

THE COMMONWEALTH OF MASSACHUSETTS OFFICE OF CAMPAIGN & POLITICAL FINANCE

ONE ASHBURTON PLACE, ROOM 411 BOSTON, MASSACHUSETTS 02108

> TEL: (617) 979-8300 (800) 462-0CPF

FAX: (617) 727-6549

July 13, 2018

Jesse Kanson-Benanav A Better Cambridge, Inc. 26 Willow Street, #2 Cambridge, MA 02141

Re: CPF-18-12

Dear Mr. Kanson-Benanav:

This office has completed its review of a complaint we received regarding the activity of A Better Cambridge, Inc. ("ABC"). The complaint alleged that ABC was supporting candidates without first organizing as a political committee.

The campaign finance law defines a political action committee (a "PAC") as a political committee that receives contributions, makes expenditures or incurs liabilities for the purpose of influencing the nomination or election of candidates. See M.G.L. c. 55, § 1. Sections 5 and 19 of the campaign finance law require a PAC to file a statement of organization and, if organized to support or oppose candidates within the depository system of reporting, to appoint a depository bank. See M.G.L. c. 55, § 5, 19. All of the PAC's campaign finance activity must be conducted through the PAC's depository bank account, and reflected accurately and timely in regular campaign finance reports. See M.G.L. c. 55, § 18, 19.

ABC was initially incorporated as a non-profit advocacy group in 2016. Its mission, as identified on ABC's website and in emails it distributed, is to "...[build] a more diverse and sustainable city [and]...through education and advocacy...encourage thoughtful, smart planning and policy." Its board is comprised entirely of Cambridge residents who volunteer their time to ABC. ABC's primary methods of communication are via email, its website, and its Facebook page.

Starting in early 2017, ABC sent out several emails to increase participation in and donations to ABC. At least three emails that solicited donations also referenced ABC's intention to support local candidates. Also in early 2017, ABC launched an ActBlue fundraising page that

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requested donations and, between July 2017 and February 2018, the ActBlue page included the following language:

"Become an ABC member! A Better Cambridge is committed to building a diverse and sustainable city, with housing opportunities for all people. Through education and advocacy, we seek to impact the public conversation and encourage thoughtful, smart planning and advocacy. We need your support to continue to grow and:...Support local candidates who are committed to smart, sustainable growth that expands housing opportunities and builds local businesses."

From March 2017, when ABC first solicited donations while referencing candidates, through early June 2018, ABC raised approximately \$18,800, primarily from individual donors. Of that total, nearly half was raised at ABC's first annual fundraiser in October 2017.

In the summer and fall of 2017, ABC became more active in the Cambridge city elections. ABC's website and Facebook page prominently featured selected candidates endorsed by ABC, and ABC provided in-kind contributions to candidates in the form of food, photos, and printing at certain events featuring those candidates. On their 2017 year-end reports, three Cambridge city council candidates reported in-kind contributions from ABC.

Based on our review of ABC's activity, we have concluded that ABC was acting as a PAC within the meaning of the campaign finance law when it solicited, received, and expended funds for the purpose of influencing the 2017 Cambridge city election. Accordingly, ABC's failure to timely organize as a PAC and open a depository account, and its failure to timely disclose its financial activity, did not comply with the campaign finance law, M.G.L. c. 55.

Once notified of this issue by OCPF, ABC subsequently filed the necessary forms to organize a related political action committee, ABC PAC, and disclosed its activity with OCPF. To resolve this matter, ABC has transferred all funds remaining in its account to ABC PAC. ABC PAC has also purged excess contributions received in 2017, in the total amount of \$1,480, by making payments to a charity of ABC's choice in the amount of \$740, and payments to the Commonwealth in the amount of \$740 for the costs of OCPF's review.

Based upon our conversations with you and other ABC volunteers, we believe that ABC's lack of compliance was unintentional and the result of a misunderstanding of the campaign finance law. Therefore, because ABC has now taken the appropriate remedial action,

¹ Although ABC filed its Statement of Organization on May 11, 2018, and its D103 (Appointment of Depository Bank) on May 22, 2018, OCPF did not organize ABC PAC as a political committee on our public website during the pendency of this review. ABC PAC was formally organized on June 12, 2018. On the same day, ABC PAC filed an Initial Report to disclose all activity undertaken prior to the opening of the depository.

and because we believe that the guidance provided as a result of this review will ensure future compliance with the campaign finance law, no further action is required and this matter may be closed at this time. ABC should be careful in the future, however, to ensure that any fundraising related to the support of or opposition to candidates must be undertaken and accurately disclosed by ABC PAC, and not by ABC. In addition, we strongly recommend that ABC and ABC PAC attend an OCPF educational seminar, and contact us to review future ABC communications to ensure they do present issues under the Massachusetts campaign finance law.

In accordance with the opinion of the Supervisor of Public Records, this letter is a matter of public record. A copy is being provided to the person(s) who brought this matter to our attention.

Sincerely,

Michael J. Sullivan

Director

MJS/mc

Cc: Bret Matthew, ABC PAC Treasurer

Bill McAvinney, ABC Treasurer