file three required disclosure reports, Callahan did not report several thousand dollars in both contributions and expenditures during the campaign.

The violations stem from activity during Callahan's campaign in a special election for the 2<sup>nd</sup> Middlesex Senate seat, vacated by the death of incumbent Charles Shannon.

The committee's pre-primary report, filed in August of that year, did not provide proper disclosure in several areas, including underreporting total contributions by \$16,200, underreporting total expenditures by \$19,022, not itemizing any of more than 500 contributions that were over \$50, and failing to report \$9,112 in loans to the campaign from the candidate.

In addition, the committee did not file the two additional reports that were required of all candidates in the special election, filed before and after the final special election, which was held on Sept. 27. Finally, the committee also did not file a required year-end report.

A review of the committee's bank records by OCPF revealed that during 2005, the committee did not report a total of \$42,399 in contributions, \$65,424 in expenditures, and \$9,112 in liabilities in the form of loans from Callahan. Other violations included failing to itemize any receipts and expenditures over \$50; receiving \$1,775 in contributions from business corporations; receiving \$1,400 in contributions that exceeded the \$500 legal maximum for individuals and \$100 from other committees; depositing \$1,650 in contributions in the form of checks made payable to others; and not depositing \$8,500 in contributions within the seven days required of candidates in the depository system, which includes Governor's Council candidates.

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To resolve the matter, Callahan agreed to make a payment from the committee to the Commonwealth of \$4,825, representing a disgorgement of the corporate contributions, the excess individual and committee contributions and the contributions in the form of checks made payable to others. Callahan also made a personal payment of \$2,000 to the Commonwealth.

The committee also paid \$500 of the civil penalty assessed for failing to file its other 2005 reports. The remaining \$7,010 of the penalty was suspended on the condition that Callahan and the Committee substantially comply with all of the requirements of the agreement. If that does not occur, Callahan agreed that he will be solely responsible for the remaining payment.

In addition to filing the missing reports for 2005, Callahan also agreed to file additional quarterly reports through 2007 and 2008. These paper reports will supplement the monthly electronic reports that are filed on behalf of Governor's Council candidates.

The agreement, which is a public record, was signed by Callahan and OCPF Director Michael J. Sullivan.

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