

# OCPF Reports



## From the Director

Mike Sullivan

During my time at OCPF, we occasionally see a trend that's troubling. Last year in this newsletter, we addressed the issue of "straw donors" — contributions made to candidates by disguising the true source of the funds.

In this edition, we address the issue of candidates spending outside the depository committee bank account (see page 2 for a detailed explanation).

We've seen instances recently of candidates in the depository reporting system who've used personal funds to make **direct** (not through the depository system) expenditures on behalf of their campaigns.

*A candidate can contribute his or her personal funds, but the money should be deposited into the campaign account, and expenditures should be made by committee check or debit card.*

When expenditures are made "outside" the depository bank account system, a candidate's financial activity is not disclosed to the public. In the depository system, disclosure reports are e-filed with OCPF when:

1. Deposits are made into the account (there's no deposit or disclosure if a candidate spends personal funds from his pocket).
2. Check or debit card expenditures are processed by a committee's bank.

Many first time municipal candidates are entering the depository system this year. Please call us for guidance and educational materials.

Have a great spring.

Mike Sullivan

## MUNICIPAL ELECTION YEAR

### Hundreds of candidates will appear on ballots, and all will file (or e-file) OCPF's forms

Hundreds and probably thousands of individuals will appear on municipal ballots this year, and each of them is required to file campaign finance reports at their city or town hall (and some with OCPF).

OCPF's goal is to help them all, directly or indirectly.

"We can't track each municipal candidate who files locally, so we depend on municipal election officials to do that for us," said Michael Sullivan, OCPF's director. "But each candidate, whether running for library trustee or mayor, is invited to call us for guidance.

City council candidates in municipalities with more than 75,000 residents, and all mayoral candidates, e-file with OCPF.

All other city and town candidates, except representative town meeting candidates, file with their local election officials, who provide the campaigns with OCPF's guides and forms.

Municipal election breakdown:

- Nine of 13 cities with populations of more than 75,000 are electing a mayor in 2017.
- All 13 cities with more than 75,000 residents are electing city councilors or aldermen this year.
- All 351 cities and towns have elections in 2017 (spring or fall).
- Twenty-five of 33 cities with less than 75,000 residents will elect a mayor.
- The fundraising record for mayoral candidates is \$3 million, set in 2013 by

Boston Mayor Martin Walsh.

- The spending record of \$3 million was also set by Walsh in 2013.
- In the last election cycle (2015), the top spender won in 18 of 24 contested mayoral races.
- [Click here](#) for a list of mayoral incumbents.

Forms, guides and tutorials for municipal candidates are available throughout this newsletter.

## ORGANIZE AND OPERATE

Mayoral and city council candidates in cities with populations of more than 75,000 must enter the depository system prior to raising and spending money. To organize with OCPF, follow these three steps:

1. File the [101 organizational form](#). Incumbents who hold another type of office, such as school committee, will file a "change of purpose" form if they decided to run for city council or mayor.
2. File the [D103 form](#), appointing a bank for the committee. The bank must sign this form.
3. File an [initial report](#).

## OCPF AUDITORS CAN HELP YOU THROUGH EACH STEP.

[Click here](#) for an instructional video.

# DEPOSITORY CANDIDATES AND COMMITTEES

- All financial activity by depository\* candidates and committees must flow through the campaign bank account.
- If a candidate decides to spend his or her personal funds on the campaign, the money should be deposited into the committee bank account.
- Expenditures can then be made using the committee checks or debit card. Tutorial [here](#).



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

**[Click here](#) for OCPF's tutorial on how to file reimbursement reports.**

# CANDIDATES & CAMPAIGNS SHOULD SCRUB GOVERNMENT E-MAIL ADDRESSES FROM THEIR CONTACT LISTS

## Jones Campaign E-Mail Contact List

Supporter	E-Mail Address
John Tavner	<a href="mailto:Jt617@gmail.com">Jt617@gmail.com</a>
Leslie Claret	<a href="mailto:lclaret@mass.state.com">lclaret@mass.state.com</a>
Dennis McClaren	<a href="mailto:mcdman@aol.com">mcdman@aol.com</a>
Kathleen Munroe	<a href="mailto:Kathleen.munroe@umass.edu">Kathleen.munroe@umass.edu</a>
Kurtwood	<a href="mailto:ksmith@yahoo.com">ksmith@yahoo.com</a>
Julian	<a href="mailto:ri...ty.gov.us">ri...ty.gov.us</a>
Michael	<a href="mailto:...aol.com">...aol.com</a>
Charles	<a href="mailto:Ch...@gmail.com">Ch...@gmail.com</a>

When campaigns organize, one common priority is to compile a list of supporters with contact information.

If your campaign has a contact list, please scrub all government e-mail addresses.

Personal e-mail accounts should be used for campaign activity and communications.

OCPF's memo on the topic is available by [clicking here](#).

### OCPF HAS CREATED SEVERAL TUTORIALS FOR MUNICIPAL CANDIDATES WHO FILE LOCALLY

1. [Campaign Finance Reporting for Municipal Candidates Who File Locally](#)
2. [How to Report Out-of-Pocket Expenditures: Local Filers](#)
3. [Local Filers: How to Use R6 to Create, Print and File the M102](#)
4. [How to Dissolve a Committee on the Municipal Level](#)



### HELPFUL RESOURCES FOR MUNICIPAL CLERKS AND ELECTIONS OFFICIALS

[Click here](#) for all municipal forms that are filed locally.

[Click here](#) for the guide for local election officials.

[Click here](#) for OCPF's tutorial for new clerks and local election officials. The video is an overview of the campaign finance law.

[Click here](#) for guidance concerning local candidates who fail to file the required forms.

[Click here](#) for guidance concerning the requirement to post campaign finance reports to municipal websites.



**ALL LEGISLATIVE INCUMBENTS, AS WELL AS FORMER AND CURRENT CANDIDATES FOR THE HOUSE OR SENATE WHO REMAIN ORGANIZED WITH OCPF, WILL FILE THE MID-YEAR REPORT, DUE JULY 20.**

**THE REPORTING PERIOD IS JAN. 1 THROUGH JUNE 30.**

## **2017 IRS Standard Mileage Reimbursement Rate**



Candidates and committees can reimburse people who use their personal vehicles for campaign travel. The 2017 IRS standard mileage rate is 53.5 cents per mile.

# MUNICIPAL SEMINARS

Seminars are for mayoral, city council, school committee and other candidates and committees. The training covers campaign finance requirements, as well as a demonstration of Reporter 6, OCPF's e-filing system. It lasts for about one hour.

Candidates and committees in surrounding cities and towns are encouraged to attend

Fall River City Hall	April 10	6:30 p.m.
Somerville City Hall	May 2	6:30 p.m.
Brockton City Hall	May 17	6 p.m.
Worcester City Hall	May 22	6:30 p.m.
Methuen City Hall	June 8	6:30 p.m.

*More seminars will be scheduled.*

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# 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. Disposition agreements are matters of public record once cases are concluded.*

## Disposition Agreements

*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.*

**J. Derenzo Companies, Brockton, 3/21/17:** J. Derenzo Companies, a Brockton-based construction business, and its owner, David Howe, made a \$125,000 payment to the state's general fund to resolve campaign finance issues. Howe also made a \$25,000 contribution to a charity of his choice with his personal funds. According to the agreement, J. Derenzo Companies provided at least \$37,000 to employees and their family members to reimburse them for contributions they made to nine designated candidates and committees.

**State Rep. Michael Finn, West Springfield, 3/16/17:** State Rep. Michael Finn of West Springfield agreed to an enhanced reporting schedule through 2018, after an OCPF review found that his campaign committee's finance reports did not accurately reflect contributions received and expenditures made from Jan. 1, 2014, through Aug. 21, 2016. As part of a disposition agreement between Finn and OCPF, the candidate also reduced a personal liability from his committee by \$2,500. OCPF's review of Finn's bank records showed that the campaign committee did not disclose a total of \$8,625 in contributions and \$7,945 in expenditures during the period under review.

## 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-16-129: John O'Toole, Dorchester.** Did not comply (disclosure); 1/27/2017. The O'Toole Committee did not disclose \$5,650 in contributions and approximately \$5,000 in expenditures, according to an OCPF review of the committee's records from the 2014 election for state representative. The committee dissolved and made a payment of \$243 to the state's general fund for the costs incurred during the review.

**CPF-17-06: John Comerford, Bondsville.** Did not comply (disclosure); 1/30/2017. Comerford, a 2016 candidate for sheriff, filed a statement with OCPF that affirmed that he did not intend to accept contributions or make expenditures. Notwithstanding the filing of this statement, however, Comerford personally made numerous campaign expenditures totaling approximately \$1,600. In January, 2017, Comerford filed a campaign finance report disclosing the expenditures.

**CPF-16-134: Sarah Hewins, Carver.** Did not comply (solicitation in a public building); 2/6/2017. In July of 2016, the Hewins Committee hosted a "meet-and-greet" event at the Wareham Public Library. During the event, an individual associated with the campaign initially addressed the audience and solicited donations. The campaign finance law prohibits the solicitation of campaign contributions in buildings used for governmental purposes.

**CPF-17-15: Paul L.D. Russell, Andover.** Did not comply (excess cash contributions); 2/8/2017. The Russell Committee received \$565 in excess cash contributions from 10 individuals for Russell's campaign for sheriff.

**CPF-16-156: David Tapscott, Uxbridge.** No reason to believe (organization as a political committee); 2/15/2017. OCPF received a complaint that the Uxbridge Citizens for Clean Water raised money to support the passage of a warrant article and the candidacy of Justin Piccirillo, a candidate for selectman. The group was not organized as a political committee, and OCPF's review determined that the group was not required to organize as a political committee.

**CPF-17-14: Daniel Rizzo, Revere.** Did not comply (excess contributions, disclosure of subvendor expenditures); 3/1/2017. In 2015, the Rizzo Committee received but did not return \$4,050 in excess contributions. In addition, the committee made payments to vendors in excess of \$5,000 for the year but did not provide information in its campaign finance reports regarding expenditures by these vendors to subvendors, and did not indicate that it contacted the vendors to verify that no subvendors were used. Campaigns that make expenditures of \$5,000 or more in a calendar year to a vendor must report all subvendor expenditures of \$500 or more that are made on behalf of the committee by the vendor. To resolve the matter,

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## Continued: Recent Cases and Rulings

the committee paid \$4,500 to the state's general fund.

**CPF-16-160: Patrick Cahillane, Leeds.** Did not comply (spending outside the depository system); 3/10/2017. Cahillane used his personal credit card to make approximately \$6,800 in campaign expenditures in the 2016 race for sheriff. The campaign finance law specifies that all campaign finance activity on behalf of a candidate for sheriff must take place through a designated depository bank account and be disclosed in a timely manner.

**CPF-17-04: Anthony Ventresca, Billerica.** Did not comply (disclosure); 3/13/2017. The Question 5 Ballot Committee that opposed adopting the Community Preservation Act in Billerica did not file timely or complete campaign finance reports.

**CPF-16-158: Stephen Borelli, Boston.** Did not comply (spending outside the depository system); 3/15/2017. Borelli used his personal credit card to make approximately \$14,000 in campaign expenditures for the 2016 race for Governor's Council. The campaign finance law specifies that all campaign finance activity on behalf of a candidate for Governor's Council must take place through a designated depository bank account and be disclosed in a timely manner.

**CPF-17-05: Kevin Coppinger, Lynn.** Did not comply (spending outside the depository system); 3/15/2017. The Coppinger Committee made reimbursements on three occasions in the 2016 campaign for sheriff, totaling \$10,665. The expenditures were made to reimburse agents of the committees who made expenditures on behalf of the campaign. The campaign finance law specifies that all campaign finance activity on behalf of a candidate for sheriff must take place through a designated depository bank account and be disclosed in a timely manner.

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## POSTING REPORTS TO MUNICIPAL WEBSITES

The campaign finance law requires local election officials to post campaign finance reports to their municipal websites, if a report exceeds \$1,000 in activity (selectmen, school committee, city councilors, ballot questions and others).

HOWEVER: OCPF encourages local election officials to post ALL reports, regardless of the financial activity.

[Click here](#) for OCPF's guide on posting reports to municipal websites.

## HOW TO CONTACT YOUR OCPF AUDITOR

EACH CANDIDATE ORGANIZED WITH OUR AGENCY IS ASSIGNED TO AN OCPF AUDITOR BASED ON THE FIRST LETTER OF HIS OR HER LAST NAME. PACs AND LOCAL PARTY COMMITTEES ALSO HAVE AUDITORS.

OCPF AUDITORS ASSIST CANDIDATES AND COMMITTEES WITH REPORTING, REGULATIONS AND E-FILEING. THEY ALSO REVIEW THE REPORTS FILED BY CANDIDATES AND COMMITTEES.

Candidate Last Name	Auditor	E-Mail
A-D	Shane Slater	sslater@cpf.state.ma.us
E-L	Jeff Tancreti	jtancrreti@cpf.state.ma.us
M	Tricia Jacobson	pjacobson@cpf.state.ma.us
N-Z	Anne Bourque	abourque@cpf.state.ma.us
PACs (80000 to 80499):	Mike Joyce	mjoyce@cpf.state.ma.us
PACs (80500 to 89998):	Caroline Paras	cparas@cpf.state.ma.us
Local Parties:	Sheila Cole	scole@cpf.state.ma.us



## Continued: Recent Cases and Rulings

**CPF-17-11: Mayor Joseph Curtatone, Somerville.** Did not comply (spending outside the depository system); 3/15/2017. On three occasions in 2016, the candidate used his personal funds to pay legal fees totaling approximately \$12,300. After he made the third personal payment, the committee appropriately made additional expenditures for legal fees through the campaign bank account. In December of 2016, the candidate sought reimbursement from the committee for the legal expenditures he had personally paid earlier in 2016. The campaign finance law specifies that all campaign finance activity on behalf of a candidate who files in the depository system must take place through a designated depository bank account and be disclosed in a timely manner. The law also prohibits reimbursements in excess of \$100.

**CPF16-90: Rep. Thomas J. Calter III, Kingston.** Did not comply (reporting); 3/22/2017. OCPF's review of the com-

mittee's bank records from 2014 to 2016 determined that it did not accurately disclose receipts and expenditures. The committee did not disclose \$2,700 in contributions, and did not maintain records for \$2,400 in cash contributions. The committee also reported \$7,922 in contributions that did not appear to be deposited into the campaign account. Additionally, the committee did not disclose approximately \$3,150 in expenditures and reported approximately \$2,300 in expenditures that did not clear the account. OCPF determined that the errors in disclosure were inadvertent and stemmed, in part, from medical issues of the treasurer's family and did not involve the misuse or personal use of any campaign funds. To resolve the matter, the committee amended its campaign finance reports, agreed to an enhanced reporting schedule, and made a payment of \$1,500 to the state's general fund.

**"The Commonwealth has a substantial, compelling interest in assuring the fairness of elections and the appearance of fairness in the electoral process."**

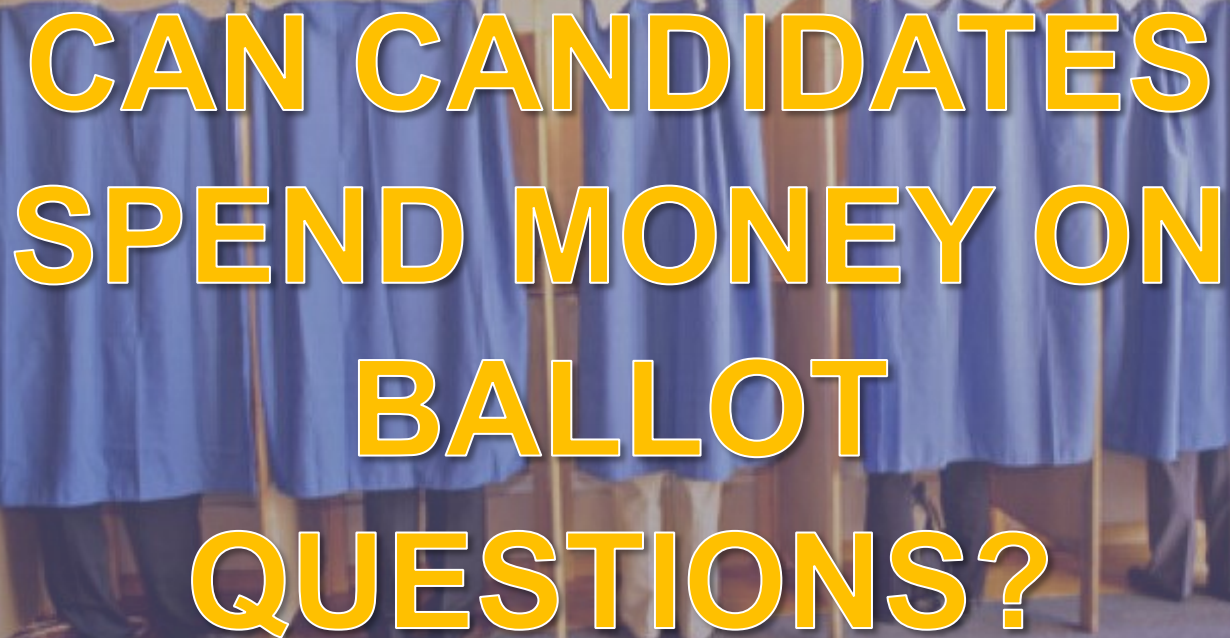
***Supreme Judicial Court, 1978  
Anderson vs. City of Boston***

The Supreme Judicial Court's Anderson decision determined that public resources cannot be used for political purposes.

Prohibited resources include public employee time, paper, e-mail, phones and copiers.

OCPF has created a tutorial, [available here](#), on the use of public resources for political purposes.





# CAN CANDIDATES SPEND MONEY ON BALLOT QUESTIONS?

OCPF is frequently asked whether a candidate can use his or her campaign funds to make contributions to ballot question committees.

**Answer:** YES, so long as the expenditure/contribution by the candidate is made to enhance his or her political future.

***Example:*** “One of the towns I represent is voting on an override for a new school. Can I use my state Senate campaign funds to send a mailing advocating for a ‘yes’ vote?” Yes, but a disclosure report would be filed with the local election official, and the senator would disclose the expenditure with OCPF on the next regular report.

***Example:*** “I’m a school committee member and residents are clearly in favor of the state’s ballot question concerning higher education. Can I donate to the state ballot question committee?” Yes. The BQ committee would disclose the receipt, and the candidate would disclose the expenditure.

If a candidate raises money for the purpose of supporting or opposing a question, the money should be given to the ballot question committee, not deposited into the candidate’s account.

**[Click here](#) for our contribution limits chart. [Click here](#) for our regulations.**



**RUNNING FOR LOCAL OFFICE?  
PLEASE WATCH THIS SHORT  
TUTORIAL FOR MUNICIPAL  
CANDIDATES WHO FILE  
CAMPAIGN FINANCE REPORTS  
LOCALLY.**

## **2017 Municipal Elections**

R6 can be used by municipal candidates **who file locally** and is only available by contacting OCPF. To register, candidates and committees should send by e-mail the M101 organizational form with “R6 Only” written at the top to OCPF (there’s no requirement to sign the form).

[Click here](#) for a tutorial on how to use R6 to create and print campaign finance reports.

**E-Mail: [ocpf@cpf.state.ma.us](mailto:ocpf@cpf.state.ma.us)**

# Candidates can make charitable contributions (with restrictions)

One way a candidate can enhance his or her political future is by making contributions to charitable entities.

In fact, candidates and committees have already made at least \$40,000 in charitable donations during the first two months this year, according to the OCPF database.

While charitable donations are allowed, there are some restrictions.

*Charitable contributions are permitted if:*

1. Neither the candidate, treasurer or any official of the political committee is a trustee, officer, principal or beneficiary the entity, or involved in any manner in the operations of the entity.
2. Neither the candidate, treasurer or any official of the committee is related to the officers of the entity.
3. Making charitable contributions is a usual and customary practice of the political committee.
4. The candidate or committee will receive publicity and foster political goodwill by making the donation.

Candidates and committees can also give to scholarship funds, so long as the candidate, treasurer or any official of the political committee does not participate in the selection of the beneficiary of a scholarship, and a scholarship is not awarded to relatives of the candidate or political committee members.

## OCPF

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## Grandpa's Charity



## Campaign Funds



Candidates are prohibited from making charitable contributions from their campaign accounts if their family members, or family members of an officer of the political committee, are officers of the charity.