

OCPF Reports



From the Director

After January, lots of changes are in the works.

At OCPF, we're in the process of updating our reporting forms and summary guide booklets to reflect changes to the campaign finance law, which go into effect Jan. 1.

Some forms are changing by only a few words, while others are being substantially revamped. We're also creating forms to match new sections of the campaign finance law dealing with electioneering communications and special funds for inaugurations, legal defense expenses and recount efforts.

For those of you who file electronically, yes, the changes are also being made to the reporting software, which we explain on page 2 of this newsletter.

So far, two revised summary guides – municipal candidates and municipal ballot questions committees – have been posted to the Web site, and a limited number are available in booklet form at our office. Revised summary guides for General Court, state-wide and other depository committees, party committees and political action committees will be available at our Web site soon.

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Buonomo sentenced for stealing campaign funds

Made \$136,000 payment to the state

Former Middlesex County Register of Probate John R. Buonomo pleaded guilty and was sentenced to 2 1/2 years in jail for the theft of more than \$100,000 in campaign funds, among other charges.

Buonomo, 58, of Newton, pleaded guilty Oct. 15 in Woburn Superior Court to charges brought by the Attorney General's Office and the Middlesex District Attorney. He was sentenced on Nov. 18.

In addition to his jail sentence, Superior Court Judge Bruce Henry sentenced Buonomo to 10 years probation and ordered him to pay \$102,000 in restitution to the state. Buonomo also voluntarily made a payment to the state for approximately \$136,000, the balance remaining in his campaign account.

On March 31 this year, the Attorney General's Office sought and obtained indictments from a Middlesex

Grand Jury in connection with Buonomo's theft of more than \$100,000 in funds from his campaign committee and for his personal use of those funds.

The Office of Campaign and Political Finance (OCPF) initiated an investigation into suspected violations of campaign finance laws by Buonomo in April 2008.

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OCPF alleges that Lawrence officials used public resources for campaign purposes

An OCPF review of election-related activity in Lawrence found evidence of campaign finance law violations. Seven individuals were referred to the Attorney General for further action.

The evidence suggests that Lawrence School Superintendent Wilfredo Laboy, his former assistant Mark Rivera, and local resident Israel Reyes used and authorized the use of Lawrence Public Schools resources – specifically the School Department's printing press and employee time – to support the election of four Lawrence

School Committee candidates (Omaira Mejia, Peter Larocque, Gregory Morris and Priscilla Baez) and a candidate for Congress in 2007 (Barry Finegold).

The use of public resources for campaign purposes is a violation of the campaign finance law.

The evidence also suggests that Laboy, Rivera and Reyes did not comply with the statute that requires any person who receives a contribution, makes and expenditure, or incurs a liability on behalf of a candidate to provide a detailed account to

the candidate within three business days. OCPF's review concluded that the four School Committee candidates did not comply with the campaign finance law because they failed to disclose contributions, expenditures or liabilities in connection with the printing, postage and advertising they received. The campaign finance law requires all statements and reports to be signed under the penalties of perjury.

The matter was referred to Attorney General Martha Coakley's office on Sept. 8, 2009.

Did you know?

Candidates and committees can receive contributions via credit card using Web-based payment processing vendors, such as PayPal. Contributions are reported as receipts in their full amount. The fee charged by the payment processing company is reported as an expenditure. For example, an individual makes a \$100 contribution and only \$97 is deposited into the candidate's account because \$3 is kept by the payment processing company. The candidate will report a \$100 receipt from the individual donor and a \$3 expenditure to the payment processing company. For more information, please see OCPF memo M-04-01 under the "Legal Resources" tab at our Web site.



OCPF redevelops reporting software to synch with law

Upgrade: Allows use of Reporter software from multiple computers

The Office of Campaign and Political Finance will soon launch a new version of its electronic filing software, Reporter 5, to accommodate changes to the campaign finance law. The upgrade also features technical improvements, making it possible to perform online data backups and to use multiple computers to file, edit and enter data into electronic campaign finance reports.

The new software, which replaces Reporter 4, will be available in early 2010.

Reporter 5 will include new electronic forms for sub-vendor reports, savings account disclosures and late contribution reports, among other changes related to the revised campaign finance law.

Candidates and committees will be able to download Reporter 5 for free at the OCPF Web site.

The Reporter 5 software and its alternative, Web Reporter, OCPF's Web-based electronic filing system, will allow electronic filing to comply with the following amendments to the campaign finance law:

Sub-Vendor Reports

The new law requires vendors, such as consultants, to disclose to the candidate how they spent money, but only if the payments to the vendor from the campaign exceed \$5,000 a year, and the payments to sub-vendors from the vendors exceed \$500 a

year.

The campaign, using the information provided to it by the vendors, will disclose the information electronically.

Late Reports

Many candidates, all state party committees and all ballot question committees that receive and deposit contributions of \$500 or more within 18 days of a primary or general election will disclose the activity electronically within 72 hours.

Mayoral Candidates

Mayoral Candidates in cities with populations between 40,000 and 100,000 will file electronically with OCPF if they can reasonably expect to raise or spend \$5,000 during an election cycle.

Savings Account

Depository candidates will disclose all savings account activity at the end of each year.

Mid-year reports

Legislative candidates and PACs will file mid-year reports in odd-numbered years. The reports will be due on July 20 covering the first six months of the year.

Electioneering Communications

These are communications that discuss an issue and identify a candidate within 90 days of an election but do not expressly ask voters to support or oppose the

candidate in an election. These reports will be filed electronically using the OCPF Web site, similar to how independent expenditure reports are filed.

Legal, inauguration and recount funds

The new legal defense, recount and inauguration portion of the law — Section 18E — will require candidates to disclose who donates money for those purposes. The money raised should be kept separate from the candidate's campaign fund.

Other major upgrade

In addition to the software changes made to reflect amendments to the campaign finance law, the other major Reporter 5 upgrade allows multiple users to log information into the database, such as expenditures and receipts, from several computers. Reporter 4 users can use only one computer. Reporter 5 also allows users to perform online data back-ups by saving information to OCPF's server. The new Reporter 5 software was developed by OCPF Information Technology Manager Albert Grimes and Business Systems Analyst Tracey Dano. Please call them with any questions about installing and using the new software.



Recent Cases and 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 such as public resolution letters, disposition agreements or referral to the Office of the Attorney General for further action.

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.

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.

Disposition Agreement

The United Food and Commercial Workers International Union Active Ballot Club federal political action committee (7/24/2009).

UFCW's federal PAC made several contributions to Massachusetts political committees from 2006 to 2008 in violation of state campaign finance laws. State campaign finance law does not allow federal PACs to make contributions to Massachusetts candidates and political party committees.

To resolve the matter, the union paid \$3,500 to the state's general fund and has agreed to limit or halt its contributions to certain Massachusetts political committees in 2009 and 2010, according to a disposition agreement between the Massachusetts Office of Campaign and Political Finance and the union.

The federal PAC's prohibited contributions were \$5,000 to Gov. Deval Patrick's Victory Fund on May 31, 2006; \$15,000 to the Massachusetts Democratic State Committee's state account on Oct. 13, 2006; \$5,000 to

the Sen. Kenneth Donnelly Committee on Nov. 4, 2007; and \$10,500 to the Douglas Belanger Committee, funds that were given in two installments. Belanger was running for a state senate seat.

The UFCW has agreed not to make contributions to the Massachusetts Democratic State Committee's state account, the Donnelly Committee or the Belanger Committee during 2009, and is limited to a \$5,000 contribution to the Democratic State Committee's state account in 2010. The union may only contribute \$500 each to the Donnelly and Belanger committees in 2010.

All of the contributions made by the federal PAC from 2006 to 2008 were disclosed in campaign finance reports filed with the Federal Election Commission. The federal PAC contributions were also publicly disclosed in campaign finance reports filed with OCPF by the union's Massachusetts PAC, though the money did not come from the state PAC.

Public Resolution Letters

CPF-09-28: Councilor Sam Yoon, Boston: Did not comply (solicitation in building used for governmental purpose); 7/8/2009. A fundraising solicitation was sent to 241 public employees at their place of work. Section 14 prohibits solicitations in buildings used for governmental purposes. The committee received one contribution of \$150 in response to the e-mail and has disgorged the funds.

CPF-09-01: Brotherhood of Locomotive Engineers Legislative Board MA PAC, Cleveland, OH. Did not comply (prohibited contribution from federal PAC); 7/21/2009. The Brotherhood's state PAC did not keep its Massachusetts funds sepa-

rate and distinct from other accounts. In addition, by using the Brotherhood's federal PAC account to make contributions to Massachusetts candidates, it did not comply with the state campaign finance law. None of the federal PAC's contributions, however, exceeded the \$500 limit on contributions that may be made by Massachusetts PACs. The Brotherhood agreed to open a separate segregated Massachusetts PAC bank account, print the PAC ID number on all checks, and provide OCPF with copies of its bank statements and all checks received and deposited with each campaign finance report filed until Jan. 20, 2012.

CPF-09-37: Dr. Kathleen Tyrell, Superintendent of Schools, Hull. No reason to believe (public resources); 7/21/2009. The Student Advisory Committee, a Hull High School student organization, which has privately raised student funds, paid for wrist bands and t-shirts that advocated for the passage of a debt exclusion ballot question. The organization did not file a CPF M22 report disclosing the costs of bands and shirts within eight days, as required by law. The organization subsequently filed the required form.

CPF-09-38: South Hadley First Fire District Action Committee, South Hadley. Did not comply (reporting); 8/5/2009. The committee initially did not file a timely post election campaign finance report with the South Hadley Town Clerk, due 30 days after the April 6, 2009, election.

CPF-09-41: Sal DiMomenico, Everett. Did not comply (solicitation by public employee, solicitation in a building used for governmental purposes); 8/13/2009. The candidate's

wife e-mailed invitations to a campaign fundraiser to public employees at their place of employment that appeared to be sent by the candidate, who is also a government employee. Campaign finance law prohibits solicitations by public employees and in buildings used for governmental purposes. The candidate said the invitations to government employees were meant to be complimentary and no money was received from public employees as a result of the e-mail.

CPF-09-43: Sandra Capo and Anna Marie Dalesandro-Beech, West Newbury. No further action (disclosure); 8/13/2009. OCPF reviewed a complaint concerning expenditures that may have been made by Capo and Dalesandro-Beech concerning the write-in campaign for a candidate for selectman. Capo and Dalesandro-Beech stated they did not make expenditures, whether independently or coordinated with the candidate.

CPF-09-45: School Superintendent Peter G. Schafer, Abington. No further action (public resources); 8/28/2009. Abington Public Schools sent a notice by e-mail stating that a meeting to discuss an upcoming override vote would be held July 25, 2009. The superintendent stated he did not know that the purpose of the meeting was to form a ballot question committee. Public resources, including e-mail, cannot be used for campaign purposes. Given the timing of the meeting and the interest of the group in discussing the upcoming override, one might reasonably have anticipated that a group calling itself the "Come Together for Abington Committee" was, or would

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Continued: Recent cases and rulings

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become, a ballot question committee.

CPF-09-80: Rep. Stephen Stat Smith, Everett. No further action (reporting); 9/9/2009. The campaign inaccurately disclosed its financial activity because it confused the disclosure requirements for both the state and local levels when running for a local office in one year and a state representative seat in the next year. The committee did not report activity solely intended for a local level candidacy on state level reports and vice versa. This resulted in partial disclosure at both levels, requiring the need for financial record reconciliation. OCPF’s review covered the 2004-2008 period and was initiated at the request of the committee. To resolve the matter, the committee will provide its bank statements through Dec. 31, 2011, to OCPF, and has made a \$2,000 payment to the state’s general fund for costs incurred during the review.

CPF-09-52: Coalition to Repeal 40B: Did not comply (expenditure); 11/19/2009. The coalition, a ballot question committee, spent \$2,000 to distribute a letter on March 10, 2009, that supported two local candidates and opposed one. The letter was sent to 11,000 households in the town of Chelmsford. Ballot question committees are prohibited from making expenditures to support or oppose candidates. The committee paid \$1,000 to the state’s general fund to resolve the matter.

CPF-09-81: Edward Byers, Easton. Did not comply (disclosure); 11/19/2009. Before the Sept. 15, 2009, primary election in Brockton, Stop the Power, a group that opposes a proposed power plant in Brockton, distributed a mailing that supported city council candidates who oppose the project. The mailing was paid for personally by Edward Byers, who filed a report of independent expenditures with OCPF disclosing the \$2,500 cost of the mailing. The respondent filed the independent expenditure reports with the Brockton Elections Commission, but not until Nov. 6. The campaign finance

law requires the filing of an independent expenditure report with local election officials within seven business days of such an expenditure.

CPF-09-69: James F. Gettens, Sterling. Did not comply (reporting); 11/19/2009. Gettens, a candidate for state representative, paid for ads that said voters should not “reelect incumbent Democrats.” The ads also clearly identified the incumbents. Even though the ads were described by Gettens as issue advocacy, they were not, and the candidate, who had not yet organized a committee, was required to file a Report of Independent Expenditures. The campaign finance law requires disclosure of independent expenditures of more than \$100 by any individual expressly advocating the defeat of a clearly identified candidate.

CPF-09-61: Committee to Elect Setti Warren, Newtonville. Did not comply (corporate contribution); 11/19/2009. A corporation, Honda Village automobile dealership in Newton, hosted a meet the candidate fundraising event for the Committee to Elect Setti Warren, a candidate for mayor. Honda Village provided its facility free of charge to the commit-

tee. State campaign finance law prohibits corporations from contributing anything of value for the purpose of influencing the election of a candidate. The committee reimbursed Honda Village \$120 for the use of the facility.

CPF-08-80: Rep. Robert Spellane, Worcester. Did not comply (personal use); 12/1/2009. Campaign funds were used to make payments for an automobile that was driven by Spellane’s wife. Spellane personally reimbursed his campaign committee \$2,357 for the automobile. Spellane also reimbursed his committee for a \$140 expenditure for graduate record examination testing. To resolve the matter, the committee made a \$1,500 payment to the state.

CPF-09-75: Dorothy Hughes, Centerville. No reason to believe (reporting); 12/18/2009. A Centerville resident used her personal funds to pay for signs and flyers opposing an Oct. 13, 2009, ballot question in Barnstable. If an individual makes expenditures to influence a ballot question, then no disclosure is required (starting Jan. 1, 2010, individuals will be required to disclose expenditures of \$250 or more).

Are you spending personal funds on your campaign?

Here’s how to disclose it on your campaign finance report

State and municipal candidates in the *non-depository system* often make campaign expenditures using their personal funds and are required to disclose the expenditures and contributions on their campaign finance reports.

Step One: Report the amount spent as a contribution from the candidate to the campaign on Schedule A, even though the money was paid directly to a vendor. If you anticipate being paid back by the committee, write “loan” next to the candidate’s name.

Step Two: Record the amount as an expenditure, listing the actual vendor in the “To Whom Paid” column on Schedule B. Listing the expenditure accurately balances the account.

Step Three: If a candidate anticipates being paid back by the campaign, the information should be listed in the liabilities section of the campaign finance report (Schedule D).

Recently Organized Committees

John F. Shea, Marshfield, District Attorney, Plymouth County, July 7, 2009, Democratic.

Luis D. Perez, Gardner, Governor, unaffiliated, July 7, 2009.

Karla Romero, Malden, House, 35th Middlesex, unaffiliated, July 9, 2009.

David Saad, Seekonk, House, 4th Bristol, Republican, July 10, 2009.

Mario Marchese, Wilmington, House, 19th Middlesex, Republican, July 13, 2009.

Rose K. Staram, Dorchester, House, 11th Suffolk, Democratic, July 14, 2009.

Cornelius F. Sullivan, Ayer, House, 1st Middlesex, Republican, July 21, 2009.

Patrick Murphy, Lowell, City Council, no party listed, July 24, 2009.

Matthew Trowbridge, North Attleborough, House, 14th Bristol, Democratic, July 24, 2009.

Joseph C. O'Brien, Worcester, City Council, no party listed, July 27, 2009.

Charles D. Baker, Swampscott, Governor, Republican, July 29, 2009.

Emmanuel Tsitsilianos, Worcester, City Council, no party listed, July 29, 2009.

Mary S. Keefe, Worcester, City Council, July 29, 2009.

Robert Francesca, Springfield, City Council, no party listed, July 30, 2009.

Brett Schetzle, Beverly, House, 6th Essex, Republican, Aug. 3, 2009.

Benjamin Opara, Lowell, City Council, Republican, Aug. 4, 2009.

Tom Stohman, Cambridge, City Council, unaffiliated, Aug. 5, 2009.

Mark F. Flanagan, Cambridge, City Council, Democratic, Aug. 6, 2009.

Silvia Glick, Cambridge, City Council, Democratic, Aug. 6, 2009.

George Ward, Georgetown, House, 2nd Essex, Republican, Aug. 6, 2009.

Kara Fratto, Reading, House, 30th Middlesex, Republican, Aug. 7, 2009.

James M. Williamson, Cambridge, City Council, unaffiliated, Aug. 11, 2009.

Thomas Ashe, Springfield, City Council, Democratic, Aug. 11, 2009.

Gregg J. Moree, Cambridge, City Council, Democratic, Aug. 11, 2009.

David Koch, Lowell, City Council, Democratic, Aug. 11, 2009.

Kathryn Podgers, Cambridge, City Council, Democratic, Aug. 11, 2009.

Rodney Elliott, Lowell, City Council, Democratic, Aug. 12, 2009.

Frederick Doyle, Lowell, City Council, Republican, Aug. 12, 2009.

Curtis Freeman, Lowell, City Council, Democratic, Aug. 12, 2009.

Michael Holland, Lowell, City Council, Democratic, Aug. 12, 2009.

Jose Gabriel, Lowell, City Council, Democratic, Aug. 12, 2009.

Syed Hussain, Lowell, City Council, Republican, Aug. 12, 2009.

Raymond Weicker, Lowell, City Council, Republican, Aug. 12, 2009.

Robert Montgomery, Taunton, House, 12th Bristol, Democratic, Aug. 28, 2009.

Michael F. Case, Washington,

House, 2nd Berkshire, Republican, Sept. 1, 2009.

Eric Morin, Charlton, House, 6th Worcester, Democratic, Sept. 9, 2009.

Michael Day, Stoneham, Senate, Middlesex and Essex, Democratic, Sept. 14, 2009.

Brad Marston, Boston, House, 8th Suffolk, Republican, Sept. 21, 2009.

David Dunford, Orleans, House, 4th Barnstable, Republican, Sept. 23, 2009.

James M. Stanton, Walpole, House, 12th Norfolk, Republican, Sept. 24, 2009.

Douglas Ness, Weymouth, House, 4th Norfolk, Republican, Sept. 25, 2009.

Eric Dahlberg, Chelmsford, Senate, 3rd Middlesex, Republican, Sept. 28, 2009.

David Carnevale, Medford, Senate, 2nd Middlesex, Republican, Sept. 29, 2009.

William Caldwell, Athol, House, 2nd Franklin, Democratic, Oct. 2, 2009.

Lee E. Chauvette, Athol, House, 2nd Franklin, Democratic, Oct. 5, 2009.

Joseph Truschelli, Plymouth, House, 12th Plymouth, Republican, Oct. 6, 2009.

Chuck Kuniewich, Hudson, House, 3rd Middlesex, Oct. 8, 2009.

Alan D. Garcia, Dartmouth, Sheriff, Bristol County, Democratic, Oct. 9, 2009.

Steven Adam, Orange, House, 2nd Franklin, Republican, Oct. 9, 2009.

Edward Bergin McGrath, Framingham, Senate, 2nd Middlesex & Norfolk, Republican, Oct. 16, 2009.

Earle Stroll, Bolton, Auditor, Republican, Oct. 20, 2009.

John Gosselin, Winchester,

Governor's Council, 6th District, Democrat, Oct. 23, 2009.

Sheila C. Harrington, Groton, House, 1st Middlesex, Republican, Oct. 28, 2009.

Anthony Guardia, Wakefield, House, 9th Essex, Democrat, Oct. 29, 2009.

James F. Gettens, Sterling, House, 12th Worcester, Republican, Nov. 5, 2009.

James E. Dixon, Waltham, House, 10th Middlesex, Republican, Nov. 9, 2010.

Peter Smulowitz, Needham, Senate, Norfolk, Bristol & Middlesex, Democratic, Nov. 10, 2009.

John H. Walsh, Lynnfield, District Attorney, Eastern District, Essex County, Republican, Nov. 10, 2009.

Jeffrey Poreda, Dorchester, House, 4th Suffolk, Democratic, Nov. 10, 2009.

Jamison Tomasek, Andover, Senate, 2nd Essex & Middlesex, Republican, Nov. 16, 2009.

Margo Barnet, Worcester, House, 13th Worcester, Democratic, Nov. 17, 2009.

Michael McGee, South Boston, House, 4th Suffolk, Democratic, Nov. 17, 2009.

Patrick Foran, South Yarmouth, House, 1st Barnstable, Republican, Nov. 18, 2009.

Daniel C. Hill, Charlestown, Senate, Middlesex, Suffolk & Essex, Democratic, Nov. 18, 2009.

Jason Stanley, Dedham, House, 11th Norfolk, Republican, Nov. 19, 2009.

Francis A. Ford, Paxton, Governor's Council, 7th, Democratic, Nov. 23, 2009.

Walter Moniz, Fairhaven, Governor's Council, 1st, Democratic, Nov. 24, 2009.

Michael J. Wilcox, Weymouth, House, 4th Norfolk, Republican, Nov. 30, 2009.

Continued: Buonomo

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In November 2008, OCPF referred the matter to the Attorney General's Office for enforcement.

The extensive investigation by OCPF revealed that on various dates between December 2004 and July 2008, Buonomo withdrew funds from his campaign account for his personal use.

Buonomo stole the money two ways. First, investigators discovered that Buonomo wrote checks to himself from his committee's account, falsely stating on the checks that he was reimbursing himself for postage he had bought with cash. Second, investigators discovered that Buonomo also stole funds from his campaign account

by writing checks from the committee to a local printing company for fictitious print jobs. Authorities believe that Buonomo wanted to make it appear as though the printing company was printing materials for the campaign, when in actuality these services were never rendered.

During the course of the initial investigation, OCPF found that Buonomo submitted forged and altered bank records, forged and altered printing invoices, as well as false written statements he had obtained from postal employees. Buonomo admitted that this was a ruse to mislead OCPF and justify the taking of funds from his committee.

From the Director

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Please remember that committees should use the old forms and software to report any activity up until Dec. 31, 2009, including the 2009 year-end report, due Jan. 20, 2010.

The amended law, in addition to creating new reporting requirements, is also directing more candidates to file electronically — district and ward city council candidates in Boston, Springfield and Worcester, for example.

As these changes are phased into the election cycles, we're expecting to get a lot of questions. Please contact us if you need clarification or help.

We're also open to doing seminars in your communities.

We've already done some seminars on the amended law, meeting with municipal clerks at conferences in Williamstown, Middleton and Westford, and with the Massachusetts Continuing Legal Education group at Suffolk University. We've also issued a special edition of the newsletter, our first attempt at explaining how revisions to the law affect you. The newsletter is available at our Web site.

Again, please call our office with any questions, or to schedule a seminar in your community.

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OCPF Seminars Available

Campaign finance seminars are held each Wednesday at 2 p.m. at One Ashburton Place, Room 411, Boston.

Reservations are not required.

Individuals and groups can also contact us to schedule a seminar in your city or town.

Available Seminars

- Activities of public officials in support of or in opposition to ballot questions
 - Campaign finance law for local candidates
- How labor unions can participate in state and local campaigns
- Navigating the campaign finance law and OCPF Web site for journalists
 - Other subjects upon request

Call 617-979-8300 to schedule a seminar.

We're on the Web @
www.mass.gov/ocpf