

Commonwealth of Massachusetts
Office of Campaign and Political Finance

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**OCPF, Lexington group sign disposition agreement
concerning violations in override election**

The Office of Campaign and Political Finance announced today that it has entered into a disposition agreement with a Lexington-based nonprofit group, Citizens for Freedom from Excessive Taxation and Intrusive Government, regarding violations of the campaign finance law in a June 2003 override election in that town.

The agreement states that Citizens, which started operations in late 2002 as a self-described “issues group” relying on “private” fundraising from “members,” in fact acted as a ballot question committee and should have registered as such and more completely disclosed its financial activity with the town clerk.

According to the campaign finance law, M.G.L. Chapter 55, any group that raises funds to support or oppose a question put to voters in a city or town must organize with the local election official as a ballot question committee before raising or spending funds, and must file campaign finance reports disclosing receipts and expenditures. An issues advocacy group becomes a ballot question committee, and is no longer merely an issues advocacy group, if it solicits or receives funds to support or oppose a ballot question.

In March 2003, Citizens opened a bank account and began raising funds, asking potential contributors to “help us defeat the tax override” that was being considered by town officials. Subsequent expenditures by the association were made for “no override” signs and additional mailings.

On May 22, after being contacted by the town clerk and OCPF, Citizens filed an organization statement for a separate ballot question committee with the town clerk. Its pre-election campaign finance report filed on May 27, however, showed no contributions or expenditures through May 16. On the same day, Citizens filed a disclosure report on a form used by associations and other groups making ballot question expenditures, showing \$4,724 spent for activity starting in April. Citizens' report did not provide contributor information or otherwise list the sources of the funds that had been spent, information that is required from a ballot question committee.

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The ballot question committee's post-election report showed receipts and expenditures of \$2,044 through July 2, while Citizens filed a post-election association report disclosing additional expenditures totaling \$3,241, for mailings and yard signs. Again, Citizens' report did not provide any contributor information or list the sources of any of the funds that had been spent.

While Citizens refused to provide OCPF with a list of contributors or copies of letters it used to solicit funds, information obtained by OCPF indicated that contributions were received by Citizens in April and May that were given for the express purpose of opposing the override. This was reflected by statements made to OCPF by contributors, and also by written information included on contribution checks.

In the agreement, OCPF concluded that Citizens was operating as a ballot question committee but failed to file a timely statement of organization as a ballot question committee prior to beginning its fundraising activity to oppose the override, as required by M.G.L. c. 55, § 5. Citizens should have organized a separate ballot question committee before starting to raise money in late March specifically to oppose the ballot question. Funds raised should have been deposited in a separate committee account, and the committee should have filed subsequent campaign finance reports disclosing all contributions received and expenditures made. Citizens' disclosure of expenditures without also disclosing receipts did not comply with Section 18.

To resolve the matter, Citizens agreed to file a combined ballot question committee pre-election and post-election campaign finance report listing all contributions received and expenditures made from March 24 through June 22, 2003. Citizens also agreed to pay a civil forfeiture of \$1,900 to the Commonwealth for late filing of a pre-election campaign finance report reflecting contributions received by Citizens: \$300 to be paid upon execution of this Agreement with the remainder to be paid at a rate of \$200 per month, due on or before the first day of each month. OCPF suspended payment of an additional \$1,550, the amount of the civil penalty assessed for the late filing of the post-election report, on the condition that Citizens substantially complies with the agreement in the future.

Citizens also agreed to organize a ballot question committee before soliciting or receiving funds from members or others to influence a scheduled or anticipated ballot question in Lexington and to file timely and complete campaign finance reports. While such a committee is organized, Citizens will temporarily suspend all financial activity, other than routine administrative expenses unrelated to the ballot question.

The agreement was signed by Jed Snyder, Citizens' chairman; Frank Gallagher, its treasurer; 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 Citizens and the ballot question committee may be found at the Town Clerk's Office at Town Hall.