

# OCPF Reports



## From the Director

Mike Sullivan

### E-Mail Project

The cost of a stamp is currently 47 cents.

Multiply that by thousands of candidates and committees, and you get an idea how much a typical OCPF mailing costs. That does not count the personnel hours spent printing, copying, folding and stuffing those letters.

For those reasons, OCPF is taking its first steps toward e-mail-only correspondence with all candidates and committees.

We started the process earlier this year with the 250 PACs organized with our office. If and when we're sure it's working efficiently, we'll start with other types of candidates and committees over the next several months.

To make this work, candidates and committees must provide viable e-mail addresses to OCPF (e-mail addresses are submitted when a candidate or committee uses R6, our e-filing system). ***Please check your e-mail addresses to make sure they are active.***

Candidates and committees will be notified prior to any correspondence system changes.

### 2016 State Election

In a typical state election year, around 400 individuals run for

**Continued on Page 2**

## OCPF issues new regulations that clarify when Super PAC coordination happens

### Candidates cannot coordinate with entities making independent expenditures

*The chairman of a Super PAC calls a legislative candidate, who is involved in a tight race in the fall.*

*"We're sending a mailer to residents asking them to vote for you. Can you send us your photo and talking points for the flyer?"*

*"Right away," the candidate says. "And please be sure to mail it to the north side of town. My poll numbers are low there."*

This conversation meets the definition of prohibited "coordination," as described in new campaign finance regulations that went into effect April 8.

The new regulations were implemented to clarify when independent expenditures are no longer independent — and, in fact, become prohibited in-kind contributions in most cases (in some situations, an in-kind contribution is allowed but limited).

"These regulations are a roadmap that Super PACs and other entities can follow to ensure they're not coordinating with candidates, and vice versa," said OCPF Director Michael Sullivan.

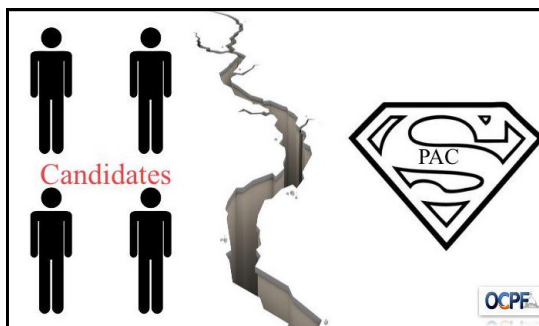
The regulations are available by [clicking here](#).

Super PACs, which are also called Independent Expenditure PACs (IEPACs), can raise unlimited funds from any source, and can make un-

limited expenditures for ads and mailers that advocate for or against a candidate. The regulations also apply to entities that do not raise money, but do make independent expenditures to support or oppose candidates.

In the 2014 state election, Super PACs spent

\$20.4 million to support or oppose candidates, mostly for governor. In comparison, gubernatorial finalists Charles Baker and Martha Coakley spent \$9.5 million combined.



Coordination occurs when an expenditure is made to benefit a candidate, and the candidate or committee made suggestions, gave directions or made requests to the entity or person making the expenditure. Cooperation and consultation between the candidate and his or her committee, and the entity or person making the expenditure, is coordination.

### Summary of the Regulations:

#### **Coordination is presumed if ...**

- **Common consultant:** The entity (Super PAC) and the candidate have the same political consultant. Exception — a written firewall policy that prohibits the flow of strategic non-public information between the campaign and

**Continued on Page 2**

## From Page One: Coordination regs

the consultant.

- **Former staff:** The person or entity making the expenditure employs a staff member who previously worked in a senior position or advisory capacity on the candidate's staff within 90 days prior to the date of the election in which the expenditure is made.
- **Campaign needs:** The expenditure is based on information about the candidate's campaign needs or plans that the candidate or committee provided to the person or entity making the expenditures, such as messaging or polling data.
- **Fundraising:** Coordination occurs if a candidate who benefits from an expenditure solicits funds for or appears as a speaker or draw at a fundraiser held by the person or entity making the expenditure.
- **Family:** The person or entity making the expenditure is a member of the candidate's immediate family. Includes Super PACs that are principally funded by a candidate's family.
- **Republication:** A communication relating to a candidate republishes, in whole or in part, a communication available on a candidate's Internet or social media site (does not apply to photographs).
- **Advanced notification:** The person or entity making the communication provides advanced notification to the candidate or committee of the planned expenditure.

There are some exceptions to the rules above, which are outlined in the regulations.

The coordination regulations also apply to **electioneering communications**, which are any broadcast, cable, mail, satellite, print communication or paid Internet ad that identifies a candidate within 90 days of an election, but does not expressly advocate for or against the election of that candidate. Coordinated electioneering communication expenditures are in-kind contributions to the benefited candidate.

## From Page 1: From the Director

legislative office (House or Senate), and it's our job to help them file their campaign finance reports before the primary and general elections.

How do we do that?

The work really starts in early June when the state's Elections Division releases the names of candidates who will appear on the ballot. When we get the list, we update our database and send information to those candidates on the ballot about filing campaign finance reports. We also register candidates who are on the ballot but have not yet organized with us.

This year, legislative candidates will file a pre-primary report by Aug. 31 for the Sept. 8 primary, and by Oct. 31 for the Nov. 8 general election. A year-end report is due Jan. 20, 2017.

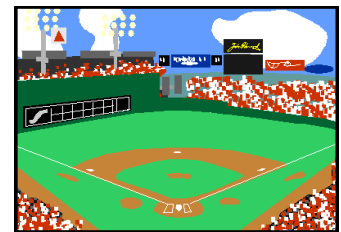
Local party committees will also file on the schedule above. County candidates on the ballot are in the depository system, which requires reports twice monthly.

We are also setting up half a dozen training seminars in various regions of the state in early summer. The times and places will be posted on our website and Twitter account (@OCPFreports).

Have a great spring.

Michael Sullivan

Director



**FAQ:** I am forming my candidate committee. Can my treasurer also be my chairman?

**Answer:** Yes. The candidate can also be chairman, but cannot be treasurer.

## How to Contact OCPF's Auditors

Tricia Jacobson (A)

Shane Slater (B-D)

Jeff Tancreti (E-K)

Leslie Dano (L-O)

Anne Bourque (P-Z)

Sheila Cole (Local Parties)

Michael Joyce (PACs/State BQs)

Caroline Paras (PACs)

[pjacobson@cpf.state.ma.us](mailto:pjacobson@cpf.state.ma.us)

[sslater@cpf.state.ma.us](mailto:sslater@cpf.state.ma.us)

[jtancrati@cpf.state.ma.us](mailto:jtancrati@cpf.state.ma.us)

[ldano@cpf.state.ma.us](mailto:ldano@cpf.state.ma.us)

[abourque@cpf.state.ma.us](mailto:abourque@cpf.state.ma.us)

[scole@cpf.state.ma.us](mailto:scole@cpf.state.ma.us)

[mjoyce@cpf.state.ma.us](mailto:mjoyce@cpf.state.ma.us)

[cparas@cpf.state.ma.us](mailto:cparas@cpf.state.ma.us)

*A candidate is assigned to an auditor based on a candidate's last name.*

# State GOP, OCPF resolve staff pay issues

The Massachusetts Republican Party and OCPF resolved issues relating to salary and office rent payments made between Dec. 1, 2014, and April 30, 2015, from the party's federal account, according to a disposition agreement signed on April 6.

Massachusetts political parties maintain accounts organized with OCPF (state account) and with the Federal Election Commission (federal account).

OCPF reviewed payments made from the party's federal account to three employees, and to pay rent for two party offices.

According to Federal Election Committee (FEC) regulations, party employees who spend more than 25 percent of their time on federal election activities **must** be paid using funds drawn from a party's federal account, and employees who spend 25 percent or less of their compensated time on federal election activities **may** be paid from the federal account.

One party employee, David Drummond, spent more than 25 percent of his time raising money for the federal account and was paid from the federal committee account for those activities. Prior to being employed by the party, Drummond provided fundraising services for an inaugural fund organized with OCPF on behalf of Gov. Charles Baker and Lt. Gov. Karyn Polito, and was paid by the inaugural committee for those services.

At all times while Drummond was compensated by the party committee, he spent more than 25 percent of his time involved in federal election activity.

Payments made to Drummond from the federal account complied with FEC and OCPF regulations. State regulations require that all committee expenditures made to support or oppose the election of a person to a state or local public office must be made from the state account, **unless such expenditure is required to be made out of the federal account** of the state committee by the FEC. Because more than 25 percent of Drummond's work for the party related to federal election activity, the party's payments were appropriately made from the party's federal account.

OCPF also reviewed salary payments made by the federal account to party employees Christopher Lane and Charlyce Bozzello.

Lane and Bozzello undertook numerous activities to support state representative candidate Hannah Kane in connection with a March 31, 2015, special election, and were paid a total of \$5,152 by the federal account, according to the agreement.

According to state regulations, employees who spend **no** compensated time in a given month on federal election activities must be paid from a party's state account, which is organized with OCPF.

OCPF requires parties that allocate salary payments between

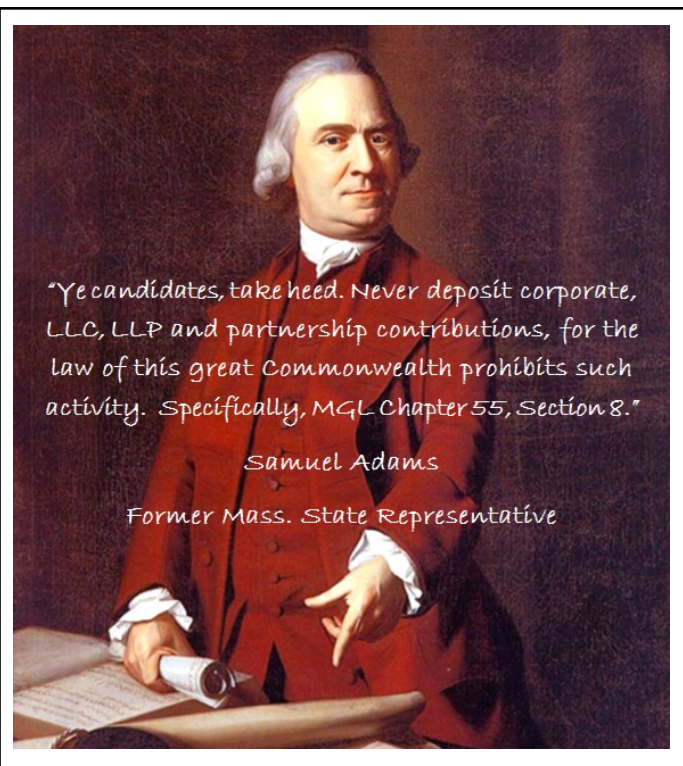
federal and state accounts to keep a monthly log to demonstrate compliance. The party did not keep a log defining the extent to which Lane and Bozzello provided services related to federal or state elections. Therefore, the expenditures made from the party's federal account to pay Lane and Bozzello did not comply with OCPF's regulations and guidance, according to the agreement.

OCPF also reviewed payments made from the party's federal account for rent for two party offices, and determined that those expenditures were consistent with state and federal regulations. Office rent must be paid using funds drawn from the federal account if the space is used at least in part for federal election activities. OCPF determined that the Massachusetts Republican Party offices were used partly for federal election activities.

To resolve this matter, the Massachusetts Republican Party made a \$2,500 civil forfeiture payment to the state's general fund and the state account reimbursed the federal account \$5,152.

The disposition agreement, [available here](#), was signed by OCPF Director Michael Sullivan and Massachusetts Republican Party Executive Director Brian Wynne.

A disposition agreement is a voluntary written agreement entered into between the subject of a review and OCPF, in which the subject agrees to take certain specific actions.





# Recent Cases & Rulings

*OCPF audits all campaign finance reports and reviews all complaints alleging violations of the campaign finance law. These audits and reviews may result in enforcement actions or rulings (below). OCPF does not comment on any matter under review, nor does the office confirm or deny that it has received a specific complaint. The identity of any complainant is kept confidential. PRLs and disposition agreements are matters of public record once cases are concluded.*

## Public Resolution Letters

A **public resolution letter** may be issued in instances where the office found “no reason to believe” a violation occurred; where “no further action” or investigation is warranted; or where a subject “did not comply” with the law but, in OCPF’s view, the case is able to be settled in an informal fashion with an educational letter or a requirement that some corrective action be taken. A public resolution letter does not necessarily imply a wrongdoing on the part of a subject and does not require agreement by a subject.

**CPF-15-76: Mayor Daniel Bianchi, Pittsfield.** Did not comply (corporate contribution); 12/18/2015. The committee used space in a strip mall owed by an LLC from Sept. 1 to Nov. 14, and reported an in-kind contribution of \$150 per month from the business owner. A more reasonable estimate for the value of the space was approximately \$400 per month, totaling approximately \$1,000 for two and a half months. In addition, the receipt of an in-kind contribution from an LLC did not comply with the campaign finance law, which prohibits LLC contributions to candidates. To resolve the issue, the committee paid \$1,000 to the state’s general fund.

**CPF-15-100: Michael Meaney, Woburn Business Association.** Complied (organizing and reporting); 12/22/2015. Based on OCPF’s review, it was determined that although the WBA did solicit contributions on its website to oppose a ballot question, the formation of a ballot question committee was not required because ultimately, the WBA did not accept any contributions. The WBA, instead, used existing funds available to them in its general treasury to make expenditures that advocated a “No” vote on a ballot question.

**CPF-15-52: Ed Healy, Braintree.** Did not comply (true source of contributions); 2/5/2016. Healy made a contribution of \$1,000 to Mayor Thomas Koch’s committee in May 2015, and also provided \$1,000 each to two family members, who

contributed those funds to the committee using their personal checks. The campaign finance law prohibits disguising the true sources of contributions. The Koch Committee also disgorged \$2,000 to charity.

**CPF 15-114: Christopher Cataldo, Norwell.** Did not comply (disclosure); 2/1/2016. The Cataldo Committee reported a \$500 liability for an event at the Scituate County Club on its 2015 pre-election report, which was filed with the town clerk for a local election. In June of 2015, the committee amended the pre-election report and did not disclose the \$500 liability, and the liability was also not listed on the post-election report filed on June 16. The \$500 liability was an estimate because the committee had not yet received an invoice from the club. The committee amended its reports to show the \$500 liability after being contacted by OCPF. The club subsequently billed the committee \$1,119 for the event, which was paid in full.

**CPF-15-87: Charles Yancey, Dorchester.** Did not comply (timely disclosure); 2/8/2016. Throughout 2015, the Yancey Committee made monthly payments from its depository bank to its credit card provider, totaling \$19,800. Committees are also required to file detailed credit card reports. The committee did not respond in a timely manner to OCPF’s numerous requests to file the detailed reports. The committee eventually filed the reports, but after the 2015 Boston City Council election.

## Contact OCPF’s Legal Team

OCPF’s lawyers are available to answer questions concerning the campaign finance law.

Our attorneys, Gregory Birne, Sarah Hartry and Maura Cronin, are available at 617-979-8300.

## From previous page: Recent Cases and Rulings

### CPF-16-01: Mayor Richard Alcombright, North Adams.

No reason to believe (corporate in-kind contribution); 2/19/2016. OCPF received a complaint alleging that the Alcombright Committee received a prohibited corporate in-kind contribution in the form of office space for his 2015 campaign for mayor. The committee paid for the space in a timely manner and there is no reason to believe that the committee received a prohibited corporate in-kind contribution.

CPF-16-02: Mindy McKenzie-Hebert, Shrewsbury. Did not comply (public employee); 3/3/2016. McKenzie-Hebert's name appeared on a 2015 fundraising invitation for a candidate. At the time the invitation was distributed, McKenzie-Hebert was an appointed member of the Shrewsbury Planning Board. Because Planning Board members are paid an annual stipend of \$200, they are considered to be public employees and prohibited from soliciting or receiving funds for any political purpose, even if, as in this case, the board member declines the stipend.

CPF-16-13: Jimmy Brown, Natick Forever. No further action (reporting); 3/3/2016. OCPF reviewed a complaint alleging that the Natick Forever PAC had not filed a campaign finance report since 2012. Based on the review, OCPF determined that Natick Forever did not raise or spend money to support or oppose candidates and was not a PAC. The

group dissolved the PAC with the town clerk and will no longer identify as a PAC.

CPF-15-81: Margaret Laforest, Quincy. No further action (disclosure); 3/22/2016. Laforest, a candidate for City Council, did not promptly pay a restaurant for the value of services provided for an Aug. 26, 2015, campaign event. After being contacted by OCPF, the committee paid the restaurant \$290. The committee also amended its 2015 year-end report to reflect in-kind contributions made personally by business owners.

### Advisory Opinion

AO-16-01: This AO answers several questions concerning public resources and ballot question elections. In summary, the opinion states that, for a ballot question within the scope of an agency's official responsibility: 1. Public resources may be used to pay public employee staff to analyze the impact of a ballot question. 2. Public resources may be used to prepare an official statement regarding a public official's position concerning a ballot question. 3. Public resources cannot be used to distribute information about the ballot question to voters. 4. Public resources may be used to communicate with an agency's board regarding a ballot question. 5. Public resources may be used to communicate with the press and public via radio interviews and a newspaper op-ed.

FAQ: Can my campaign  
donate money to a  
charity, like a soup  
kitchen?

Answer: Yes, so long as  
the donation enhances  
your political future,  
such as fostering  
goodwill and/or  
publicity.

Call OCPF for other restrictions



@OCPFreports

*Announcements*

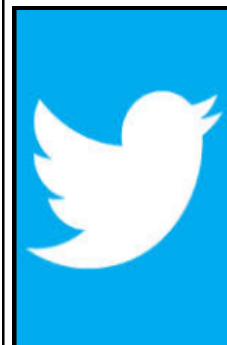
*News*

*Reporting Tips*

*Legal Decisions*

*Education*

*Outreach*



# Mayoral candidates in 2015 reported \$3.8 million in expenditures

In a year without a Boston mayoral election, 61 mayoral candidates in 36 cities reported expenditures of \$3,786,953 and receipts of \$3,692,411 in 2015, according to a spending study compiled by OCPF.

Activity in 2015 dropped significantly from 2013, when \$8.8 million was spent and \$8.5 million was raised in a year with a Boston mayoral election without an incumbent.

The most expensive 2015 race was in Quincy, where incumbent Mayor Thomas Koch faced former Mayor William Phelan. The two spent \$861,009. The next highest total was in Revere, where incumbent Mayor Daniel Rizzo lost to Brian Michael Arrigo, a city councilor. They spent \$332,451.

One record was broken in 2015 – the amount spent per vote. Koch received 12,425 votes and spent \$687,687, an average of \$55.35. The previous record of \$54.33 was set in 2013 by Everett Mayor Carlo DeMaria, who was not up for re-election in 2015.

The complete 2015 mayoral spending study is available by [clicking here](#).

## Conclusions:

- Koch topped the 2015 list in both fundraising and spending. His receipt total was \$552,762, and he reported \$687,687 in expenditures. Koch was able to spend more than he raised in

2015 because he already had a balance in his account from the previous year.

- Eleven candidates raised more than \$100,000, and 10 spent more than \$100,000.
- The top spender in the 24 contested elections won 18 times, or 75 percent of the contests.
- Six candidates outspent their opponents and lost in Fall River, Gloucester, Holyoke, Revere, Waltham and West Springfield.
- The average amount spent per vote by a candidate was \$12.93. The record of \$20.96 was set in 2013.
- The winning, opposed candidate with the smallest cost per vote was Mayor Kenneth Gray of Amesbury (\$2.06).
- The 36 winning candidates spent, on average, \$65,388. Unsuccessful candidates spent \$57,318, on average.
- A total of four mayoral races did not feature incumbents (Fitchburg, Medford, West Springfield and Westfield).

The study is limited to those candidates who were on the ballot in the November elections in cities and does not include those who were eliminated in preliminary elections.

	<i>Number of mayoral candidates</i>	<i>Receipts</i>		<i>Expenditures</i>		
		<i>Total</i>	<i>Median</i>	<i>Total</i>	<i>Median</i>	<i>Average spent per vote</i>
1997	66	\$3,708,975	\$28,157	\$3,835,055	\$27,127	\$6.63
1999	69	\$3,198,736	\$32,289	\$3,284,268	\$23,388	\$7.44
2001	76	\$4,546,947	\$32,644	\$5,852,880	\$33,040	\$11.70
2003	70	\$3,587,911	\$31,586	\$3,949,051	\$27,672	\$11.03
2005	71	\$5,778,781	\$30,021	\$6,209,404	\$27,621	\$14.18
2007	69	\$3,577,819	\$29,122	\$3,914,462	\$25,339	\$12.23
2009	73	\$5,549,845	\$30,523	\$7,542,006	\$28,924	\$16.52
2011	71	\$3,386,403	\$30,218	\$3,549,375	\$27,469	\$11.01
2013	63	\$8,508,820	\$34,626	\$8,839,321	\$32,964	\$20.96
<b>2015</b>	<b>61</b>	<b>\$3,692,411</b>	<b>\$34,895</b>	<b>\$3,786,953</b>	<b>\$30,782</b>	<b>\$12.93</b>

# I can't have a raffle?

## BINGO!

### Games of chance are prohibited

According to the Attorney General's office, political committees may not conduct games of chance, such as raffles and BINGO games.

The prohibition stems from MGL Chapter 271, Section 7A, and a 1992 letter to city and town clerks from former Attorney General Scott Harshberger.

The letter, in part, said "the law states that any organization that wants to hold a raffle ... must obtain a permit from their

city or town clerk. The law only allows clerks to issue permits to six specific types of organizations ... Political committees are not listed in the statute and may not be issued permits and, therefore, may not hold raffles."

If you have any questions regarding raffles, please contact the Attorney General's Non-Profit and Public Charities Division at 617-727-2200. OCPF's memo on the issue is available by [clicking here](#).

**FAQ: Can my campaign raise money by hosting a BINGO game?**

**Answer: No. Political committees are prohibited from raising money with games of chance.**







# Education

## OCPF's YouTube tutorials explain how to e-file, organize, dissolve

### Depository Candidates and Committees\*

Getting Started: How to organize a depository committee ([play](#))

How to e-file a deposit report ([play](#))

R6: Clarify an expenditure: Debit card use and unclear purpose information ([play](#))

R6: Occupation and Employer—how to append ([play](#))

How to dissolve a candidate's campaign or a political committee ([play](#))

PACs and People's Committees: Writing Checks to Candidates ([play](#))

### Non-Depository Candidates and Committees Who File with OCPF\*\*

How to create and file a campaign finance report using Reporter 6 ([play](#))

R6: How to report a reimbursement ([play](#))

R6: How to file a late contribution report ([play](#))

R6: How to amend a campaign finance report ([play](#))

R6: How to report out-of-pocket expenditures ([play](#))

How to dissolve a candidate's campaign or a political committee ([play](#))

R6: How to e-file a subvendor report ([play](#))

### Municipal Non-Depository Candidates and Committees

Campaign finance reporting on the municipal level ([play](#))

Municipal ballot question committee tutorial ([play](#))

LOCAL FILERS: How to use R6 to create, print and file the M102 ([play](#))

OCPF Tutorial for new clerks and local election officials ([play](#))

### General Tutorials

The use of public resources for political purposes ([play](#))

Public employees and the campaign finance law ([play](#))

*\*Statewide, county and Governor's Council candidates and committees, political action committees, state party committees and mayoral and city council candidates in Boston, Brockton, Cambridge, Fall River, Lawrence, Lowell, Lynn, New Bedford, Newton, Quincy, Somerville, Springfield and Worcester.*

*\*\*Legislative candidates, mayoral candidates in cities with populations of less than 75,000, and local party committees.*



# Reporting Requirements for Ballot Question Activity in the 2016 State Election

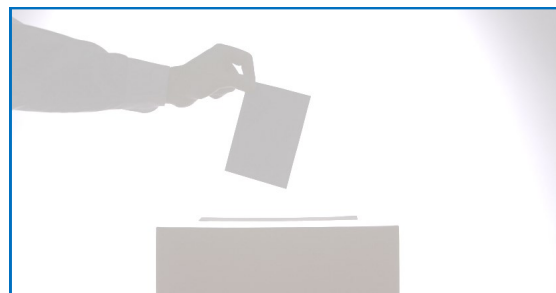
## State Ballot Question Committees File Regular Reports with OCPF

In 2016, state ballot question committees\* will electronically file regular reports with OCPF on a two-week cycle starting Sept. 9, disclosing receipts, expenditures, in-kind contributions and liabilities. The schedule:

Report Type	Begin Reporting Period	End Reporting Period	Due Date
Initial Report	Nov. 4, 2014	Organization date	Organization date
60-Day	Jan. 1 (if organized before '16)	Sept. 4	Sept. 9
20 <sup>th</sup> of the Month	Sept. 5	Sept. 15	Sept. 20
5 <sup>th</sup> of the Month	Sept. 16	Oct. 1	Oct. 5
20 <sup>th</sup> of the Month	Oct. 2	Oct. 15	Oct. 20
5 <sup>th</sup> of the Month	Oct. 16	Nov. 1	Nov. 7
Nov. 20 <sup>th</sup>	Nov. 2	Nov. 15	Nov. 21
Year End	Nov. 16	Dec. 31	Jan. 20, '17

**72-Hour Reporting:** Ballot question committees that *receive and deposit* contributions of \$500 or more after the 18<sup>th</sup> day, but more than 72 hours before the date of the election, must file a disclosure report within 72 hours of depositing the contributions received (called a Late Contribution Report). **In 2016, the late contribution reporting period is Oct. 22 to Nov. 4.**

*\*If a group raises money or pools resources to support or oppose a ballot question, then a ballot question committee must be organized.*



## Expenditures Made by Corporations, Organizations and Individuals to Support or Oppose Ballot Questions

Organizations, groups, businesses and individuals that only make expenditures (and have not raised money) to support or oppose ballot questions – and the expenditures are done independent of a ballot question committee – file CPF 22 forms electronically with OCPF. The forms are e-filed on the same schedule as above.



R6 is free for municipal candidates who file locally and is only available by contacting OCPF. To register, candidates and committees should send the [M101 organizational form](#) with “R6 Only” written at the top to OCPF. [Click here](#) for a tutorial on how to use R6 to create and print campaign finance reports.

# PACs and Parties

## Committee contributions to candidates must include their OCPF ID numbers

When a political action committee, people's committee or state party committee makes a direct contribution to a candidate, the candidate's OCPF identification number must be included in the memo section of the check.

This allows a bank to include the number in the reports it files twice monthly on behalf of a committee.

It also helps the public to match contributions that are made to candidates while using OCPF's campaign finance database.

PACs and People's Committees can contribute up to \$500 per calendar year to a candidate. State party committees can give up to \$3,000 per year to each candidate.

Candidate ID numbers are available on the OCPF website under the "[browse registered filers and reports](#)" tab.

