

Commonwealth of Massachusetts
Office of Campaign and Political Finance

FOR IMMEDIATE RELEASE
May 30, 2003

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**OCPF, sheet metal workers union sign
disposition agreement on campaign finance violations**

The Office of Campaign and Political Finance announced today that it has entered into a disposition agreement with Sheet Metal Workers Local Union 17 of Dorchester and its people's committee, a political committee representing the labor union, concerning violations of the campaign finance law in the committee's reports in 1998-2001.

Among the violations cited in the agreement were failure to keep adequate records of committee activity, failure to segregate committee funds from union accounts and failure to properly report committee expenditures, including contributions made to candidates.

The agreement stems from OCPF's routine audits of the reports filed by the committee, which was originally a political action committee and became a people's committee in 1994. People's committees receive contributions from individuals only, with a cap on the contributions that is lower than the limit on contributions that an individual may make to a PAC.

The issues cited in the agreement include:

- o Commingling of committee funds with other accounts. Although the union maintained four separate accounts for the committee and three other political committees (not organized with OCPF) in 2000, the money received for the four committees was deposited into one bank account and all of the committee's campaign finance activity was conducted through this commingled account. The union established a separate bank account for the committee in 2001 and deposited contributions into it, but the committee's expenditures were still being made from the original commingled account.
- o Reports that did not provide the required information concerning expenditures, including contributions to candidates. The committee failed to report a \$250 expenditure to a candidate in 1998 and did not disclose all of the required information regarding \$325 in expenditures to other candidates the same year. In 2000, the committee failed to report \$300 in campaign expenditures to candidates and did not disclose all of the required

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information regarding \$100 in expenditures to other candidates. In 2001, the committee made several expenditures to candidates that were not reported on its campaign finance reports.

- o Balance discrepancies in reports in 1997, 1998 and 1999.

OCPF concluded that the committee did not comply with MGL Chapter 55, Section 5, by failing to keep sufficient records of its transactions and failing to keep committee funds separate from union funds, and also did not comply with Section 18 by failing to fully disclose activity such as contributions and expenditures and also failing to report either a reimbursement to the union or the receipt of an in-kind contribution from the union, for the cost of the committee's administrative expenses.

The committee took corrective steps after discussions with OCPF and has changed its bookkeeper and treasurer. In 2002, all of the committee's deposits went into the segregated account and all of the committee's campaign finance activity was conducted through the committee account.

To resolve the matter, the committee paid a civil forfeiture of \$2,000 to the Commonwealth and also agreed to: 1) implement various controls on its financial activity, including hiring a certified public accountant to review reports and providing OCPF with bank statements reflecting activity through 2004, 2) correct past balance discrepancies; and 3) track and record its administrative expenses and either reimburse the union or report such expenses as in-kind contributions from the union, its administrative costs.

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

The agreement was signed by the committee treasurer, Festus W. Joyce; the union's business manager, Joseph Bergantino, and OCPF Director Michael J. Sullivan.

Copies of the agreement and of the committee's campaign finance reports are available at OCPF's office at One Ashburton Place, Room 411, Boston.

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