HOUSE DOCKET, NO. 93856 FILED ON: 7/22/2009

HOUSE . . . . . No. 3856

The Commonwealth of Massachusetts

In the Year Two Thousand Nine

An Act improving the laws relating to ethics and lobbying..

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

SECTION 1. Section 39 of chapter 3 of the General Laws, as appearing in the 2006 Official Edition, is hereby amended by striking out the definition of "Client" and inserting in place thereof the following definition:-

"Client", any person, corporation, partnership, association, or other entity that contracts with another person, corporation, partnership, association, or other entity to receive lobbying services.

SECTION 2. Said section 39 of said chapter 3 of the General Laws, as so appearing, is hereby further amended by striking out the definition of "Executive agent" and inserting in place thereof the following definitions:-

"Executive agent", a person who for compensation or reward engages in executive lobbying, which includes at least one lobbying communication with a government employee made by said person. The term "executive agent" shall include a person who, as

part of his regular and usual business or professional activities and not simply incidental thereto, engages in executive lobbying, whether or not any compensation in addition to the salary for such activities is received for such services. For the purposes of this definition a person shall be presumed to be engaged in executive lobbying that is simply incidental to his regular and usual business or professional activities if he: (i) engages in executive lobbying for not more than 25 hours during any reporting period; and (ii) receives less than $2,500 during any reporting period for executive lobbying.

"Executive lobbying," any act to influence or to attempt to influence the decision of any officer or employee of the executive branch or an authority, including but not limited to, statewide constitutional officers and employees thereof, where such decision concerns legislation or the adoption, defeat or postponement of a standard, rate, rule or regulation promulgated pursuant to any general or special law, or any act to communicate directly with a covered executive official to influence a decision concerning policy or procurement; provided further, that executive lobbying shall include acts to influence or attempt to influence the decision of any officer or employee of a city or town when those acts are intended to carry out a common purpose with executive lobbying at the state level; and provided further, that executive lobbying shall include strategizing, planning, research, and other background work if performed in connection with, or for use in, an actual communication with a government employee.

SECTION 3. Said section 39 of said chapter 3 of the General Laws, as so appearing, is hereby further amended by striking out the definition of "Legislative agent" and inserting in place thereof the following definitions:-

“Legislative agent”, a person who for compensation or reward engages in legislative lobbying, which includes at least one lobbying communication with a government employee made by said person. The term “legislative agent” shall include a person who, as part of his regular and usual business or professional activities and not simply incidental thereto, engages in legislative lobbying, whether or not any compensation in addition to the salary for such activities is received for such services. For purposes of this definition a person shall be presumed to be engaged legislative lobbying that is simply incidental to his regular and usual business or professional activities if he: (i) engages in legislative lobbying for not more than 25 hours during any reporting period; and (ii) receives less than $2,500 during any reporting period for legislative lobbying.

“Legislative lobbying,” any act to monitor, promote, oppose or influence legislation, or to monitor, promote, oppose or influence the governor’s approval or veto thereof including, without limitation, any action to influence the introduction, sponsorship, consideration, action or nonaction with respect to any legislation; provided further, that legislative lobbying shall include acts to influence or attempt to influence the decision of any officer or employee of a city or town when those acts are intended to carry out a common purpose with legislative lobbying at the state level; and provided further, that legislative lobbying shall include strategizing, planning, research, and other background work if performed in connection with or for use in an actual communication with a government employee.

SECTION 4. Section 41 of said chapter 3, as so appearing, is hereby amended by inserting after the first paragraph the following paragraph:-

The state secretary shall offer educational seminars on the requirements of sections 39 to 50, inclusive, for all legislative agents and executive agents. The seminars shall be conducted in person or offered online through the state secretary's website. All legislative and executive agents shall: (i) before registering with the state secretary and annually thereafter, complete an in person or online seminar offered by the state secretary; and (ii) complete an in person or online seminar offered by the state secretary upon any material change to sections 39 to 50, inclusive, or any regulations promulgated pursuant thereto. The superintendent of the bureau of state office buildings shall, upon request of the state secretary, provide at no cost to the state secretary suitable facilities for such seminars. The state secretary shall adopt regulations for the administration and enforcement of this section.

SECTION 5. Said section 41 of said chapter 3, as so appearing, is hereby amended by striking out the last paragraph and inserting in place thereof the following 3 paragraphs:-

Upon registration, the state secretary shall issue to each legislative agent and executive agent a license which shall entitle the holder to act as a legislative agent and executive agent for a client that has filed a registration statement pursuant to this section. A nontransferable identification card shall evidence this license and shall include the agent's name and photograph. Each license shall expire on December 31 of each year. Out-of-state legislative agents and executive agents shall submit 3 passport-sized photographs to the state secretary upon registration.

The state secretary shall promulgate regulations pursuant to chapter 30A for administration and enforcement of sections 39 to 50, inclusive.

The state secretary shall, upon written request from a person who is or may be subject to sections 39 to 50, inclusive, render advisory opinions on the requirements of those sections. An opinion rendered by the state secretary, unless amended or revoked, shall be a defense in a criminal action brought pursuant to sections 39 to 50, inclusive, and shall be binding on the state secretary, the attorney general or the district attorney in any subsequent proceedings concerning the person who requested the opinion and who acted in good faith, unless material facts were omitted or misstated by the person in the request for an opinion. Such requests shall be confidential; provided, however, that the state secretary may publish such opinions if the name of the requesting person and any other identifying information is not included in such publication unless the requesting person consents to such inclusion.

SECTION 6. Section 43 of said chapter 3, as so appearing, is hereby amended by striking out, in line 4, the words “appearing on the docket”.

SECTION 7. Said section 43 of said chapter 3, as so appearing, is hereby further amended by striking out the third paragraph and inserting in place thereof the following paragraph:-

Every legislative agent and executive agent shall include in the statement required by this section for the relevant reporting period: (1) the identification of each client for whom the legislative or executive agent provided lobbying services; (2) a list of all bill numbers and names of legislation and other governmental action that the executive or legislative agent acted to monitor, promote, oppose or influence; (3) a list of all line-item numbers in any appropriation bill that the executive or legislative agent acted to monitor, promote, oppose or influence; (4) a statement of the executive or legislative agent’s position, if any, on each such bill, line-item or

other governmental action; (5) the identification of the client or clients on whose behalf the executive or legislative agent was acting with respect to each such bill, line-item or governmental action; (6) the amount of compensation received for executive or legislative lobbying from each client with respect to such lobbying services; and (7) all direct business associations with public officials. The disclosure shall be required regardless of whether the legislative agent or executive agent specifically referenced the bill number or name, line-item number or other governmental action while acting to promote, oppose or influence legislation, and shall be as complete as practicable.

SECTION 8. The fourth paragraph of said section 43 of said chapter 3, as so appearing, is hereby further amended by striking out the second sentence and inserting in place thereof the following sentence:- Said penalty shall be in the amount of $50 per day up to the twentieth day and an additional $100 per day for every day after the twentieth day until the statement is filed. The state secretary may waive these penalties for good cause.

SECTION 9. Said chapter 3 is hereby further amended by striking out section 45, as so appearing, and inserting in place thereof the following section:-

Section 45. (a) Upon receipt of a sworn complaint signed under pains and penalties of perjury, or upon receipt of evidence which is deemed sufficient by the state secretary, the state secretary shall initiate a preliminary inquiry into any alleged violation of sections 39 to 50, inclusive. At the commencement of a preliminary inquiry into any such alleged violation, the state secretary shall notify the attorney general. All proceedings and records relating to a preliminary inquiry or initial staff review used to determine whether to initiate an inquiry shall be confidential, except that the state secretary may provide to: (1) the attorney general, the

United States Attorney or a district attorney of competent jurisdiction evidence which may be used in a criminal proceeding; (2) the inspector general information concerning fraud, waste, or abuse in the expenditure of public funds; (3) the state ethics commission information concerning violations of chapters 268A and 268B; and (4) the director of the office of campaign and political finance information concerning violations of chapter 55. Any information provided by the state secretary pursuant to this section shall be confidential pursuant to this section and section 4 of chapter 268B, except that such information may be used by the officer or agency to whom it was provided in any investigation or subsequent proceedings. The state secretary shall notify any person who is the subject of the preliminary inquiry of the existence of such inquiry and the general nature of the alleged violation within 30 days of the commencement of the inquiry.

(b) If a preliminary inquiry fails to indicate reasonable cause for belief that there has been a violation of sections 39 to 50, inclusive, the state secretary shall immediately terminate the inquiry and shall within 10 days so notify, in writing, the complainant, if any, and the person who had been the subject of the inquiry.

(c) If a preliminary inquiry indicates reasonable cause for belief that there has been a violation of sections 39 to 50, inclusive, the state secretary may initiate an adjudicatory proceeding to determine whether there has been such a violation.

(d) The state secretary may require by summons the attendance and testimony of witnesses and the production of books, papers and other records relating to any matter being investigated pursuant to sections 39 to 50, inclusive. Such summons may be issued by the state secretary and shall be served in the same manner as summonses for witnesses in criminal cases, issued on behalf of the commonwealth and all the provisions of law relative to summonses

issued in such cases shall apply to summonses issued under this section so far as applicable. Any justice of the supreme judicial court or the superior court may upon application by the state secretary compel the attendance of witnesses summoned as aforesaid and the giving of testimony under oath before said director in furtherance of any investigation in the same manner and to the same extent as before said courts.

(e) The state secretary, or his designee, may administer oaths and may hear testimony or receive other evidence in any proceeding.

(f) All testimony in an adjudicatory proceeding shall be under oath. All parties shall have the right to call and examine witnesses, to introduce exhibits, to cross-examine witnesses who testify, to submit evidence, and to be represented by counsel. Before testifying, all witnesses shall be given a copy of the regulations governing adjudicatory proceedings.

(g) Any person whose name is mentioned during an adjudicatory proceeding of the state secretary and who may be adversely affected thereby may appear personally before the state secretary on his own behalf, with or without counsel, to give a statement in opposition to such adverse mention or file a written statement of such opposition for incorporation into the record of the proceeding.

(h) All adjudicatory proceedings of the state secretary pursuant to this section shall be public and shall be subject to chapter 30A.

(i) Within 30 days after completion of deliberations, the state secretary shall publish a written report of his findings and conclusions.

(j) Upon a finding pursuant to an adjudicatory proceeding that there has been a violation, the state secretary may issue an order: (1) requiring the violator to cease and desist such violation; (2) requiring the violator to file any report, statement or other information as required by sections 39 to 50, inclusive; (3) suspending for a specified period or revoking the license and registration of the violator; or (4) requiring the violator to pay a civil penalty of not more than $10,000 for each violation.

The state secretary may file a civil action in superior court to enforce this order.

(k) Final action by the state secretary under this section shall be subject to review in superior court upon petition of any party in interest filed within 30 days after the action for which review is sought. The court shall enter a judgment enforcing, modifying, or setting aside the order of the state secretary, or it may remand the proceedings to the state secretary for such further action as the court may direct. If the court modifies or sets aside the state secretary's order or remands the proceedings to the state secretary, the court shall determine whether such modification, set aside, or remand is substantial. If the court does find such modification, set aside, or remand to be substantial, the petitioner shall be entitled to be reimbursed from the treasury of the commonwealth for reasonable attorneys' fees and all court costs incurred by him in the defense of the charges contained in the proceedings. The amount of such reimbursement shall be awarded by the court but shall not exceed $20,000 per person, per case.

(l) Any person who violates the confidentiality of an inquiry under this section shall be punished by a fine of not more than $1,000 or by imprisonment for not more than 1 year, or both.

(m) The state secretary shall automatically disqualify any person convicted of a felony in violation of chapter 3, chapter 55, or chapter 268A from acting or registering as an executive or legislative agent for a period of 10 years from the date of conviction.

SECTION 10. Section 47 of said chapter 3, as so appearing, is hereby further amended by striking out, in lines 4 and 5, the words “whose name appears upon the docket”.

SECTION 11. The second paragraph of said section 47 of said chapter 3, as so appearing, is hereby amended by striking out the second sentence and inserting in place thereof the following sentence:- Said penalty shall be in the amount of $50 per day up to the twentieth day and an additional $100 per day for every day after the twentieth day until the statement is filed. The state secretary may waive these penalties for good cause.

SECTION 12. Section 48 of chapter 3, as so appearing, is hereby amended by striking out, in line 3, the words “five thousand dollars” and inserting in place thereof the following words:- $10,000, or by imprisonment in the state prison for not more than 5 years, or in a jail or house of correction for not more than 2 1/2 years, or both.

SECTION 13. Section 49 of said chapter 3, as so appearing, is hereby amended by inserting after the first sentence the following 2 sentences:- The supreme judicial court or superior court may, upon application of the attorney general, grant equitable or mandamus relief to enforce sections 41 to 43, inclusive, prohibiting the offering or giving of or paying for gifts, meals, beverages, or other items. Relief under this section may include (a) an order to pay to the commonwealth an amount equal to the value of any compensation or thing paid or received in violation of section 42, or the value of any gift, meal, beverage, or other item given or received

in violation of section 43; and (b) a civil penalty of up to $10,000 for each violation of sections 41 to 47, inclusive.

SECTION 13A. Section 9 of chapter 53 of the General Laws, as so appearing, is hereby amended by striking out, in lines 21 and 22, the words ", as defined in section one of chapter fifty-five A,".

SECTION 14. Said section 9 of said chapter 53, as so appearing, is hereby further amended by striking out, in line 25, the word "fifty-five A" and inserting in place thereof the following figure:- 55C.

SECTION 15A.

Section 1. Section 1 of Chapter 55 of the General Laws is hereby amended by inserting the following definitions:-

"Expense directly related to the campaign of a candidate," an expense directly involved in an election campaign including, without limitation, expenses such as postage, printing, advertising, staffing, polling, and other such expenditures, as further regulated by the director, but shall not include expenses which merely enhances a candidate's political future.

Section 2. Section 6 of Chapter 55 of the General Laws is hereby amended by striking in the first sentence the words "the office of governor, lieutenant governor, attorney general, state secretary, treasurer and receiver general, or auditor" and inserting therefore:- public office in the Commonwealth

Section 3. Section 6 of Chapter 55 of the General Laws is hereby amended by striking in the first sentence the words "primarily for the candidate's or any other person's personal use"

and inserting therefore:- substantially for the candidate's or any other person's personal use, provided, however, that the director shall establish reasonable rules and regulations concerning such expenditures

Section 4. Section 6 of Chapter 55 of the General Laws is hereby further amended by striking the second paragraph and inserting therefore:-

Any other political committee, except as hereafter provided, duly organized, may receive, pay and expend money or other things of value for the reasonable and necessary expenses directly related to the principle for which the committee was organized so long as such expenditure is not substantially for any person's personal use, provided, however, that the director shall establish reasonable rules and regulations concerning such expenditures; and provided, further, that such committee may contribute to other political committees provided, further, that the aggregate of all such contributions made by such a committee shall not exceed in any one calendar year the sum of one hundred dollars to each committee; and provided further, that the aggregate of all such contributions made by such a committee shall not exceed in any one calendar year the sum of fifteen hundred dollars.

Section 5. Section 7A of Chapter 55 of the General Laws is hereby amended by striking the words "calendar year" wherever it appears and inserting in place thereof:- "election"

Section 6. Chapter 55 of the General Laws is hereby amended by inserting after section 13 the following new sections:-

Section 13A. No legislative or executive agent, as defined by section 39 of chapter 3, shall directly or indirectly solicit or receive any gift, payment, contribution, assessment, subscription or promise of money or other thing of value for the political campaign purposes of

any candidate for the office of Governor, Lieutenant Governor, Attorney General, State Auditor, State Treasurer, State Secretary, state senator or state representative, a political committee established or controlled by any such candidate, a legislative caucus committee, a legislative leadership committee or a party committee, but this section shall not prevent such persons from being members of political organizations or committees. The soliciting or receiving of any gift, payment, contribution, assessment, subscription or promise of money or other thing of value by a non-elected political committee organized to promote the candidacy for public office of a legislative or executive agent, shall not be deemed to be a direct or indirect solicitation or receipt of such contribution by such person;

Violation of any provision of this section shall be punished by imprisonment for not more than one year or by a fine of not more than one thousand dollars.

Section 13B.

(1) Definitions used in this section:

(A) "Quasi-public agency" means any authority or entity established by the General Court to serve a public purpose including Bay State Skills Corporation, Boston Metropolitan District, Centers of Excellence Corporation, Community Economic Development Assistance Corporation, Community Development Finance Corporation, Government Land Bank, Massachusetts Bay Transportation Authority, Massachusetts Business Development Corporation, Massachusetts Convention Center Authority, Massachusetts Corporations for Educational Telecommunications, Massachusetts Educational Loan Authority, Massachusetts Health and Educational Facilities Authority, Massachusetts Horse Racing Authority, Massachusetts Housing Finance Agency, Massachusetts Industrial Finance Agency, Massachusetts Industrial Service

Program, Massachusetts Port Authority, Massachusetts Product Development Corporation, Massachusetts Technology Development Corporation, Massachusetts Technology Park Corporation, Massachusetts Turnpike Authority, Massachusetts Water Resources Authority, Pension Reserves Investment Management Board, State College Building Authority, Southeastern Massachusetts University Building Authority, Thrift Institutions Fund for Economic Development, University of Lowell Building Authority, University of Massachusetts Building Authority, and the Water Pollution Abatement Trust

(B) "State agency" means any office, department, board, council, commission, institution or other agency in the executive, legislative or judicial branch of state government.

(C) "State contract" means an agreement or contract with the state or any state agency or any quasi-public agency, having a value of fifty thousand dollars or more, or a combination or series of such agreements or contracts having a value of one hundred thousand dollars or more in a fiscal year, for (i) the rendition of personal services, (ii) the furnishing of any material, supplies or equipment, (iii) the construction, alteration or repair of any public building or public work, (iv) the acquisition, sale or lease of any land or building, (v) a licensing arrangement, or (vi) a grant, loan or loan guarantee.

(D) "State contractor" means a person, business entity or nonprofit organization that enters into a state contract. Such person, business entity or nonprofit organization shall be deemed to be a state contractor until the termination of said contract. "State contractor" does not include a municipality or any other political section of the state or an employee in the executive, legislative or judicial branch of state government or a quasi-public agency, whether in the

classified or unclassified service and full or part-time, and only in such person's capacity as a state or quasi-public agency employee.

(E) "Prospective state contractor" means a person, business entity or nonprofit organization that (i) submits a bid in response to a bid solicitation by the state, a state agency or a quasi-public agency, or a proposal in response to a request for proposals by the state, a state agency or a quasi-public agency, until the contract has been entered into. "Prospective state contractor" does not include a municipality or any other political section of the state or an employee in the executive, legislative or judicial branch of state government or a quasi-public agency, whether in the classified or unclassified service and full or part-time, and only in such person's capacity as a state or quasi-public agency employee.

(F) "Principal of a state contractor or prospective state contractor" means (i) an individual who is a member of the board of directors of, or has an ownership interest in, a state contractor or prospective state contractor, which is a business entity, except for an individual who (I) owns less than twenty-five per cent of the shares of any such state contractor or prospective state contractor that is a publicly traded corporation, or (II) is a member of the board of directors of a nonprofit organization qualified under Section 501(c)(3) of the Internal Revenue Code of 1986, or any subsequent corresponding internal revenue code of the United States, as from time to time amended, (ii) an individual who is employed by a state contractor or prospective state contractor, which is a business entity, as president, treasurer or executive or senior vice president, (iii) an individual who is the chief executive officer of a state contractor or prospective state contractor, which is not a business entity, (iv) an employee of any state contractor or prospective state contractor who has managerial or discretionary responsibilities with respect to a state contract, (v) the spouse or a dependent child of an individual described in

this subparagraph, or (vi) a political committee established by or on behalf of an individual described in this subparagraph.

(2) No principal of a state contractor or prospective state contractor, with regard to a state contract, bid solicitation or request for proposals with or from a state agency in the executive branch or a quasi-public agency, shall make a contribution to, or solicit contributions on behalf of (i) an exploratory committee or candidate committee established by a candidate for nomination or election to the office of Governor, Lieutenant Governor, Attorney General, State Auditor, State Secretary, or State Treasurer, (ii) a political committee authorized to make contributions or expenditures to or for the benefit of such candidates, or (iii) a party committee;

(3) No principal of a state contractor or prospective state contractor, with regard to a state contract, bid solicitation or request for proposals with or from the General Assembly, shall make a contribution to, or solicit contributions on behalf of (i) an exploratory committee or candidate committee established by a candidate for nomination or election to the office of state senator or state representative, (ii) a political committee authorized to make contributions or expenditures to or for the benefit of such candidates, or (iii) a party committee;

(4) If a principal of a state contractor makes or solicits a contribution prohibited under subparagraph (A) or (B) of this section, the contracting state agency or quasi-public agency may, void the existing contract with said contractor, and no state agency or quasi-public agency shall award the state contractor a state contract or an extension or an amendment to a state contract for one year after the election for which such contribution is made or solicited. Each state contract shall include the provisions of subparagraph (2) or (3) of this section, whichever is applicable, and this subparagraph as conditions of the contract; and

(4) If a principal of a prospective state contractor makes or solicits a contribution prohibited under subparagraph (2) or (3) of this section, no state agency or quasi-public agency shall award the prospective state contractor the contract described in the bid solicitation or request for proposals, or any other state contract for one year after the election for which such contribution is made or solicited. Each state agency and quasi-public agency shall include the provisions of subparagraph (2) or (3) of this section, whichever is applicable, and this subparagraph in each bid solicitation and request for proposals issued by the agency. The chief executive officer of each prospective state contractor shall: (i) Inform each individual described in subparagraph (F) of subsection (1) of this section with regard to said prospective state contractor concerning the provisions of subparagraph (2) or (3) of this section, whichever is applicable, and this subparagraph, (ii) certify in a sworn statement that no such individual will make or solicit a contribution in violation of the provisions of subparagraph (2) or (3) of this section, whichever is applicable, and this subparagraph, and (iii) acknowledge in writing that if any such contribution is made or solicited, the prospective state contractor shall be disqualified from being awarded the contract described in the bid solicitation or request for proposals or being awarded any other state contract for one year after the election for which such contribution is made or solicited.

(5) (A) Neither the Governor, Lieutenant Governor, Attorney General, State Auditor, State Secretary, or State Treasurer, any candidate for any such office nor any agent of any such official or candidate may solicit contributions on behalf of an exploratory committee or candidate committee established by a candidate for nomination or election to any public office, a political committee or a party committee, from a principal of a state contractor or prospective state contractor with regard to a state contract, bid solicitation or request for proposals with or

from a state agency in the executive branch or a quasi-public agency or a holder of a valid prequalification certificate.

(B) Neither a member of the General Assembly, any candidate for any such office nor any agent of any such official or candidate may solicit contributions on behalf of an exploratory committee or candidate committee established by a candidate for nomination or election to any public office, a political committee or a party committee, from a principal of a state contractor or prospective state contractor with regard to a state contract, bid solicitation or request for proposals with or from the General Assembly or a holder of a valid prequalification certificate.

(6) The provisions of this section shall not restrict a principal of a state contractor or prospective state contractor from establishing an exploratory or candidate committee for said principal's own campaign or from soliciting contributions for such committees from persons not prohibited from making contributions under this subsection.

(7) Each state agency and quasi-public agency shall prepare and forward to the Office of Campaign and Political Finance, on a form prescribed by said director, a list of the state contracts for which the agency is a party and a list of the principals of state contractors or prospective state contractors for (A) such contracts, and (B) any bid solicitations or requests for proposals issued by the agency. Each state agency and quasi-public agency shall forward to said Office, on a form prescribed by the director, any changes additions or deletions to said lists.

(8) The Office of Campaign and Political Finance shall (A) compile a master list of principals of state contractors and prospective state contractors for all state agencies and quasi-public agencies, based on the information received under section (1) of this subsection, (B) publish the master list on the Office's Internet web site, and (C) provide copies of the master list

to campaign treasurers upon request. The office shall update the master list every three months. Any campaign treasurer who acts in reliance on such master list in good faith shall have a complete defense in any action against the campaign treasurer for depositing a contribution in violation of subsection (5) of this section.

(9) Violation of any provision of this section shall be punished by imprisonment for not more than one year or by a fine of not more than one thousand dollars.

Notwithstanding any special or general law to the contrary, the provisions of this section shall not take effect until such time as: (i) the Office of Campaign and Political Finance has furnished a study of its impact and the revenue cost to the Commonwealth related to compliance and enforcement, including, but not limited to, the constitutionality of the provisions, the current practice of other states, any anticipated change in employment, and ancillary economic activity, to the Joint Committee on Election Laws; and (ii) the General Court enacts legislation.

SECTION 16. The eighth paragraph of section 3 of said chapter 55, as so appearing, is hereby amended by adding the following two sentences:- The name of a candidate who fails to file any statement or report after receiving notice under this section of such failure and who continues to fail to file such statement or report after the institution of civil proceedings under this section to compel such filing shall not appear on a state ballot after the initiation of such civil proceedings, until such time as the statement or report is filed, and the director shall inform the state secretary of such failure prior to the deadline for filing nomination papers with the state secretary for such candidate pursuant to chapter 53. Any candidate who files such statement or report with the director after the deadline for filing nomination papers with the secretary shall not be allowed on the state ballot.

SECTION 17. Said section 3 of said chapter 55, as so appearing, is hereby amended by inserting, after the word “requested,”, in line 111, the following words:- , by personal delivery, by leaving a copy of the notice at the person’s last and usual place of residence or by delivering a copy of the notice to an attorney who has appeared on behalf of the alleged violator.

SECTION 18. The eleventh paragraph of said section 3 of said chapter 55, as so appearing, is hereby amended by striking the last sentence and inserting in place thereof the following three sentences:- For a candidate who is holding elective office whose term of office is 3 or more years, for the treasurer of the political committee organized on behalf of such candidate, or for any person or entity supporting or opposing such candidate, evidence of any violation of this chapter, if submitted to the attorney general prior to the next election for the office held by the candidate that occurs after the violation, shall be submitted no later than 2 years prior to such election, and if submitted after the election, such evidence may not be submitted more than 3 years after said election. For all other persons or entities under investigation for violations relating to an identifiable election, evidence of any violation of this chapter shall be presented by the director to the attorney general only after the next relevant election, but within 3 years after said election. If the evidence does not relate to an identifiable election, referral shall take place within 3 years of the violation.

SECTION 19. The twelfth paragraph of said section 3 of said chapter 55, as so appearing, is hereby amended by striking out the second sentence and inserting in place thereof the following sentence:- Said civil penalty shall be in the amount of $25 per day; provided, however, that the maximum penalty the director may assess shall be no greater than $5,000 for any one report, statement or affidavit which is filed later than the prescribed date.

SECTION 20. Section 8 of said chapter 55, as so appearing, is hereby amended by inserting after the word “business”, in line 7, the following words:- or professional.

SECTION 21. Section 18 of said chapter 55, as so appearing, is hereby amended by striking out the first paragraph and inserting in place thereof the following paragraph:-

Each candidate and each treasurer of a political committee shall, except as provided in this section and section 24, file with the director. A candidate and a committee organized on behalf of candidates seeking public office at a municipal election shall file with the director, if the candidate is seeking the office of mayor in a municipality with a total population, as determined by the most recent decennial federal census, of between 40,000 and 100,000 persons, or if the committee is required to file with the director pursuant to section 19. All other candidates seeking public office at a city or town election shall file reports with the city or town clerk. A committee organized under section 5 to favor or oppose a question submitted to the voters shall file its reports with the director if the question appears on ballots at a state election, or with the city or town clerk if the question appears on ballots at a city or town election or for use in a city or town at a state election. Reports of contributions received and expenditures made shall be filed using forms prescribed by the director.

SECTION 22. The second paragraph of said section 18 of said chapter 55, as so appearing, is hereby amended by striking out clause (a) and inserting in place thereof the following clause:-

(a) by each candidate for nomination or election to the state senate or house of representatives, and by the non-elected political committee organized on behalf of such candidate, on or before: (i) the twentieth day of July complete as to the thirtieth day of June; (ii)

the eighth day preceding a primary, the eighth day preceding a biennial state election, and, as a final report, the twentieth day of January in the following year complete as to the thirty-first day of December of the prior year; and (iii) the eighth day preceding a special primary, including a convention or a caucus, the eighth day preceding a special election, the thirtieth day following a special election, and, as a final report, the twentieth day of January in the following year complete as to the thirty-first day of December of the prior year.

SECTION 23. Said section 18 of said chapter 55, as so appearing, is hereby amended by inserting after the word “January”, in line 102, the following words:- provided however, that candidates for the state senate or house of representatives, the nonelected political committees organized on behalf of such candidates, and political action committees, shall also file mid-year reports on or before the twentieth day of July in each year.

SECTION 24. The third paragraph of said section 18 of said chapter 55, as so appearing, is hereby amended by striking out the last sentence and inserting in place thereof the following two sentences:- For all candidates and all political committees, if said report is not an initial report, the reporting period of such reports required to be filed on or before the twentieth day of July in each year shall commence on the first day of January of that year, or on the day following the end of the reporting period of the last report filed, if any, whichever period is shorter, and shall end as of the thirtieth day of June of said year. The reporting period for the report required to be filed on or before the twentieth day of January in each year shall commence on the first day of July of the prior year, or on the day following the end of the reporting period of the last report filed, if any, whichever period is shorter, and shall end as of the thirty-first day of December of said prior year.

SECTION 24A. Subsection (b) of said section 18C of said chapter 55, as appearing in the 2006 Official Edition, is hereby amended by adding at the end thereof the following:-

(4) Every political committee organized on behalf of a candidate that files with the director, and every ballot question committee that files with the director, which receives and deposits a contribution in the amount of $500 after the eighteenth day, but more than 72 hours, before the date of a special, preliminary, primary or general election, shall file a report to disclose the information required by this chapter, within 72 hours of depositing such contribution.

SECTION 24B. Said section 18 of said chapter 55, as so appearing, is hereby further amended by striking out, in line 253, the words “the Local Aid Fund” and inserting in place thereof the words:- the General Fund.

SECTION 24C. Subsection (b) of said section 18C of said chapter 55, as so appearing, is hereby amended by adding the following two clauses:-

(4) For any political committee required to file campaign finance reports electronically with the director, any reports filed pursuant to section 18D made to disclose expenditures by vendors of the committee to subvendors.

(5) Each candidate’s committee organized on behalf of a candidate for mayor in a municipality with a total population, as determined by the most recent decennial federal census, of between 40,000 and 100,000 persons, if the committee, during the election cycle, can reasonably expect to raise or spend more than $5,000.

SECTION 25. Said chapter 55 is hereby further amended by inserting after section 18C the following two sections:-

Section 18D. (a) For the purpose of this section the following words shall, unless the context clearly requires otherwise, have the following meanings:-

"Expenditure", any payment made or liability incurred by a vendor on behalf of a political committee.

"Person", a natural person, corporation, association, partnership or other legal entity.

"Subvendor", a person providing goods or services to a vendor or who contracts with a vendor to provide goods or services to a committee.

"Vendor", any person including, but not limited to, a consultant, who provides goods or services to a political committee that files with the director and either receives or is promised $5,000 or more in the aggregate during a calendar year by the committee for such goods or services, or contracts with another on behalf of the committee for such goods or services valued at $5,000 or more in the aggregate to be provided to the committee.

(b) A vendor that makes an expenditure on behalf of a political committee shall provide the political committee with a detailed account of the expenditure including, but not limited to, the date of the expenditure, the person who received payment, the full name and address of the subvendor, the purpose of the expenditure, and the amount of the expenditure, within 5 days of making such expenditure.

(c) A political committee that makes a payment to a vendor or incurs a liability to a vendor shall file reports with the director disclosing the full name and address, listed

alphabetically, of each subvendor receiving payments of more than $500 in the aggregate during a calendar year from the vendor, and of each subvendor to whom a liability of more than $500 was incurred. The contents of such report shall include the information required by section 18 and be disclosed on a form prescribed by the director. For committees required to designate a depository account under section 19, the reports must be filed on or before the fifth day of each month covering the preceding month; for other committees, the report must be filed in accordance with the schedule established by section 18.

(d) Vendors shall keep detailed accounts of all expenditures made on behalf of political committees.

Section 18E. (a) Legal defense funds may be created by a candidate or the candidate's political committee to defend against a criminal prosecution, or to pay costs associated with a civil matter that is not primarily personal in nature. Inauguration funds may be created by a candidate or the candidate's political committee to pay for the costs associated with an inaugural event. Recount funds may be created by a candidate or candidate's political committee to pay for the legal or other costs associated with a recount. Legal defense, inauguration, or recount funds shall be created separately from the candidate's campaign account or committee, and are subject to the following conditions: (1) assets of a political committee may not be used by the fund; (2) any donations received by the fund may not be deposited into the candidate's campaign account or a committee account; and (3) donations to such fund may not be used to benefit a political committee.

(b) Donations to a legal defense, recount, or inauguration fund, if not contributions, shall be disclosed to the director or, if made by a candidate or committee that does not file with the

director, the city or town clerk, on or before the fifth day of the month following the month in which the donations are received, complete as of the last day of the preceding month, on forms to be prescribed by the director. The report shall disclose the name and address of all persons donating more than $50 during the reporting period, listed alphabetically, the amount of each such donation, and the total amount of donations received in the reporting period not otherwise reported.

(c) For purposes of this section, the term "donations" shall include donations in money or in-kind, and loans provided to legal defense, recount, or inauguration fund.

SECTION 26. Section 22 of said chapter 55, as so appearing, is hereby amended by striking out, in line 1, the word "The" and inserting in place thereof the following words:- Any person or the.

SECTION 27. Said section 22 of said chapter 55, as so appearing, is hereby further amended by inserting after the word "such", in lines 17, 31 and 41, the following words:- person or.

SECTION 28. Said section 22 of said chapter 55, as so appearing, is hereby further amended by inserting after the word "Any", in line 38, the following words:- person or.

SECTION 29. Section 24 of said chapter 55, as so appearing, is hereby amended by inserting after the word "office", in line 3, the following words:- , other than a municipal office for which a candidate is required to file with the director in accordance with section 18C or section 19,.

SECTION 30. Said section 24 of said chapter 55, as so appearing, is hereby further amended by inserting after the word “statement”, in lines 1, 4, 5, 8, 9, and 12, the following words:- or report.

SECTION 31. Said section 24 of said chapter 55, as so appearing, is hereby further amended by inserting after the word “statements”, in lines 13 and 14, the following words:- and reports.

SECTION 31A. Section 26 of Chapter 55 is hereby amended by striking the first two sentences of said section and inserting in place thereof the following:-

The city or town clerk shall retain all statements and reports required to be filed with him until December 31st of the sixth year following the relevant election. In the case of committees other than those authorized by a candidate, the city or town clerk shall retain all required statements and reports filed with him until December 31st of the sixth year following the date that the statement or report was filed.

SECTION 31B. Section 26 of Chapter 55 is hereby amended by inserting a new sentence at the end of the section as follows:-

Upon the filing deadline, all campaign finance reports required to be filed with the city or town clerk under Section 18 shall be made available for viewing on the World Wide Web via the website of the municipality, if such municipality has a website.

SECTION 32. Said chapter 55 is hereby further amended by striking out section 29, as so appearing, and inserting in place thereof the following section:-

Section 29. Upon failure to file a statement, report or affidavit within 10 days after receiving notice under section 28, the city or town clerk, as the case may be, shall notify the director thereof and shall furnish him with copies of all papers related thereto and the director, if satisfied there is cause, shall assess a penalty and may refer the person or committee to the attorney general pursuant to section 3. If any statement filed with the city or town clerk, as the case may be, discloses any violation of this chapter, such city or town clerk shall notify the director thereof and shall furnish him with copies of all papers relating thereto. The director shall examine every such case referred to him by such clerk and may refer such cases to the attorney general in accordance with section 3. If satisfied that there is cause, the attorney general shall, in the name of the commonwealth, institute appropriate criminal or civil proceedings or refer the case to the proper district attorney for such actions as may be appropriate. Any city or town clerk shall at any time upon the request of the attorney general or the director forward any evidence or information received by such clerk to the attorney general or director for whatever action the attorney general or director deems appropriate pursuant to law.

SECTION 33. The last paragraph of section 4 of chapter 55C of the General Laws, as so appearing, is hereby amended by striking out the last sentence and inserting in place thereof the following two sentences:- Determination and certification of the eligibility of candidates shall be made by the director on the eighth Tuesday before the primary and shall be based solely upon information contained in such statements as have been filed by candidates. Candidates for governor seeking public financing shall file the statement on or before the Friday that is 11 days preceding said eighth Tuesday and other candidates seeking public financing shall file said statements on or before the Friday next preceding said eighth Tuesday.

SECTION 34. The second paragraph of section 6 of said chapter 55C of the General Laws, as so appearing, is hereby amended by striking out the last sentence and inserting in place thereof the following two sentences:- Determination and certification of the eligibility of candidates shall be made by the director on the fourth Tuesday before the state election and shall be based solely upon information contained in such statements as have been filed by candidates. Candidates for governor and lieutenant governor seeking public financing shall file the statement on or before the Friday that is 11 days preceding said fourth Tuesday and other candidates seeking public financing shall file said statements on or before the Friday next preceding said fourth Tuesday.

SECTION 34A. Subsection (b) of section 2 of chapter 62 of the General Laws, as appearing in the 2006 Official Edition, is hereby amended, in line 229, by striking out the words "gross income." and inserting in place thereof the following words:- gross income, provided that Part B gross income shall include bribes, corrupt gifts and any income gained through illegal activities."

SECTION 35. Chapter 268 of the General Laws is hereby amended by inserting after section 13D the following section:-

Section 13E. (a) As used in this section the following word shall, unless the context clearly requires otherwise, have the following meaning:-

"Official proceeding", a proceeding before a court or grand jury, or a proceeding before a state agency or commission, which proceeding is authorized by law and relates to an alleged violation of a criminal statute or the laws and regulations enforced by the state ethics

commission, the state secretary, the office of the inspector general, or the office of campaign and political finance, for which the attorney general may issue a civil investigative demand.

(b) Whoever alters, destroys, mutilates, or conceals a record, document, or other object, or attempts to do so, with the intent to impair the record, document or object's integrity or availability for use in an official proceeding, whether or not the proceeding is pending at that time, shall be punished, by (i) a fine of not more than $10,000, or by imprisonment in the state prison for not more than 5 years, or in a jail or house of correction for not more than 2 1/2 years, or both, or (ii) if the official proceeding involves a violation of a criminal statute, by a fine of not more than $25,000, or by imprisonment in the state prison for not more than 10 years, or in a jail or house of correction for not more than 2 1/2 years, or both.

(c) The record, document, or other object need not be admissible in evidence or free of a claim of privilege.

(d) A prosecution under this section may be brought in the county where the official proceeding was or would have been convened or where the alleged conduct constituting an offense occurred.

SECTION 36. Section 2 of chapter 268A of the General Laws, as appearing in the 2006 Official Edition, is hereby amended by striking out, in lines 46 to 49, inclusive, the words "five thousand dollars or by imprisonment in the state prison for not more than three years or in a jail or house of correction for not more than two and one half years, or by both such fine and imprisonment in a jail or house of correction" and inserting in place thereof the following words:- $100,000, or by imprisonment in the state prison for not more than 10 years, or in a jail or house of correction for not more than 2 1/2 years, or both.

SECTION 37. Chapter 268A of the General Laws, as so appearing, is hereby amended by striking out section 3 and inserting in place thereof the following section:-

Section 3. (a) Whoever knowingly, otherwise than as provided by law for the proper discharge of official duty, directly or indirectly, gives, offers or promises anything of substantial value to any present or former state, county or municipal employee or to any member of the judiciary, or to any person selected to be such an employee or member of the judiciary: (i) for or because of any official act performed or to be performed by such an employee or member of the judiciary or person selected to be such an employee or member of the judiciary; or (ii) to influence, or attempt to influence, an official action of the state, county or municipal employee or to any member of the judiciary; or

(b) Whoever knowingly, being a present or former state, county or municipal employee or member of the judiciary, or person selected to be such an employee or member of the judiciary, otherwise than as provided by law for the proper discharge of official duty, directly or indirectly, asks, demands, exacts, solicits, seeks, accepts, receives or agrees to receive anything of substantial value: (i) for himself for or because of any official act or act within his official responsibility performed or to be performed by him; or (ii) to influence, or attempt to influence, him in an official act taken; or

(c) Whoever knowingly, directly or indirectly, gives, offers or promises anything of substantial value to any person, for or because of testimony under oath or affirmation given or to be given by such person or any other person as a witness upon a trial, hearing or other proceeding, before any court, any committee of either house or both houses of the general court,

or any agency, commission or officer authorized by the laws of the commonwealth to hear evidence or take testimony or for or because of his absence therefrom; or

(d) Whoever knowingly, directly or indirectly, asks, demands, exacts, solicits, seeks, accepts, receives or agrees to receive anything of substantial value for himself for or because of the testimony under oath or affirmation given or to be given by him or any other person as a witness upon any such trial, hearing or other proceeding, or for or because of his absence therefrom; shall be punished by a fine of not more than $100,000, or by imprisonment in the state prison for not more than 10 years, or in a jail or house of correction for not more than 2 1/2 years, or both.

(e) Clauses (c) and (d) shall not prohibit the payment or receipt of witness fees provided by law or the payment by the party upon whose behalf a witness is called and receipt by a witness of the reasonable cost of travel and subsistence incurred and the reasonable value of time lost in attendance at any such trial, hearing or proceeding, or, in the case of expert witnesses, involving a technical or professional opinion, a reasonable fee for time spent in the preparation of such opinion, in appearing or testifying.

SECTION 38. Said section 3 of said chapter 268A, as so appearing, is hereby further amended by adding the following paragraph:-

The state ethics commission shall adopt regulations: (i) defining “substantial value,” provided however that “substantial value” shall not be less than $50; (ii) establishing exclusions for ceremonial gifts; (iii) establishing exclusions for gifts given solely because of family or friendship; and (iv) establishing additional exclusions for other situations that do not present a genuine risk of a conflict or the appearance of a conflict of interest.

SECTION 39. Section 4 of said chapter 268A, as so appearing, is hereby amended by striking out, in lines 17 and 18, inclusive, or section 23 the words “three thousand dollars or by imprisonment for not more than two years, or both” and inserting in place thereof the following words:- $10,000, or by imprisonment in the state prison for not more than 5 years, or in a jail or house of correction for not more than 2 1/2 years, or both.

SECTION 40. Section 5 of said chapter 268A, as so appearing, is hereby amended by inserting after the word “legislative”, in line 26, the following words:- or executive.

SECTION 41. Said section 5 of said chapter 268A, as so appearing, is hereby further amended by inserting after the word “body”, in line 28, the following words:- , as determined by the state ethics commission.

SECTION 42. Said section 5 of said chapter 268A, as so appearing, is hereby further amended by striking out, in lines 41 and 42, inclusive, the words “three thousand dollars or by imprisonment for not more than two years, or both” and inserting in place thereof the following words:- $10,000, or by imprisonment in the state prison for not more than 5 years, or in a jail or house of correction for not more than 2 1/2 years, or both.

SECTION 43. Section 6 of said chapter 268A, as so appearing, is hereby amended by striking out, in lines 7 and 8, inclusive, the words “three thousand dollars or by imprisonment for not more than two years, or both” and inserting in place thereof the following words:- $10,000, or by imprisonment in the state prison for not more than 5 years, or in a jail or house of correction for not more than 2 1/2 years, or both.

SECTION 44. Section 7 of said chapter 268A, as so appearing, is hereby amended by striking out, in lines 5 and 6, inclusive, the words “three thousand dollars or by imprisonment for

not more than two years, or both" and inserting in place thereof the following words:- $10,000, or by imprisonment in the state prison for not more than 5 years, or in a jail or house of correction for not more than 2 1/2 years, or both.

SECTION 45. Section 8 of said chapter 268A, as so appearing, is hereby amended by striking out, in lines 17 and 18, inclusive, the words "five thousand dollars or by imprisonment for not more than two years, or both" and inserting in place thereof the following words:- $10,000, or by imprisonment in the state prison for not more than 5 years, or in a jail or house of correction for not more than 2 1/2 years, or both.

SECTION 46. Said chapter 268A is hereby further amended by striking out section 9, as so appearing, and inserting in place thereof the following section:-

Section 9. (a) In addition to any other remedies provided by law, any violation of sections 2 to 8, inclusive, or section 23 which has substantially influenced the action taken by any state agency in any particular matter, shall be grounds for avoiding, rescinding or canceling the action on such terms as the interests of the commonwealth and innocent third persons require.

(b) In addition to the remedies set forth in subsection (a), the state ethics commission upon a finding pursuant to an adjudicatory proceeding that a person has acted to his economic advantage in violation of sections 2 to 8, inclusive, or section 23, may issue an order: (1) requiring the violator to pay the commission on behalf of the commonwealth damages in the amount of the economic advantage or $500, whichever is greater; and (2) requiring the violator to make restitution to an injured third party. If there has been no final criminal judgment of conviction or acquittal of the same violation, upon receipt of the written approval of the attorney general, the commission may order payment of additional damages in an amount not exceeding

twice the amount of the economic advantage or $500, and payment of such additional damages shall bar any criminal prosecution for the same violation.

The maximum damages that the commission may order a violator to pay under this section shall be $25,000. If the commission determines that the damages authorized by this section exceed $25,000, it may bring a civil action against the violator to recover such damages.

(c) The remedies authorized by this section shall be in addition to any civil penalty imposed by the state ethics commission in accordance with clause (3) of subsection (j) of section 4 of chapter 268B.

SECTION 47. Section 11 of said chapter 268A, as so appearing, is hereby amended by striking out, in lines 16 and 17, the words “three thousand dollars or by imprisonment for not more than two years, or both” and inserting in place thereof the following words:- $10,000, or by imprisonment in the state prison for not more than 5 years, or in a jail or house of correction for not more than 2 1/2 years, or both.

SECTION 48. Section 12 of said chapter 268A, as so appearing, is hereby amended by striking out, in lines 24 and 25, inclusive, the words “three thousand dollars or by imprisonment for not more than two years, or both” and inserting in place thereof the following words:- $10,000, or by imprisonment in the state prison for not more than 5 years, or in a jail or house of correction for not more than 2 1/2 years, or both.

SECTION 49. Section 13 of said chapter 268A, as so appearing, is hereby amended by striking out, in lines 7 and 8, the words “three thousand dollars or by imprisonment for not more than two years, or both” and inserting in place thereof the following words:- $10,000, or by

imprisonment in the state prison for not more than 5 years, or in a jail or house of correction for not more than 2 1/2 years, or both.

SECTION 50. Section 14 of said chapter 268A, as so appearing, is hereby amended by striking out, in lines 5 and 6, inclusive, the words “three thousand dollars or by imprisonment for not more than two years, or both” and inserting in place thereof the following words:- $10,000, or by imprisonment in the state prison for not more than 5 years, or in a jail or house of correction for not more than 2 1/2 years, or both.

SECTION 51. Said chapter 268A is hereby further amended by striking out section 15, as so appearing, and inserting in place thereof the following section:-

Section 15. (a) In addition to any other remedies provided by law, a violation of section 2, 3, 8, or sections 11 to 14, inclusive, or section 23 which has substantially influenced the action taken by any county agency in any particular matter, shall be grounds for avoiding, rescinding, or canceling the action on such terms as the interests of the county and innocent third persons require.

(b) In addition to the remedies set forth in subsection (a), the commission may, upon a finding pursuant to an adjudicatory proceeding that a person has acted to his economic advantage in violation of section 2, 3, 8, sections 11 to 14, inclusive, or section 23 issue an order (1) requiring the violator to pay the commission on behalf of the county damages in the amount of the economic advantage or $500, whichever is greater; and (2) requiring the violator to make restitution to an injured third party. If there has been no final criminal judgment of conviction or acquittal of the same violation, upon receipt of the written approval of the attorney general and the district attorney, the commission may order payment of additional damages in an amount not

exceeding twice the amount of the economic advantage or $500, and payment of such additional damages shall bar any criminal prosecution for the same violation.

The maximum damages that the commission may order a violator to pay under this section shall be $25,000. If the commission determines that the damages authorized by this section exceed $25,000, it may bring a civil action against the violator to recover such damages.

(c) The remedies authorized by this section shall be in addition to any civil penalty imposed by the commission in accordance with clause (3) of subsection (j) of section 4 of chapter 268B.

SECTION 52. Section 17 of said chapter 268A, as so appearing, is hereby amended by striking out, in lines 16 and 17, the words “three thousand dollars or by imprisonment for not more than two years, or both” and inserting in place thereof the following words:- $10,000, or by imprisonment in the state prison for not more than 5 years, or in a jail or house of correction for not more than 2 1/2 years, or both.

SECTION 53. Section 18 of said chapter 268A, as so appearing, is hereby amended by striking out, in lines 22 and 23, inclusive, the words “three thousand dollars or by imprisonment for not more than two years, or both” and inserting in place thereof the following words:- $10,000, or by imprisonment in the state prison for not more than 5 years, or in a jail or house of correction for not more than 2 1/2 years, or both.

SECTION 54. Section 19 of said chapter 268A, as so appearing, is hereby amended by striking out, in lines 7 and 8, the words “three thousand dollars or by imprisonment for not more than two years, or both” and inserting in place thereof the following words:- $10,000, or by

imprisonment in the state prison for not more than 5 years, or in a jail or house of correction for not more than 2 1/2 years, or both.

SECTION 55. Section 20 of said chapter 268A, as so appearing, is hereby amended by striking out, in lines 5 and 6, inclusive, the words “three thousand dollars or by imprisonment for not more than two years, or both” and inserting in place thereof the following words:- $10,000, or by imprisonment in the state prison for not more than 5 years, or in a jail or house of correction for not more than 2 1/2 years, or both.

SECTION 56. Said chapter 268A is hereby further amended by striking out section 21, as so appearing, and inserting in place thereof the following section:-

Section 21. (a) In addition to any other remedies provided by law, a finding by the commission pursuant to an adjudicatory proceeding that there has been any violation of section 2, 3, 8, or sections 17 to 20, inclusive, which has substantially influenced the action taken by any municipal agency in any particular matter, shall be grounds for avoiding, rescinding, or canceling the action of said municipal agency upon request by said municipal agency on such terms as the interests of the municipality and innocent third persons require.

(b) In addition to the remedies set forth in subsection (a) , the commission may, upon a finding pursuant to an adjudicatory proceeding that a person has acted to his economic advantage in violation of section 2, 3, 8, sections 17 to 20, inclusive, or section 23, may issue an order (1) requiring the violator to pay the commission on behalf of the municipality damages in the amount of the economic advantage or $500, whichever is greater; and (2) requiring the violator to make restitution to an injured third party. If there has been no final criminal judgment of conviction or acquittal of the same violation, upon receipt of the written approval of the district

attorney, the commission may order payment of additional damages in an amount not exceeding twice the amount of the economic advantage or $500, and payment of such additional damages shall bar any criminal prosecution for the same violation. The maximum damages that the commission may order a violator to pay under this section shall be $25,000. If the commission determines that the damages authorized by this section exceed $25,000, it may bring a civil action against the violator to recover such damages.

(c) The remedies authorized by this section shall be in addition to any civil penalty imposed by the commission in accordance with clause (3) of subsection (j) of section 4 of chapter 268B.

SECTION 57. Section 23 of said chapter 268A, as so appearing, is hereby amended by striking out, in line 21, the word “conclusion.” and inserting in place thereof the following words:- conclusion; or.

(4) present a false or fraudulent claim to his employer for any payment or benefit of substantial value.

SECTION 58. Said section 23 of said chapter 268A, as so appearing, is hereby further amended by striking out paragraph (f).

SECTION 59. Said chapter 268A is hereby further amended by adding the following 4 sections:-

Section 26. Any person who, with fraudulent intent, violates clauses (1), (2) or (4) of paragraph (b) or paragraph (c) of section 23, and any person who, with fraudulent intent, causes any other person to violate said clauses (1), (2) or (4) of said paragraph (b) or paragraph (c) shall

be punished by a fine of not more than $10,000, or by imprisonment in the state prison for not more than 5 years, or in a jail or house of correction for not more than 2 1/2 years, or both.

Section 27. The commission shall prepare, and update as necessary, summaries of this chapter for state, county, and municipal employees, respectively, which the commission shall publish on its official website. Every state, county, and municipal employee shall, within 30 days of becoming such an employee, and on an annual basis thereafter, be furnished with a summary of this chapter prepared by the commission and sign a written acknowledgment that he has been provided with such a summary. Municipal employees shall be furnished with the summary by, and file an acknowledgment with, the city or town clerk. Appointed state and county employees shall be furnished with the summary by, and file an acknowledgment with, the employee's appointing authority or his designee. Elected state and county employees shall be furnished with the summary by, and file an acknowledgment with, the commission. The commission shall establish procedures for implementing this section and ensuring compliance.

Section 28. The state ethics commission shall prepare and update from time to time the following online training programs, which the commission shall publish on its official website:

(1) a program which shall provide a general introduction to the requirements of this chapter. Every state, county, and municipal employee shall, within 30 days after becoming such an employee, and every 2 years thereafter, complete the online training program. Upon completion of the online training program, the commission shall log and maintain an electronic record of completion for 6 years.

(2) a program which shall provide information on the requirements of this chapter applicable to former state, county, and municipal employees.

The commission shall establish procedures for implementing this section and ensuring compliance.

Section 29. Each municipality, acting through its city council, board of selectmen, or board of aldermen, shall designate a senior level employee of the municipality as its liaison to the state ethics commission. The municipality shall notify the commission in writing of any change to such designation within 30 days of such change. The commission shall disseminate information to the designated liaisons and conduct educational seminars for designated liaisons on a regular basis on a schedule to be determined by the commission in consultation with the municipalities.

SECTION 60. Section 1 of chapter 268B of the General Laws, as appearing in the 2006 Official Edition, is hereby amended by inserting after clause (f) the following clause:-

(f 1/2) "executive agent", a person who for compensation or reward engages in executive lobbying, which includes at least 1 communication with a government employee. The term "executive agent" shall include a person who, as part of his regular and usual business or professional activities and not simply incidental thereto, engages in executive lobbying, whether or not any compensation in addition to the salary for such activities is received for such services. For the purposes of this definition a person shall be presumed to engage in activity covered by this definition in a manner that is simply incidental to his regular and usual business or professional activities if he: (i) engages in any activity or activities covered by this definition for not more than 10 hours during any reporting period; and (ii) receives less than $2,500 during any reporting period, for any activity or activities covered by this definition;.

SECTION 61. Said section 1 of said chapter 268B, as so appearing, is hereby further amended by striking out clause (k) and inserting in place thereof the following clause:-

(k) "legislative agent", a person who for compensation or reward engages in legislative lobbying, which includes at least 1 communication with a government employee. The term "legislative agent" shall include a person who, as part of his regular and usual business or professional activities and not simply incidental thereto, engages in legislative lobbying, whether or not any compensation in addition to the salary for such activities is received for such services. For purposes of this definition a person shall be presumed to engage in activity covered by this definition in a manner that is simply incidental to his regular and usual business or professional activities if he: (i) engages in any activity or activities covered by this definition for not more than 10 hours during any reporting period; and (ii) receives less than $2,500 during any reporting period, for any activity or activities covered by this definition.

SECTION 62. Section 2 of said chapter 268B, as so appearing, is hereby amended by inserting after the word "general", in line 61, the following words:- , inspector general, state secretary.

SECTION 63. Section 3 of said chapter 268B, as so appearing, is hereby amended by striking out, in lines 4 and 5, the words "; provided, however, that the rules and regulations shall be limited to providing" and inserting in place thereof the following words:- , including but not to providing.

SECTION 64. Paragraph (a) of section 4 of said chapter 268B, as so appearing, is hereby amended by striking out the third sentence and inserting in place thereof the following 2 sentences:- All commission proceedings and records relating to a preliminary inquiry or initial

staff review to determine whether to initiate an inquiry shall be confidential, except that the commission may provide to: (1) the attorney general, the United States Attorney or a district attorney of competent jurisdiction information which may be used in a criminal proceeding; (2) the inspector general information concerning fraud, waste, or abuse in the expenditure of public funds; (3) the state secretary information concerning violations of sections 39 to 50, inclusive, of chapter 3; and (4) the director of the office of campaign and political finance information concerning violations of chapter 55. Any information provided by the commission pursuant to this section shall be confidential in accordance with this section, except that such information may be used by the officer or agency to whom it was provided in any investigation or subsequent proceedings.

SECTION 65. Said section 4 of said chapter 268B, as so appearing, is hereby further amended by inserting after the word “and”, in line 18, the following words:- within 10 days of such termination

SECTION 66. Paragraph (c) of said section 4 of said chapter 268B, as so appearing, is hereby amended by adding the following sentence:- The commission shall initiate such an adjudicatory proceeding within 5 years from the date the commission learns of the alleged violation, but not more than 6 years from the date of the last conduct relating to the alleged violation.

SECTION 67. Paragraph (d) of said section 4 of said chapter 268B of the General Laws, as so appearing, is hereby amended by striking out the last sentence and inserting in place thereof the following sentence:- Such summonses shall have the same force, and be obeyed in the same manner, and under the same penalties in case of default, as if issued by order of a justice of the

superior court and may be quashed only upon motion of the summonsed party and by order of a justice of the superior court.

SECTION 68. Said section 4 of said chapter 268B, as so appearing, is hereby further amended by striking out, in lines 73 and 74, the words “two thousand dollars for each violation of this chapter or said chapter two hundred and sixty-eight A” and inserting in place thereof the following words:- $10,000 for each violation of this chapter or chapter 268A, with the exception of a violation of section 2 of chapter 268A, which shall be subject to a civil penalty of not more than $25,000.

SECTION 69. Said section 4 of said chapter 268B, as so appearing, is hereby further amended by inserting after the word “order”, in line 76, the following words:- and any order issued by the commission in accordance with chapter 268A.

SECTION 70. Said section 4 of said chapter 268B, as so appearing, is hereby further amended by inserting after the word “chapter”, in line 77, the following words:- or chapter 268A.

SECTION 71. Said section 4 of said chapter 268B, as so appearing, is hereby further amended by adding the following paragraph:-

(l) The superior court shall have concurrent jurisdiction to issue orders under paragraph (j) in a civil action brought by the attorney general. In any such action, an advisory opinion of the commission under clause (g) of section 3 shall be binding to the same extent as it is against the commission under that clause.

SECTION 72. Said section 4 said chapter 268B, as so appearing, is hereby further amended by striking out, in line 91, the words “twenty thousand dollars” and inserting in place thereof the following figure:- $30,000.

SECTION 73. Section 5 of said chapter 268B, as so appearing, is hereby amended by inserting after the word “legislative”, in line 68, the following words:- or executive

SECTION 74. Said chapter 268B is hereby further amended by striking out section 6, as so appearing, and inserting in place thereof the following section:-

Section 6. No executive or legislative agent shall knowingly and willfully offer or give to any public official or public employee or a member of such person’s immediate family, and no public official or public employee or member of such person’s immediate family shall knowingly and willfully solicit or accept from any executive or legislative agent, any gift of any kind or nature; provided, however, that these prohibitions shall not apply to gifts given by an executive or legislative agent to a public official or public employee who is a member of his immediate family or a relative within the third degree of consanguinity or of such agent’s spouse or the spouse of any such relative.

SECTION 75. Section 7 of said chapter 268B, as so appearing, is hereby amended by striking out, in line 7, the words “files a false” and inserting in place thereof the following words:- willfully files a materially false.

SECTION 76. Said section 7 of said chapter 268B, as so appearing, is hereby further amended by striking out, in lines 9 and 10, the words “one thousand dollars or by imprisonment in the state prison for not more than three years” and inserting in place thereof the following

words:- $10,000, or by imprisonment in the state prison for not more than 5 years, or in a jail or house of correction for not more than 2 1/2 years, or both.

SECTION 77. The General Laws are hereby further amended by inserting after chapter 277 the following chapter:-

CHAPTER 277A

Statewide Grand Jury

Section 1. Upon written application of the attorney general to the chief justice of the superior court department, with good cause stated therein, the chief justice may authorize the convening of a statewide grand jury with jurisdiction extending throughout the commonwealth.

Section 2. The chief justice of the superior court department shall, upon granting an application, receive recommendations from the attorney general as to the county in which the statewide grand jury shall sit. Upon receiving the attorney general's recommendations, the chief justice shall choose 1 of those recommended locations as the site where the grand jury shall sit. Once a county has been selected, the chief justice shall direct the regional administrative judge from the county selected to appoint, and reappoint as necessary, a superior court judge to preside over the statewide grand jury.

Section 3. The superior court judge presiding over the grand jury shall consult with the attorney general and district attorney for the relevant district about the nature and scope of the investigation and shall thereafter designate and authorize an existing county grand jury to serve as a statewide grand jury for purposes of the investigation specified in the written application, or, alternatively, convene and preside over a specially empaneled statewide grand jury.

Section 4. A specially empaneled statewide grand jury shall be drawn and selected in the same manner as the county grand jury in the county in which the specially empaneled statewide grand jury sits. A specially empaneled statewide grand jury may, at the discretion of the presiding superior court judge, draw jurors from counties adjoining the one in which the statewide grand jury is to sit.

Section 5. A specially empaneled statewide grand jury convened pursuant to this chapter shall sit for a period not to exceed 18 months. The superior court judge presiding over the grand jury may extend this period if, in accordance with section 1A of chapter 277 and section 41 of chapter 234A, public necessity requires further time by the grand jury to complete an investigation then in progress.

Section 6. The attorney general or an assistant attorney general shall attend each session of a statewide grand jury and may prosecute any indictment returned by it. The attorney general or assistant attorney general shall have the same powers and duties in relation to a statewide grand jury that she has in relation to a county grand jury, except as otherwise provided by law.

Section 7. Indictments shall be returned in the county where the statewide grand jury sits and shall thereafter be transferred to the county specified by the grand jury on the indictment. Venue for purposes of trial of offenses indicted by a statewide grand jury shall be in any county where venue would otherwise be proper.

Section 8. No provision of this chapter shall be construed as limiting the jurisdiction of county grand juries or district attorneys in the commonwealth. Except as otherwise provided by law, an investigation by a statewide grand jury shall not preempt an investigation by any other grand jury or agency having jurisdiction over the same subject matter.

SECTION 78. Chapter 277A of the General Laws is hereby repealed.

SECTION 79. Notwithstanding any general or special law to the contrary, every legislative agent or executive agent as defined by section 39 of chapter 3 of the General Laws shall, within 90 days after the effective date of this act, and every year thereafter, complete an in-person or online seminar offered by the state secretary in accordance with section 41 of said chapter 3.

SECTION 80. Notwithstanding any general or special law to the contrary, in accordance with section 26 of chapter 268A of the General Laws within 90 days after the effective date of this act every state, county, and municipal employee shall be provided a summary of chapter 268A prepared by the state ethics commission and shall file a written acknowledgment as required by that section.

SECTION 81. Notwithstanding any general or special law to the contrary, within 120 days after the effective date of this act, each municipality shall provide written notification to the state ethics commission of the liaison designated under section 28 of chapter 268A of the General Laws.

SECTION 82. There shall be there shall be a special commission to study the creation of new independent office of public accountability which would function as the single state entity for the administration and enforcement of the provisions of law currently administered and enforced by the state ethics commission, the office of campaign and political finance and the lobbyist division of the office of the secretary of state. Said commission shall consider, without limitation, the cost of establishing such an office and the potential cost savings from efficiencies.

The special commission shall consist of: the secretary of the commonwealth, or his designee; the secretary of the executive of office administration and finance, or his designee; the director of the office of campaign and political finance, or his designee; the executive director of the state ethics commission, or his designee, 2 members of the senate to be appointed by the senate president; 2 members of the house to be appointed by the speaker of the house of representatives; 1 member of the senate appointed by the minority leader of the senate; 1 member of the house appointed by the minority leader of the house of representatives; and 3 members to be appointed by the governor. The special commission shall report to the general court the results of its investigation and study, together with recommendations and drafts of legislation necessary to carry out any recommendations, if any, by filing a report with the clerks of the senate and the house of representatives on or before July 31, 2010.

SECTION 83. Sections 14 to 34, inclusive, shall take effect on January 1, 2010.

SECTION 84. Section 78 shall take effect on December 31, 2012.

SECTION 85. Section 5 of said chapter 55, as so appearing is hereby amended by adding at the end the following paragraph:- fines for violations of this section shall not be paid from the candidates campaign account.

SECTION 86. Any person nominated by the governor for a position that requires confirmation by the executive council shall, upon the date of confirmation, make any political or candidate committee and related campaign bank account or depository bank account inactive with the office of campaign and political finance.”

SECTION 87. Section 19 of chapter 55, as so appearing, is hereby amended by deleting, from lines 5 and 6, the words “or other citywide office, except for the office of school committee,” and by inserting, in place thereof, the words:- or city council or alderman.