

OCPF Reports



From the Director

Mike Sullivan

OCPF recently resolved three cases involving corporate money being funneled to candidates by disguising the origins of the funds (businesses gave money to employees, friends and/or family to give to candidates).

The cases are summarized elsewhere in this newsletter.



Our office has closed six of these “true source” cases since 2014, resulting in \$242,000 in settlement payments to the state’s general fund, and another \$76,000 paid to four cities.

Corporations are strictly prohibited from contributing to candidates, but can participate in the political process by contributing to Independent Expenditure PACs and ballot question committees. Contributions from individuals are capped at \$1,000 per year per candidate.

I also suggest that candidates double-check when contributions come from individuals who work for one company to ensure the funds are actually from the individuals.

COGEL 2015

More than 400 people from across the U.S. and Canada attended the Council on Governmental Ethics Laws (COGEL) conference at the Fairmont Copley Plaza in December.

Continued on the Next Page

State’s campaign finance law gets top grade from ethics watchdog organization

The Massachusetts campaign finance law and OCPF’s disclosure system was ranked first among all states nationally, receiving an “A” grade from The Center for Public Integrity.

Massachusetts scored a 92 out of 100 in the “Political Financing” category, according to the study, available [here](#).

OCPF’s highest scores were in the sub-categories of “monitoring and enforcement” and public “access to political finance records.”



“We stress public disclosure, thorough auditing and education,” said Michael Sullivan, OCPF’s director. “It’s nice to see those efforts acknowledged.”

After Massachusetts, the top campaign finance scores went to Alaska (88), Vermont (84);

Kentucky (82) and North Carolina (75). The bottom five, which all received failing grades for campaign finance, include Mississippi (34), Oregon (37), Wyoming (37), Indiana (38) and Virginia (39).

Campaign finance was one of 13 categories within The Center for Public Integrity’s study, which measured transparency and accountability in state government. Other categories included “Access to Public Information,” “Judicial Accountability,” and “Lobbying Disclosure.”

[The Center for Public Integrity](#) was founded in 1989 as a nonpartisan, nonprofit investigative news organization, and is based in Washington, D.C. It won a Pulitzer Prize in 2014.

All local party committees will reorganize after the March presidential primary

Municipal-level party committees must reorganize after the March 1 presidential primary election before they can raise or spend money.

State law requires each committee (ward, town and city) to organize shortly after the primary to elect a chairperson, treasurer and secretary, according to the state’s [Elections Division](#). There are more than 600 potential committees in the state from each party.

To complete the organization process, a committee will file an organizational form, [available here](#). This form is filed in four locations — OCPF, Secretary of the Commonwealth, the state party and the city or town clerk.

[Click here](#) for a detailed guide on how to organize.

[Click here](#) for a short tutorial for local party committees.

After Jan. 24, R6 Access will only be available to treasurers who have completed the required training module



**TAKES JUST
15 MINUTES!**

All treasurers who file with OCPF must complete on-line training (except for local party committee treasurers)

[Click here](#) to log in and complete the training.

From Page 1: From the Director

A much discussed topic concerned coordination between candidates and Independent Expenditure PACs (Super PACs). Super PACs can support or oppose candidates, but they cannot coordinate their efforts with the campaigns. OCPF will address this important issue through regulations (please see page 6 for our hearing notice concerning those regulations).

I want to personally thank Gov. Charles Baker, Secretary of the Commonwealth William Galvin and Boston Mayor Martin

Walsh for speaking at the conference, which was co-hosted by OCPF and the State Ethics Commission.

The attendees I spoke with appreciated hearing from our state officials on the topics of ethics and elections.

You can see much of what happened at the conference on Twitter by searching the hashtag: #COGEL2015.

Have a great winter season.



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-15-84: Plymouth Democratic Town Committee. No further action (contribution from federal committee); 10/19/2015. The committee reported a receipt of \$700 from the federal account of the Massachusetts Democratic Party. The report indicated that the contribution was payment for office space that was used for an election headquarters during the 2013 election. The campaign finance law prohibits Massachusetts committees from receiving funds from a political committee not registered with the state. The Massachusetts Democratic Party federal account can pay for rent in some circumstances, but the federal party must pay the landlord directly, not through the local party committee.

CPF-15-56: John Davis, Littleton. No further action (disclosure, corporate contribution); 10/21/2015. During Davis’ campaign for the Board of Health in 2015, the committee did not disclose an in-kind contribution for signs and an expenditure, and received a \$100 corporation contribution. The Davis Committee has since amended its reports and refunded the corporate contribution.

CPF-15-56: Edward Mullen, Littleton. No further action (disclosure, filing, corporate contributions); 10/21/2015. During Mullen’s campaign for the Planning Board in 2015, the committee did not disclose all financial activity, did not file a 30-day after report, and it accepted two corporate contributions

totaling \$200. The Mullen Committee has since filed the report, made amendments and refunded the corporate contributions.

CPF-15-56: Michael Mizzoni, Littleton. No further action (disclosure); 10/21/2015. During Mizzoni’s campaign for School Committee, his committee did not initially disclose all financial activity and did not file a 30-day after report. The committee has now filed and amended its reports.

CPF-15-56: Michael Fontanella, Littleton. No further action (filing); 10/21/2015. During Fontanella’s campaign for School Committee, his committee did not initially file a pre-election report and a 30-day after report. The reports have since been filed.

CPF-15-56: Jennifer Cameron, Littleton. No further action (disclosure, filing); 12/21/2015. During Cameron’s campaign for School Committee, her committee did not initially disclose all financial activity and did not file a 30-day after report. The committee has now filed and amended its reports.

CPF-15-77: Richard Mulligan, Boston Redevelopment Authority. Did not comply (public employee); 10/28/2015. Mulligan, a public employee, sent several e-mails to co-workers inviting them to contribute and attend a political fundraising event in 2015. Public employees

Continued on the Next Page

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

are prohibited from soliciting contributions for any political purpose.

CPF-15-63: CVS Health MA PAC, Washington, D.C.

Did not comply (disclosure); 11/4/2015. As part of the transition into the depository system of disclosure, OCPF determined there was a significant discrepancy between the PAC's records and the actual bank balance. To resolve the issue, the PAC made a one-time accounting adjustment of \$11,467, and made a \$1,000 payment to the state's general fund.

CPF-15-68: Daniel Knapik, Westfield. Did not comply (disclosure); 11/10/2015. Knapik, a former mayor, did not disclose in a timely manner a \$4,505 payment for a billboard advertisement from 2013. The committee has amended its reports to reflect the expenditure.

CPF-15-75: Michal Gaffney, Worcester. No reason to believe (disclosure); 11/23/2015. After receiving a complaint alleging lack of disclosure for ads posted on a blog, OCPF found that the Gaffney Committee disclosed expenditures as required.

CPF-15-107: Michael Rosa, Billerica. No reason to believe (public resources); 11/24/2015. After receiving a complaint, OCPF's subsequent review found no reason to be-

lieve that the Rosa's use of a list of municipal employees violated the campaign finance law.

CPF-15-115: Nicholas Cocchi, Ludlow. Did not comply (public buildings); 11/11/2015. The Cocchi Committee distributed a fundraising e-mail, several of which were sent to public employees at work. The campaign finance law prohibits the solicitation of campaign contributions in buildings used for governmental purposes. The candidate agreed not to accept any funds from public employees as a result of the e-mail, and will "scrub" its e-mail distribution list to remove government e-mail addresses.

CPF-15-106: Lisa Thorson, Garden City Coalition PAC, Newton. Did not comply (disclosure); 11/11/2015. OCPF reviewed a complaint alleging that the PAC did not organize prior to sending a mailer to Newton residents. The group did not organize as a PAC, as required, until Nov. 2, 2015, several days after a mailer was sent to support several candidates.

CPF-15-113: Nyles Courchesne, Holyoke. No further action (disclosure); 12/16/2015. Courchesne, a candidate for school committee, did not initially disclose approximately \$2,200 in campaign expenditures that he made using his personal funds. Courchesne amended his pre-election report to disclose the expenditures.

MUNICIPAL CLERK YEAR END RESOURCES

[Click here](#) for blank M102 campaign finance reports

[Click here](#) for blank M102-0 campaign finance reports

[Click here](#) for a tutorial for local election officials

[Click here](#) for a brief summary of the campaign finance law

Drywall company agrees to pay \$81,500 to resolve campaign finance issues

Century Drywall, Inc. of Rhode Island made an \$81,500 civil forfeiture payment to the state's general fund to resolve issues concerning prohibited contributions to several candidates and a state party committee, according to a disposition agreement between the business and the Office of Campaign and Political Finance.

In the [agreement](#), signed by OCPF Director Michael Sullivan and Century Drywall President Joel Trojan, Trojan also agreed to refrain from soliciting contributions from any employee for three years for any Massachusetts candidate or committee.

According to the disposition agreement, Trojan asked Century employees to contribute to candidates in Massachusetts, and the company employees were reimbursed for the contributions using company funds. In some instances, company funds were distributed to employees and subsequently to their family members and friends, who then made contributions to candidates. In total, 29 individuals made contributions totaling \$51,500 using Century Drywall funds.

The campaign finance law prohibits disguising the true source of funds contributed to candidates and committees, and prohibits contributions from corporations.

The contributions were made using Century Drywall funds to the following candidates and the Democratic State Committee:

- In 2012, three individuals contributed \$1,500 to the Thomas Menino Committee (Boston mayoral).
- In 2014, 29 individuals contributed \$500 each to the

Martin Walsh Committee (Boston mayoral), totaling \$14,500. Then in 2015, 18 individuals contributed \$1,000 each to the Walsh Committee, totaling \$18,000. The total for both years was \$32,500.

- In 2014, nine individuals contributed \$500 each to the Joseph Curtatone Committee (Somerville mayoral), totaling \$4,500.
- In 2014, two Century employees each contributed \$5,000 to the Democratic State Committee, using funds provided to them by Century Drywall.
- In 2015, three individuals contributed \$1,000 each to the Robert DeLeo Committee (Winthrop state representative).

The total amount contributed to the above candidates and committees with funds provided by Century Drywall was \$51,500. The funds will be disgorged by the active candidates and the party committee no later than Feb. 28, 2016 (the Menino Committee has dissolved). Funds can be disgorged to several entities – charity, religious organization, a scholarship fund, the general fund of a city or town, and the state's general fund.

The candidates and committees were unaware that the contributions were made with corporate funds until notified during OCPF's review, and Trojan fully cooperated with OCPF's investigation.

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.

[@OCPFreports](#)



Announcements

News

Reporting Tips

How to Contact OCPF's Auditors

Tricia Jacobson	pjacobson@cpf.state.ma.us
Shane Slater	sslater@cpf.state.ma.us
Jeff Tancreti	jtancrati@cpf.state.ma.us
Leslie Dano	ldano@cpf.state.ma.us
Anne Bourque	abourque@cpf.state.ma.us

Auto dealerships pay \$60,000 to resolve campaign finance issues

Braintree-based Daniel J. Quirk Inc. and Quincy Auto Auction Inc. made a \$60,000 payment to the state's general fund to resolve issues concerning prohibited contributions to several candidates, according to a disposition agreement between OCPF and the businesses.

The two affiliated auto dealership companies, owned by Daniel Quirk, contributed \$19,500 from 2013-2015 to four candidates by providing the funds to employees, who subsequently gave the money to the political committees, according to the agreement. The candidates receiving the funds were Gov. Charles Baker, Quincy City Councilor Brad Croall, Quincy Mayor Thomas Koch and former attorney general candidate Warren Tolman.

The dealerships arranged for employees to make 39 total contributions of \$500 each, using funds provided by the corporations.

The campaign finance law prohibits corporate contributions to candidates, and prohibits disguising the true source of funds.

The committees will disgorge the amounts they received in prohibited contributions – Koch, \$7,000; Croall, \$6,000; Tolman, \$4,000; and Baker, \$2,500. The money can be given to the state, a city or town, a scholarship fund or a charity or religious organization.

The candidates and committees were unaware that the contributions were made with corporate funds until notified during OCPF's review, according to the agreement.

Quirk agreed not to solicit contributions from his employees for any Massachusetts candidate or political committee for three years, according to the agreement.

The agreement, signed by Quirk and OCPF Director Michael Sullivan, is available by [clicking here](#).

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.

Notice of Public Hearing on Regulations

OCPF will hold a public hearing regarding regulations on Wednesday, Feb. 24, 2016 at 10 a.m. at One Ashburton Place, Room 411, in Boston.

The office intends to [issue regulations](#) to define when coordination of expenditures takes place. The proposed regulations will be issued in response to questions frequently asked regarding coordination between candidates and independent expenditure PACs or other entities making independent expenditures. The proposed regulations will define situations in which a presumption of coordination exists between a candidate and an outside spender who is expressly advocating on the candidate's behalf.

The public is invited to comment on the regulations, which will be posted on OCPF's website at least two weeks prior to the hearing. Interested persons may either appear in person at the hearing or submit comments in writing at any time prior to the hearing. Comments or questions should be directed to OCPF by e-mail (ocpf@cpf.state.ma.us).



OCPF staffers attend COGEL 2015 at the Fairmont Copley Plaza in December. See page 7 for more COGEL information.

COGEL 2015: Boston

The Council on Governmental Ethics Laws (COGEL) held its annual conference at the Fairmont Copley Plaza Hotel in Boston in early December. More than 400 people from across the nation and Canada attended. The conference was co-hosted by OCPF and the state's Ethics Commission. The 2016 conference will be held in New Orleans.



Three special elections set for early 2016

Fitchburg, Lunenburg, Brockton and Peabody

The primary election date is 2/2/2016 and the general election is 3/1/2016.

[Click here](#) for the 3rd Worcester District schedule (Fitchburg, Lunenburg).

[Click here](#) for the 9th Plymouth District schedule (Brockton).

[Click here](#) for the 12th Essex District schedule (Peabody).

The pre-primary report is due Jan. 25, 2016 and the pre-election report is due Feb. 22. Candidates will also file a 30-day-after report on 3/31/2016.

Bridgewater company pays \$3,500 to resolve Quincy-based campaign finance issue

C. Naughton Corporation of Bridgewater paid \$3,500 to the state's general fund to resolve an issue concerning prohibited contributions to a Quincy mayoral campaign, according to a disposition agreement between OCPF and the business.

According to the agreement, the corporation's owner, Ciaran Naughton, asked several of his employees to attend a May, 2015, fundraiser for Mayor Thomas Koch of Quincy. Approximately 15 employees agreed to attend, but four indicated to Naughton that they could not afford to make a contribution. Naughton agreed to reimburse them for attending and making a contribution – \$250 each to three employees, and \$100 to a fourth, for a total of \$850. Corporate checks were issued to the four employees as reimbursement for their contributions.

The campaign finance law prohibits corporate contributions to candidates, and prohibits disguising the true source of funds.

The contributions to the Koch Committee were made using checks drawn on the personal checking accounts of the employees, and it would have appeared to the committee that the contributions were from those individuals. The Koch Committee had no knowledge that the contributions were made with corporate funds, according to the agreement.

As part of the agreement, Naughton will not solicit contributions for any Massachusetts candidate or political committee through Dec. 31, 2017.

[The agreement](#) was signed by Naughton on behalf of the corporation, and OCPF Director Michael Sullivan.

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.

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.

THE YEAR END REPORT

From governor to town selectman, every elected official (incumbent) files a year-end report

Non-incumbents file if they receive a notice from OCPF, or, on the local level, they have a balance, liabilities, or any activity not previously reported.

Due
Jan. 20

Non-candidate committees also file year-end reports, including PACs, IEPACs, ballot question committees, state party committees and people's committees.

Local party committees file if they had more than \$100 in activity.

E-Mail Notifications Are Here!

DEPOSITORY CANDIDATES AND COMMITTEES

If your e-mail address is on file with OCPF, then you will receive notification e-mails when your bank files the twice-monthly reports.



Please ensure that the e-mail addresses you've entered into the R6 reporting system are accurate.

Depository candidates and committees include statewide, county and Governor's Council candidates, mayoral, city council and alderman candidates in cities with populations of 75,000 or more, state party committees and PACs and people's committees.