

Commonwealth of Massachusetts
Office of Campaign and Political Finance

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OCPF, Johnson sign disposition agreement concerning expenditures by candidate

The Office of Campaign and Political Finance announced today that it has entered into a disposition agreement with Barbara C. Johnson of Andover regarding expenditures she made to further her candidacy for governor in 2002.

In the agreement, OCPF concluded that \$35,484 was spent outside of the Johnson Committee's depository account, in the form of payments made directly to various vendors from Johnson's personal funds and credit card. The campaign finance law, M.G.L. c. 55, requires that all campaign activity by gubernatorial candidates be conducted -- and disclosed -- through depository bank accounts.

The Committee reported depository account activity of \$37,658 in receipts and \$36,332 in expenditures in 2002. The receipts included \$3,986 in contributions from individuals and \$32,500 in loans made to the Committee by the Candidate using personal funds.

On Jan. 22, 2003, OCPF notified the Committee that it had failed to file the required 2002 year-end report the previous day and was incurring a fine of \$10 per day. On Feb. 4, Johnson contacted OCPF, asking how to disclose campaign expenditures made using personal checks and her personal credit card on the Committee's year-end report. She was informed at that time that making expenditures in this manner is not authorized by the campaign finance law.

After reviewing the relevant Committee records, as well as Johnson's personal accounts, with OCPF, the Committee filed its year-end report on Feb. 10. In addition to setting forth the Committee's depository bank activity, the report disclosed as in-kind contributions all of Johnson's campaign expenditures that were made outside of the Committee's depository account. The total amount of these expenditures was \$35,484, which included an additional \$20,000 to the vendor who collected nomination signatures for the candidate. The year-end disclosure brought the amount spent by the Johnson campaign in 2002 to \$71,816.

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Johnson, who was seeking office for the first time, stated that she understood all campaign contributions needed to be deposited in the Committee's depository bank account, but did not realize that campaign contributions and expenditures made by her personally also needed to go through the same account.

Reports filed by the Committee indicated that Johnson used personal funds to loan her Committee approximately \$69,150. Taking into account the repayments that have been made by the Committee, about \$66,000 remained due to her.

OCPF concluded that Johnson and the Committee violated M.G.L. c. 55, §§ 7 and 19(c) as the result of the Candidate having made campaign expenditures without utilizing funds on deposit in the Committee's depository account, and as the result of the Committee having used cash instead of a depository check to repay the Candidate \$2500 on August 13, 2002, for previous loans to the Committee. OCPF also concluded that Johnson and the Committee violated M.G.L. c. 55, § 19(d) because the funds available in the Committee's depository account were not sufficient to pay for many of the campaign purchases made by the Candidate outside of the depository.

To resolve the matter, the Committee agreed to pay a total of \$850 to the Commonwealth: \$650 in the nature of a civil forfeiture and \$200 as a civil penalty for the late filing of the 2002 year-end report. Johnson also agreed to forgive all outstanding liabilities owed to her by the Committee, forfeiting her right to receive repayment of approximately \$66,000. She has filed a final campaign finance report dissolving her committee and is closing her depository account.

OCPF agreed not to refer the matter to the Attorney General for further action.

The agreement was signed by OCPF Director Michael J. Sullivan, Johnson and Francois Gouin, the committee treasurer.

A copy of the agreement, as well as all reports filed by the Johnson Committee, are available at OCPF's office at One Ashburton Place, Room 411, Boston.

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