

Commonwealth of Massachusetts
Office of Campaign and Political Finance

FOR IMMEDIATE RELEASE
Nov. 18, 2003

CONTACT: Brad Balzer
Deputy Director
(617) 727-8352 / (800) 462-6273

**OCPF, Boston Councilor Kelly sign disposition
agreement concerning campaign finance violations**

The Office of Campaign and Political Finance announced today that it has entered into a disposition agreement with Boston District 2 City Councilor James Kelly regarding violations of the campaign finance law from 2000 to 2003.

According to the agreement, the violations by Kelly and his committee, The Friends of Jim Kelly, were in the following areas:

Committee vehicle: The committee made payments of \$24,629 for the lease and maintenance of a car between January 2000 and April 2003. In response to inquiries from OCPF, Kelly made reimbursements to the committee for personal use totaling \$1,126. OCPF concluded that Kelly used the vehicle to some further extent for his personal use without reimbursing the committee due to insufficient documentation of the vehicle's use.

Excess and corporate contributions: The Committee received \$2,325 in excess contributions from individuals and \$290 in corporate contributions during the relevant period. Individuals may only contribute \$500 annually to a candidate, and corporate contributions are prohibited. In addition, the Committee received a \$500 contribution from a federal PAC, as well as excess money order contributions of \$100. Contributions from PACs not registered in Massachusetts are prohibited, and contributions by money order may not exceed \$50 per contributor per year.

Reimbursements: The committee made a total of \$21,148 in reimbursements to Kelly that originally were not supported by the required documentation. The committee subsequently provided the required information. The committee also made an expenditure to American Express in the amount of \$1,289 in October 2001 with no disclosure of the specific goods or services purchased. Although almost all of the itemized expenditures appear to have been made for campaign purposes, one did not comply with the campaign finance law because it was

-- MORE --

primarily a personal, as opposed to a political, expenditure: a \$106 payment to Kelly in August 2001 for "Father's Day with Family."

Other issues noted in the agreement included: 1) the committee's failure to disclose, or keep records regarding the source of, cash contributions of \$50 or less; 2) its failure to seek or disclose the required information regarding the employer or occupation from most persons contributing \$200 or more; 3) inaccurate reporting of contributions or expenditures, including contributions from PACs, unions, trusts and associations, and failing to disclose the purpose of expenditures; 4) failure to retain copies of bank statements or checks for parts of 2000 and 2001; and 5) several substantial math errors that resulted in inaccurate reporting of receipts, expenditures and the committee's cash balance.

To resolve the matter, Kelly made personal payments totaling \$3,500: \$2,500 to his committee as reimbursement for the personal use of the committee vehicle and the \$106 restaurant expenditure, and \$1,000 to the Commonwealth in the nature of a civil forfeiture. The Committee also made a payment of \$7,500 to a charity, part of which was intended to represent the disgorging of the approximate amounts of contributions received from business corporations, excess contributions, excess money order contributions, and the amount received from a federal PAC.

The Committee also agreed to take several other steps, including amending its 2002 year-end report to reconcile its cash on hand figure with its bank statement, filing further documentation of reimbursements and credit card activity for which Kelly was reimbursed, keeping accurate vehicle logs, retaining a certified public accountant and filing additional, quarterly reports with OCPF through June 2005.

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

In addition to Kelly, the agreement was signed by his committee treasurer, Philip LaMarca, and OCPF Director Michael J. Sullivan.

Copies of the agreement are available at OCPF's office at One Ashburton Place, Room 411, Boston. Campaign finance reports filed by the Kelly Committee may be found at the City Clerk's Office at Boston City Hall.

-- END --