

# OCPF Reports



## From the Director

Mike Sullivan

### Election 2018: Open Seats

We will schedule seminars across the state this summer for candidates and local party committees.

The seminars last about one hour and explain campaign finance rules and how to file electronically. Watch the front page of OCPF's website ([www.ocpf.us](http://www.ocpf.us)) for seminar announcements (we'll send e-mails too).

As of now, there are nearly 20 open legislative seats across the state.

### Framingham Reporting

A change to the state's campaign finance law was enacted recently – [Chapter 46 of the Acts of 2018](#).

The bill, signed by Governor Baker in March, requires mayoral and city council candidates in cities with populations of more than 65,000 to file campaign finance reports in the depository system of reporting. Previously, the threshold was 75,000.

Only one city, Framingham, falls into that population range. We're already working with candidates in that city to move them into the [depository system](#).

### Lawsuit Hearing at SJC

I attended the Supreme Judicial Court hearing recently for 1A Auto, Inc. vs. Sullivan, the lawsuit about the state's statutory ban on corporate contributions.

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## Traffic to OCPF's website and database continues to climb

### OCPF's website gets more than 6,000 visitors per month

Visits to OCPF's website continued to increase in 2017, according to an internal review of calendar-year web-traffic.

There were 73,995 website visitors during the 2017 calendar year, an average of 6,166 per month (the average in 2016 was 5,801).

"Our primary public service is disclosure on our website," said OCPF Director Michael Sullivan. "OCPF exists to assist candidates and committees with posting their campaign finance information on-line for the public to see."

**There were 208,577 sessions on the website in 2017, up from 188,753 sessions in 2016.** This total includes all visitors to the website, including those who visit frequently.

The most popular page on OCPF's website is the "[Search Items](#)" page, which allows visitors to sort data based on the criteria they enter.

OCPF's website is often accessed by a mobile device.

In 2017, 17,188 users accessed the website by iPhone/iPad, 4,270 by Android, 564 by Windows or Windows Phone, and 17 by BlackBerry.

OCPF also has an Internet presence on social media.

OCPF's [Twitter account @OCPFReports](#), has more than 1,900 followers.

The agency [YouTube channel](#), OCPFReports, has more than 80 tutorials and 38,235 views, an average of 460 views per video.

#### Average Monthly Distinct Visitors to the OCPF Website

|      |        |
|------|--------|
| 2017 | 6,166  |
| 2016 | 5,801* |
| 2015 | 5,125  |
| 2014 | 5,185* |

\*State election year

**"OCPF exists to assist candidates and committees with posting their campaign finance information on-line for the public to see."**

**Michael Sullivan**  
OCPF Director

# The number of candidates organized with OCPF has increased

*Overall, 302 additional candidates and other types of committees organized with OCPF in 2017*

## Candidates

The number of candidates registered with OCPF at the end of 2017 represents an increase of 45 from the year before.

Of the 1,175 candidates and candidate committees registered in 2017, **650 were in the depository system** (candidates for statewide and county office, the Governor's Council, and mayor or city councilors in Boston, Brockton, Cambridge, Fall River, Lawrence, Lowell, Lynn, New Bedford, Newton, Quincy, Somerville, Springfield and Worcester). The 2017 total is an increase of 108 candidates in the depository system from 2016.

**There were 525 candidates in the non-depository system in 2017** (Includes: House and Senate, mayoral candidates in cities with populations of less than 75,000\*, and other regional offices that file with OCPF). The 2017 total is a decrease of 63 from 2016. OCPF anticipates an increase in non-depository candidates in 2018 due to the state election.

## PACs

A total of **273 political action committees** were registered with OCPF, a decrease of 14 from 2016. The PAC total includes 17 independent expenditure PACs and eight people's committees.

## Ballot question committees

**A total of 17 ballot question committees** were registered with OCPF at the end of 2017, one more than the same time the year before.

## State Party Committees

**Three committees** were registered as state parties during 2017, representing the Democratic, Republican and Libertarian parties.

## Local Party Committees

Local party committees must re-organize every four years during the presidential primary. A total of **899 local party committees** were considered active with OCPF, an increase of 257 from 2016. There were 472 Democratic party committees registered and 427 Republican party committees.

*A total of 2,367 candidates and committees were registered with OCPF as of the end of 2017. The aggregate figure is an increase of 302 over the previous year.*

*\*As of 2018, the threshold is 65,000*

# 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). The identity of any complainant is kept confidential. Disposition agreements are matters of public record once cases are concluded.

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. Public resolution letters 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-17-129: Mekka Smith, Malden.** No further action (prohibited contribution); 2/6/2018. The Smith Committee received and deposited \$3,000 from Leadership for Education Equity, a group that is funded in part by out-of-state political committees. Such funds cannot be used to contribute to Massachusetts candidates. To resolve the issue, the Smith Committee paid \$500 to the state’s general fund and refunded \$2,500 to Leadership for Education Equity.

**CPF-17-81: Gary Keith, Brockton.** Did not comply (personal expenditures, excess cash receipts, corporate contributions); 2/28/2018. OCPF’s review of the Keith Committee’s deposit reports and expenditure information found that the committee made \$151 in personal expenditures, received \$430 in excess cash contributions and deposited \$200 in prohibited corporate contributions. To resolve the issues, the candidate agreed to personally deposit \$481 into the committee account and forgive the \$300 liability the committee owed to him. The committee also agreed to then pay \$481 to the state’s general fund.

**CPF-18-31: Gloucester Democratic City Committee.** No further action (federal transfer); 3/15/2018. The Moulton for Congress Committee, which is registered with the Federal Election Commission, paid \$4,500 to the Gloucester Democratic City Committee to pay for shared office space. Because federal committees may not contribute to Massachusetts local party committees, the Moulton Committee should have paid the landlord directly (for the portion of the office space used by the federal committee).



### LEGAL ADVICE

OCPF’s legal department is available to answer questions in an advisory opinion.

Any person may request an advisory opinion concerning the specific application of the campaign finance law or regulations.

All advisory opinion requests must be in writing and can be submitted to Greg Birne, OCPF’s general counsel.

E-Mail:  
gbirne@cpf.state.ma.us

# Regulations Changes

**New campaign finance regulations will go into effect this spring.**

**The next five pages of this newsletter will explain some of the changes that might have the biggest impact on candidates and committees.**

**Please call OCPF's legal department at 617-979-8300 with questions about regulations.**

# CAMPAIGN FINANCE REGULATIONS CHANGES

## CREDIT CARD CONTRIBUTIONS VIA MOBILE APPS, CROWD FUNDING WEBSITES AND SOCIAL MEDIA

### **CANDIDATES AND COMMITTEES CAN USE ALL INTERNET-BASED VENDORS TO COLLECT CONTRIBUTIONS, IF ...**



- ... the contributor certifies at the time of the contribution that he or she is using his or her own funds, and he or she is the true source of the money. This certification is usually done by “checking” a prewritten disclaimer on the app or website.
- ... the contributor provides his or her name and address at the time of the donation.
- ... the contributor provides his or her occupation and employer at the time of the donation, if the contribution is for \$200 or more.
- All contributions received must be documented by an electronic or paper record.

**If these requirements cannot be met, a candidate or committee cannot use that vendor.**

970 CMR 1.09

## DECEMBER CREDIT CARD CONTRIBUTIONS



Credit card contributions authorized in December but not received until January in the following calendar year are considered “received” in the year in which the contributions were authorized (December).

970 CMR 1.09

## Regulations Changes: Continued

### EXPENDITURE PURPOSE INFORMATION

**NOT CLEAR:**  
**"DINNER WITH COLLEAGUES"**

**CLEAR:**  
**"DINNER WITH COLLEAGUES TO  
DISCUSS TRANSPORTATION BILL"**

The regulation clarifies that the purpose of each expenditure must be reported in sufficient detail to ensure complete disclosure.

970 CMR 1.10

**REFUNDS!**

THE REGULATION WAS CHANGED TO REMOVE SOME RESTRICTIONS ON REFUNDS

1. CONTRIBUTIONS RECEIVED BY POLITICAL COMMITTEES MAY BE REFUNDED UPON REQUEST OF A CONTRIBUTOR
2. A POLITICAL COMMITTEE MAY ESTABLISH A REFUND POLICY ALLOWING REFUNDS OF CONTRIBUTIONS FROM A PARTICULAR CATEGORY OR TYPE OF CONTRIBUTOR

970 CMR 1.04

Continued on the Next Page

## Regulations Changes: Continued

### CITIES

All PACs organized to support or oppose mayoral candidates must e-file with OCPF (recall elections too)

970 CMR 1.16

970 CMR 1.04

### TRUSTS

**THE CHANGE:** A contribution from a living trust is reported as a contribution from the beneficial owner(s) of the trust.

*Prohibited contributions: testamentary, realty and nominee trusts.*

In-Kind Contributions by parties and PACs

When a party or PAC makes an in-kind contribution to support or oppose a candidate, the party or PAC must identify the candidate on its campaign finance reports.

**PARTY EXAMPLE:**  
“MAILER IN DISTRICT TO SUPPORT REP. JANE DOE”

970 CMR 1.10



### ONE YEAR RULE

Inaugural fund accounts must dissolve no later than one year after the inaugural event.

970 CMR 1.20

## Regulations Changes: Continued

# TRACKING FUNDING SOURCES

## Big Idea: Disclosure

***An organization that solicits or receives money or anything of value to make contributions to Massachusetts candidates or political committees, or to make expenditures to support or oppose candidates or ballot questions, is a political committee and must disclose all contributions and expenditures. The regulation also defines disclosure requirements applicable to organizations other than political committees that raise funds to make electioneering communications.***

*Tracking regulations are published in 970 CMR 1.22.*

*(Dark Money Regulations)*



A political committee that files with OCPF, has an outstanding balance of \$250 or less, and which has had no activity for a period of 24 months, may be closed administratively by OCPF.

After notification by OCPF, a committee may be reopened upon written request from the committee to OCPF.

970 CMR 2.07

## E-Payments by Depository Candidates and Committees

**Payments can be made electronically via a candidate or committee bank account**

*(previously, e-payments were only allowed for broadcast, cable or other media services, and for payroll services)*

**Depository candidates and committee must review their bank reports and, within seven business days of a report's due date, append reports to accurately disclose electronic payments**

**E-PAYMENT**



970 CMR 2.09

Continued on the next page

## Regulations Changes: Continued

### SUBVENDOR STATEMENTS

A vendor is not required to provide subvendor information to a committee if the vendor provides a statement to OCPF annually certifying that the vendor does not use subvenders. Vendors that provide this statement to OCPF must notify OCPF if circumstances change.

Subvendor reports are required if a candidate or committee (on any level) pays a vendor \$5,000 or more in a calendar year, and the vendor pays a subvendor \$500 or more on behalf of the candidate or committee.

970 CMR 2.18

### TOP FIVE DONORS DISCLOSURE

State law requires entities and committees to list the top five donors to their organizations if they make independent expenditures, electioneering communications or ballot question expenditures for some internet advertising, print advertising and television advertising.

***The new regulations clarify that billboards and direct mail also require a listing of top five donors.***

The new regulations also add to the list of communications that DON'T require the top five donors disclaimer — social media posts.

970 CMR 2.20



### SUPER PAC DISCLOSURE

In addition to naming a candidate that is supported or opposed by a Super PAC (aka, Independent Expenditure PAC), "*the office sought*" by the candidate must also be reported.

970 CMR 2.17

# Continued: From the Director

We will keep you updated if the court’s decision affects contribution limits or other campaign finance issues that are important to candidates and committees.

At a minimum, we will post information to our website if changes are made.

## Year-End Filing Notices: E-Mail is Working

We have continued our fairly recent policy of e-mailing filing notices. The change has saved the state thousands of dollars in postage and work-hours.

For the 2017 year-end report, we sent more than 2,000 filing notice e-mails to candidates and treasurers in January.

## IT Department Update

Our IT director, Al Grimes, and his staff continue their work on improvements to *Reporter*, our on-line reporting system. The changes will launch in a few months, complete with a video tutorial on the differences. There will be some changes to the appearance of *Reporter*, but the biggest changes will be functionality improvements. We want to make it easier to file reports and make amendments to previously filed reports.

Have a great spring.

Mike Sullivan



**Hello OCPF. Do you still  
conduct campaign  
finance seminars on  
Wednesday at 2 p.m.?**

**Yes we do. Each week.**



**OK, see you  
Wednesday in  
the OCPF  
conference  
room on the  
4th floor of  
One  
Ashburton  
Place**



**FAQ**

## OCPF CONTACTS

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[Click here for OCPF's Twitter page](#)



**The 60 Seconds with OCPF video series provides quick answers to common campaign finance questions**

- Public employees, social media and campaigns
- What is dark money?
- Candidate loan limits.
- Campaign fundraising in government buildings.
- What is a subvendor report?



**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-FILING. THEY ALSO REVIEW THE REPORTS FILED BY CANDIDATES AND COMMITTEES.

| Candidate Last Name    | Auditor        | E-Mail                    |
|------------------------|----------------|---------------------------|
| A-D:                   | Alanna Kelly   | akelly@cpf.state.ma.us    |
| E-L:                   | Jeff Tancreti  | jtancreti@cpf.state.ma.us |
| M:                     | Shane Slater   | sslater@cpf.state.ma.us   |
| N-Z:                   | Anne Bourque   | abourque@cpf.state.ma.us  |
| PACs (80500 to 89998): | Caroline Paras | cparas@cpf.state.ma.us    |
| PACs (80000 to 80499): | Michael Joyce  | mjoyce@cpf.state.ma.us    |
| Local Parties:         | Sheila Cole    | scole@cpf.state.ma.us     |
| Ballot Questions:      | Michael Joyce  | mjoyce@cpf.state.ma.us    |



# Using OCPF's Database



[Click here](#) for OCPF's database.

The “Clerk Support” page provides quick access to:

- municipal forms
- guides for local election officials and candidates
- video tutorials for local candidates and clerks
- memos related to local campaign finance reporting

## UPCOMING CAMPAIGN FINANCE SEMINARS

|             |                    |           |
|-------------|--------------------|-----------|
| Waltham     | April 5, 7 p.m.    | City Hall |
| Framingham  | April 9, 6:30 p.m. | City Hall |
| Northampton | May 16, 6:30 p.m.  | City Hall |
| Woburn      | May 30, 6:30 p.m.  | City Hall |
| Andover     | June 13, 6:30 p.m. | Town Hall |

OCPF's campaign finance seminars last one hour. All candidates, treasurers and committees are invited, including LOCAL PARTY COMMITTEES.

## *Search Contributions and Expenditures*

*Users can search contributions and/or expenditures by city, town, zip code, occupation, employer, amount and purpose.*

