

INTRODUCTION

We, the members of the 27th County Investigating Grand Jury, having received and reviewed evidence regarding allegations of violations of the Pennsylvania Crimes Code and related laws occurring in Dauphin County, Delaware County, and Philadelphia County, Pennsylvania, pursuant to Notice of Submission of Investigation No. 21, do hereby make the following findings of fact and recommendations of charges. We issue this Presentment in furtherance of our ongoing investigation of the evidence revealed by the undercover investigation.

FINDINGS OF FACT

This Presentment is a product of the same investigation spearheaded by the Pennsylvania Office of Attorney General (“OAG”) between 2010 and 2012 that led to Presentment No. 1, which detailed that investigation and recommended charges against Thomasine Tynes, the former President Judge of the Philadelphia Traffic Court. The OAG investigation utilized a Confidential Informant (“CI”) who ultimately recorded 113 separate meetings or conversations with various Pennsylvania state legislators, public officials and other related individuals. Twenty-six of those recordings featured Pennsylvania State Representative Ronald G. Waters, who accepted nine cash payments from the CI totaling \$8,750. Twenty-four recordings featured Pennsylvania State Representative Vanessa Lowery Brown, who accepted five cash payments totaling \$4,000. The evidence clearly demonstrates that those payments were made because of the representatives’ official positions and their promises to perform official acts on behalf of the CI. Both representatives testified before this Grand Jury and admitted their criminal conduct.

REP. RONALD G. WATERS: NINE PAYMENTS TOTALING \$8,750

Rep. Waters began his legislative career after winning a special election in May 1999 to represent the 191st legislative district in the Pennsylvania House of Representatives, which covers both Philadelphia and Delaware counties. Prior to being a legislator, Rep. Waters was employed by the Philadelphia Parking Authority from 1986 until his election in 1999, during which time he became supervisor of parking enforcement management. Rep. Waters currently serves as the Secretary for the House Democratic Caucus. His base salary as a representative currently is \$85,338.65 per year – plus a per diem allowance of \$159 per day.

Payment #1: “I Got Stuff I Always Need”

The CI had long been acquainted with the daughter of Rep. Waters. On October 22, 2010, the daughter took the CI to the Representative’s district office in Philadelphia and introduced them. The CI told Rep. Waters that he was a lobbyist representing two banks with a project “in the works” in the Representative’s district. The CI claimed that this fictitious project for his fictitious client could result in a \$2 million investment in the district. The CI told Rep. Waters that he was unsure what the “set asides” – kick backs – were going to be, but that the CI has “all the say” in the project, to which Rep. Waters responded, “that helps.” Later in the meeting, the CI asked Rep. Waters if he had what he needed for his next election. Rep. Waters immediately replied, “no, not really. I, I got stuff I always need,” at which point the CI gave him an envelope containing \$1,000. The CI told Rep. Waters, “[w]ell here. This is for you. That’s a grand.” Rep. Waters readily took the money: “Okay, my man.” The CI then told the Representative, “Just remember me. I’m looking for some support and guidance” because of the projects he was working on. The CI also said that he knew not to have that conversation in front of the Representative’s daughter. The CI then said that he was able to “bring even more money

to the pot” because he could obtain untraceable funds from a foreign country. Rep. Waters responded that he was always campaigning, and “it’s always good to have a war chest” as a deterrent to political opponents. When their two-hour meeting was ending, Rep. Waters told the CI that “we got to have these meetings every now and then.” Rep. Waters then asked for the CI’s contact information.

During a telephone call on December 8, 2010, Rep. Waters told the CI that he would find out what the committee assignments in the House were going to be and then report back to the CI. They also talked about getting like-minded legislators on the House Liquor Control Committee in order to help push the CI’s fictitious client’s agenda of liquor privatization. Rep. Waters offered to talk to the president of the local union representing State Liquor Store clerks to try to allay the union’s concerns about privatization. The CI then dangled another carrot before Rep. Waters: if liquor privatization occurred, “we will be quite happy. And by we, I mean us. You know what I mean?” Rep. Waters knew exactly what the CI meant and responded, “[o]kay.” The CI again said that “it will work well for us,” and they made plans to meet the following week.

Payment #2: Behind Closed Doors With “A Good Friend”

During their next meeting at Rep. Waters’ district office in Philadelphia on December 15, 2010, the CI discussed how privatization of liquor stores would work, educating the Representative about the issue and pitching his own legislative proposals. Rep. Waters responded that he had a bill about privatization that he could get out of the House, but that the Pennsylvania Senate kept “piling on this other shit on top of it,” which killed the bill. Rep. Waters noted that he could get his bill out of the House Liquor Control Committee unanimously because of a political ally he had on that committee. The CI then asked if he could close the

door to the Representative's office. After obtaining more secrecy, the CI told Rep. Waters "to exercise that God given right of leverage" as a House leader and gave the Representative \$500. Rep. Waters thanked the CI for the money. One minute later, the CI told Rep. Waters that the CI's fictitious client was "going to need to get the bill out of committee," and the two again discussed who will be on the House Liquor Control Committee. The Representative said that he would find out and get back to the CI with that information. When they exited Rep. Waters' office, the Representative introduced the CI to his staff as "a good friend." Rather than allow Rep. Waters' staff to think that the Representative was behind closed doors with a personal friend, the CI immediately corrected Rep. Waters and told the staff that he was a lobbyist, which the Representative then acknowledged as being true.

Payment #3: "Let Me Know...How I Can Be Helpful"

The CI next met with Rep. Waters for dinner at a Harrisburg restaurant on January 31, 2011. Shortly after sitting down, the CI asked Rep. Waters if he could "make that transition to that liquor committee," a move that obviously would benefit the CI's fictitious client and his effort to privatize the state liquor stores. Rep. Waters answered that he had talked to "the leader" about committee assignments and that they were waiting for the results of the next day's election. Minutes later, the CI advised Rep. Waters to "create some unity and...less of the fragmented effort, it would be helpful." The CI then informed Rep. Waters that the CI's client budgeted \$10,000 per committee for his lobbying efforts, and that the CI would like to funnel that money through Rep. Waters. The Representative immediately responded, "[I]et me know how, you know, I can be of, how I can be helpful," and said that he would use his position as a leader to "devise a solution." The two then talked about their strategy for coming up with additional support for their plan, including the CI funneling money through Rep. Waters to other

legislators so that Rep. Waters could create “debt” with his colleagues and build his own political capital. The CI then made it crystal clear: he could easily get money to Rep. Waters, but he would do so only if the Representative was willing to work with the CI’s clients and “listen” to his clients by voting on legislation and helping to move their agenda around. Rep. Waters was agreeable to having this kind of “good relationship,” as he put it.

After finishing their dinner, the CI walked Rep. Waters to his car as Rep. Waters discussed a particular senator on the Senate Appropriations Committee with whom they could work. When they reached the Representative’s car, the CI told him that he would give him money when they got inside. The CI then gave \$500 to Rep. Waters:

CI: It’s the usual amount. It’s five hundred.

RON WATERS: Ok my man.

CI: All right.

RON WATERS: My man.

CI: Thank –

RON WATERS: Thank you my brother.

CI: You’re welcome.

RON WATERS: I appreciate you man.

CI: I will, ah, I’ll give you a call on Thursday. I won’t be here Friday but let’s see if we can do this again next Monday.

RON WATERS: My man.

CI: And I will get a couple thousand dollars together probably by the fifteenth or the next. Just isolate who you want to help.

RON WATERS: Ok.

CI: And I’ll get the money. All right?

RON WATERS: My man.

CI: All right Ron. Thanks man.

RON WATERS: Thank you. Thank you.

The CI and Rep. Waters next met for dinner in Harrisburg on February 9, 2011. During this meeting, the CI stressed to the Representative that liquor store privatization was “of paramount importance” to his client. The two agreed that they had “a solid working relationship,” and the discussion again turned to other legislators with whom Rep. Waters could work. He suggested Elected Official C because “[s/he] is vulnerable. [S/he] needs help.” The CI then changed the topic to a fictitious client which he said was a collections agency in Philadelphia that was looking to obtain a contract with some governmental or quasi-governmental agencies. The CI specifically brought up the Philadelphia Parking Authority (“PPA”) because he was aware that Rep. Waters previously worked at PPA and believed that Rep. Waters would still have contacts there. Thus, the idea was to see if Rep. Waters would be willing to use his political influence and contacts to assist the CI in obtaining a collections contract with that agency. However, the CI did not even bring up the Representative’s past work history at PPA; Rep. Waters did. Rep. Waters told the CI that he knew an executive at PPA to whom they could talk about the contract. The CI told Rep. Waters that the Representative would be rewarded and supported for his assistance if the fictitious client obtained a collections contract. He mentioned that his client had in excess of \$300,000 on hand to obtain the contract, and he expressly told Rep. Waters that if he helped the CI’s client, the CI’s client would support the Representative, who is agreeable to that arrangement:

CI: And that’s not *quid pro quo*. That’s just common sense.

RON WATERS: Right.

CI: Do you think you could lend some attention to that issue?

RON WATERS: Yeah. Sure, sure. I just gotta make sure that I get it right.

Less than ten minutes later, Rep. Waters returned the conversation to the potential collections contract with PPA and asked if the CI would give him a proposal or wait until after the Representative arranged the meeting. He then assured the CI that he had a good relationship with the PPA executive. The CI bluntly told Rep. Waters if the executive was “the person that would make the decision, I will make sure that it is a good decision all around.” As they wrapped up their meeting, the CI told Rep. Waters in a hushed voice, “just tell [the executive], you know, explain the situation.” He then promised the Representative that he would bring “something” for him the next time they met; Rep. Waters responded, “[a]ll right. Thank you.”

Payment #4: “Why Not Both?”

Five days later, the CI and Rep. Waters met for dinner again at a Harrisburg restaurant – and the CI delivered on his promise to bring “something” to the Representative. Early in the meeting, the CI asked Rep. Waters if he had called the PPA executive yet to set up a meeting. When the Representative said that he had not, the CI reminded him of the amount of money potentially involved in a collections contract. The CI also told Rep. Waters that he saw the Representative as “a partner in this” because that was the only way it could make sense. The CI then asked Rep. Waters what issues were important to him that the CI could, in turn, support to help Rep. Waters look good. About halfway through their dinner meeting, the CI asked what might be easier in terms of supporting Rep. Waters – supporting a scholarship fundraiser in which the Representative was involved or a kickback from a PPA contract; Rep. Waters responded, “[w]hy not both?” He laughed and said, “you know, I think I know [PPA executive], you know what I mean?” At the end of the meeting, the CI then walked Rep. Waters to his car

and paid the Representative \$500. Rep. Waters once again accepted the cash – “[a]ll right, thank you brother.”

Payment #5: “It’s Gonna Get Worked”

The CI and Rep. Waters next met on March 2, 2011, for dinner in Harrisburg. This time, rather than waiting until dinner was over to pay him off, the CI gave Rep. Waters \$500 just after the Representative sat down and the men ordered their drinks. The CI reminded Rep. Waters to call the PPA executive to obtain the amount of money owed to PPA “because that will be very helpful in putting together our proposal.” Freshly paid, Rep. Waters responded, “let me call him now.” While sitting at the table with the CI, Rep. Waters called the PPA executive about the CI’s proposal, telling the executive that he was talking to someone about PPA’s collection efforts. After ending the call, Rep. Waters told the CI that the executive wanted the CI’s information and that the CI could call the executive directly. The Representative gave the executive’s cell phone number to the CI but asked him a favor: “give me till tomorrow to call him and give him your name.” When the CI said that they should take the executive to a steakhouse in Philadelphia for their meeting, Rep. Waters boasted, “it’s gonna get worked.” In turn, the CI told Rep. Waters that he would talk to his client about how helpful the Representative had been. The CI told Rep. Waters, “I can have my client become a platinum sponsor or a gold sponsor to your campaign.” Rep. Waters liked what he heard: “okay,” “yeah,” “we gonna do that.” At the end of their meeting, Rep. Waters again agreed to set up a meeting between the CI and the PPA executive regarding a potential collections contract.¹

¹ In a separate discussion during their dinner meeting, Rep. Waters brought up a proposal backed by an entity supporting school choice/vouchers. The CI responded, “[t]he only way they’re gonna get your support is if they provide support.” Rep. Waters laughed and said, “[t]hat’s right.” He added, “I’m not giving my name for nothing.”

On March 10, 2011, the CI called Rep. Waters about Judicial Candidate A, who the Representative was backing. The CI asked Rep. Waters what kind of support the Representative wanted the CI to give to the candidate. Rep. Waters responded that the candidate was having a fundraiser and that the Representative had promised that he would buy ten tickets at \$25 per ticket. The CI then asked what the best way was to get that money to Rep. Waters:

CI: The, the thing for, for, a – ju – just out of curiosity, ‘cause I wanna make sure I do this the right way. Um, for, for [Judicial Candidate A], right? What you want me to do? You want me to bring cash? Or you want me to bring a check?

[4 second Pause]

RON WATERS: Um...you know what? Uh...if you do cash, it would help me out. I gonna tell you why. Yeah, yeah, do it that way. Do it that way. Ok?

CI: Do cash?

RON WATERS: Yeah, yeah, do it that way.

CI: Ok.

RON WATERS: Because, um...yeah, if you could do that. That'd be better, ok? Let's just do it that way.

The CI also brought up the meeting with the PPA executive, and Rep. Waters again promised to call the executive and said that the CI did not have to “worry about it.” The CI then instructed Rep. Waters to tell the executive “this is a partnership deal.” The Representative responded: “I know.”

Payment #6: “Whoa! Damn!”

Four days later, the CI and Rep. Waters met again for dinner in Harrisburg. After placing their food orders, the two left the restaurant and walked to the Representative’s car because there were “too many people in here.” Once inside Rep. Waters’ car, the CI counted out \$750 and gave it to the Representative. Rep. Waters was ecstatic: “Whoa! Damn!” The CI told him to

count it and make sure, and Rep. Waters can be heard on the recording flipping through the money. Immediately after the payment, loud music began to play in his car, but the CI asked Rep. Waters to turn it down so he could focus the Representative on business at hand: the meeting with the PPA executive. Rep. Waters immediately called the executive from his car “about the businessman I wanted to introduce you to” in an effort to schedule the meeting. Once back inside the restaurant, the CI told Rep. Waters that \$500 of the \$750 was meant for the Representative, and that he could give the \$250 to the judicial candidate after introducing the CI to the candidate “in case our boys need something.” The CI then noted that it was completely up to Rep. Waters as to how he wanted to break up the \$750 payment “‘cause we deal with you.” Rep. Waters responded, “Okay, I buy it.”

Later, the conversation returned to the PPA executive, and Rep. Waters remarked that he was able to use information he received from the CI to discuss the collection contract request with the executive. Rep. Waters then asked the CI for “anything you might need for me to say” to segue the conversation into why the Representative thought that the introduction should be made. Rep. Waters wanted to do this “without being a lobbyist for you, I’m not allowed to do that, but at the same time, make sure that I am – at the same time, helpin’ facilitate...” The CI told the Representative that that was exactly what he wanted him to do. The CI then stressed the partnership between them:

CI: I want it to be a true partnership between us, because this will help you do some things that you need to do.

RON WATERS: All right. Okay.

By March 28, 2011, Rep. Waters still had not set up the meeting with the PPA executive despite all of the payments that he had received from the CI. The OAG investigators wanted to see how the Representative would respond if the CI expressed disappointment with the lack of

action. Thus, the CI called Rep. Waters and told him that he was disappointed that a meeting had not been scheduled. Rep. Waters initially said that he would call the executive the following day, but after the CI said that his client also was dismayed by the lack of progress, the Representative said that he would call the executive that night. The CI said, "I gotta get this done and it will be beneficial for you and for me." Without missing a beat, Rep. Waters responded, "Oh, I know." The CI then said that they need to make sure that the client was happy, "because once our client is happy, I'm happy, then I make you happy. Right?" Rep. Waters laughed and answered, "[r]ight."

The payments and feigned disappointment worked. Rep. Waters immediately set up a meeting between the CI and the PPA executive that occurred four days later, on April 1, 2011. In fact, Rep. Waters attended that meeting, introduced the CI to the PPA executive and other employees of the PPA, and pitched to the executive what the CI's client could do for the PPA's collection efforts. After the CI explained his client's operations and how it could benefit PPA, the executive told the CI that PPA already had a contract in place. Undeterred, Rep. Waters personally vouched for the CI: "This guy knows. He knows. He really does. And he's been a real good friend to me, because this guy knows the pulse out there." Then, after the meeting, the CI and Rep. Waters further strategized about how they could get the PPA executive to change his mind. When the CI said that his client wanted the contract so bad that he was willing to "pull out 10,000 dollars just to get it done," Rep. Waters responded, "[d]o it." The Representative then said that they should meet with the PPA executive over drinks next time to pitch the collections contract.

Payment #7: “Happy Birthday To Ron Waters!”

Eight days after the meeting with the PPA executive and his staff, the CI attended a birthday party for Rep. Waters in Upper Darby, Delaware County. In fact, on the day before the party, the CI had paid \$400 to a woman who was planning the birthday celebration, which was then used to pay for a Michael Jackson impersonator at the bash. At the party, the CI first interacted with Rep. Waters seconds after he entered the room and was introduced to everyone with music blaring and people cheering. The CI said, “[b]efore you run around, I brought something for you, from our folks,” clearly indicating the money was coming from his client. Rep. Waters laughed and said, “[a]hhh, you know how to make a birthday party special, right?” Twenty minutes later, the CI and Representative took a walk outside to have more privacy. The CI thanked Rep. Waters for setting up the meeting with the PPA executive, and the Representative answered, “[y]eah, we gotta call, get the follow up.” He then added, “[i]t’s not gonna be a problem because we broke the ice this time,” but cautioned that he did not want to pressure the executive too much. The CI told Rep. Waters that his client was “pleased and happy,” and then gave \$1,000 cash to the Representative. Rep. Waters immediately exclaimed “My man!” and then “Happy birthday to Ron Waters!” The CI also gave expensive cigars to Rep. Waters and told him, “that’s for your birthday,” distinguishing between the \$1,000 “business” payment for setting up the meeting with the PPA executive and the birthday present.

The two then discussed approaching the Philadelphia Traffic Court about a collections contract, and Rep. Waters offered to talk to then-President Judge Thomasine Tynes because he knew her. At the end of their conversation, the CI reminded Rep. Waters that he had \$10,000 to spend in order to obtain the contract, and to tell the PPA executive that if he “needs a little cut,

no problem.” Rep. Waters agreed, “[o]kay, okay, okay.” When the CI said that Rep. Waters also could “lean on” the executive, the Representative said, “I will.”

On May 16, 2011, the CI called Rep. Waters and talked about approaching Judge Tynes about the Traffic Court collections contract, and Rep. Waters claimed that he was in the process of scheduling a meeting with the Judge.² The CI then said that he would let Rep. Waters “know which votes we are going to need some help with when I talk to you on either Wednesday or Thursday.” Rep. Waters agreed: “Okay. All right.”

One week later, the CI again called Rep. Waters. During this conversation, the CI specified the bill and how he wanted Rep. Waters to vote. The CI told the Representative that House Bill 934 would require additional forms of identification beyond just a voter registration card, and this bill would be detrimental to the “Indian folks” he claimed to represent:

CI: And I really need your help on this. I need a no vote.

RON WATERS: Oh wow.

CI: When I come up this afternoon, I’ll bring something for you.

RON WATERS: Okay.

CI: All right. Is two enough? Two’s enough?

RON WATERS: Yeah.

CI: All right, great.

Thus, Rep. Waters agreed to sell his vote for \$2,000.³

² As stated in Presentment No. 1 issued by this Grand Jury, Rep. Waters was not the one who ultimately set up a meeting with Judge Tynes for the CI; “Elected Official B” did. Rep. Vanessa Lowery Brown is “Elected Official B.”

³ That Rep. Waters planned to vote no or would have voted with the rest of the Democratic Caucus on H.B. 934 is irrelevant. He never said “no, I’m voting that way anyway, so keep your money” or otherwise declined to accept the money offered to him for voting on the legislation.

Payment #8: “You Have Money, Then You Can Get Something Done”

The CI and Rep. Waters met that same night in Harrisburg. Rep. Waters picked up the CI up in his car, and the two drove around the block. The CI again told the Representative that he needed a no vote on House Bill 934. On the recording, the CI can be heard counting twenty \$100 bills:

CI: This is, look here. This is one, two, three, four, five, six, seven, eight, nine, ten, eleven, twelve, thirteen, fourteen, fifteen, sixteen, seventeen, eighteen, nineteen, twenty.

That’s two grand. That’s for you.

RON WATERS: Okay.

CI: Just make sure you vote no on that.

RON WATERS: Okay.

CI: Okay. Because we need as much help as we can get.

RON WATERS: All right.

CI: All right?

RON WATERS: All right.

CI: Thank you, brother.

RON WATERS: I appreciate it.

CI: That’s for you, man. All right. Let’s go back around.

RON WATERS: All right.

He was offered – and he accepted – money in connection with the most important duty of a legislator.

At the outset of their investigation, the OAG investigators decided that they did not want to influence a legislator’s vote to the point where they could possibly alter the course of the democratic process. Asking a legislator to vote on a bill the way the investigators believed he was likely to be voting anyway – and still offering to pay him for that vote – was a conscious decision. The purpose of the investigation was to find legislators who were willing to sell their vote, not to change their vote.

CI: Too many people are in there.

RON WATERS: Yeah.

As Rep. Waters dropped the CI off, he repeated his thanks to the CI for the payment: “I appreciate this man. This is – this is great looking out for me, brother.” The CI then said he just needed a no vote on that legislation, and Rep. Waters assured him that he would vote as agreed and that he would be “looking for” the legislation.

During this conversation, Rep. Waters also made it painfully clear the role that money plays in politics: “I’m going to tell you the fucking truth. You have money, then you can get something done.”

Payment #9: “I’ll Talk To Him”

The CI’s next contact with Rep. Waters came on April 20, 2012, when the CI called Rep. Waters. They agreed to meet at the Representative’s district office in Philadelphia after business hours when no one would be there. The CI arrived shortly after 6:00 p.m. and confirmed with Rep. Waters that they were alone. The CI initially gave \$1,000 to Rep. Waters, ostensibly for his birthday. Rep. Waters laughed and said, “[t]hank you, my brother, appreciate it.” The CI then told Rep. Waters that he needed the Representative “to do me a favor.” The CI claimed that he knew someone who had applied for a job at the Elected Official E’s Office and asked Rep. Waters to talk to the Elected Official E about getting the person the job. Rep. Waters agreed to talk to the Elected Official E and see what kind of job he might have available. The CI told Rep. Waters that “this is really important to me...so I’m going to make your day. This is a down payment on that, all right, because I really need that to happen.” In response, Rep. Waters loudly laughed. The CI then asked Rep. Waters to “[m]ake sure there’s a grand in that one, too, for me.” The Representative counted the money and confirmed that it was \$1,000.

The CI then told Rep. Waters that he would need his help again on legislation that comes up in the next 60 days. In fact, Rep. Waters asked whether liquor store privatization was still on the CI's "radar screen," remembering conversations that the two had a year prior. At the end of the meeting, the CI reminded Rep. Waters to have the conversation with Elected Official E; Rep. Waters responded, "I will." The CI explained "you know I can't talk to [Elected Official E] like that...But I know you can!" Rep. Waters agreed, "[y]eah, I can. I can talk to him."

Rep. Waters Admitted He Broke The Law

Rep. Ronald Waters testified before this Grand Jury. He admitted that he accepted nine payments from the CI totaling \$8,750. Rep. Waters admitted that the relationship he had with the CI was that the CI would help him by giving him money, and that he would perform official actions on behalf of the CI in return. He admitted to taking or promising to take the following official actions on behalf of the CI: voting "no" on House Bill 934, setting up – and attending – the meeting with the PPA executive, and contacting Elected Official E to help the CI's friend obtain a job. He admitted that he knew what he was doing was wrong – each time that he did it. Rep. Waters understood that these were not personal gifts and that he would not have been given the money but for his official capacity as a legislator. Thus, Rep. Waters corroborated the evidence contained on the recordings. Finally, Rep. Waters admitted that he never disclosed these payments in any campaign finance reports or statements of financial interest.

REP. VANESSA L. BROWN: FIVE PAYMENTS TOTALING \$4,000

The CI attended a New Year's Day gathering at Elected Official C's house on January 1, 2011. At that gathering, the CI was introduced to a relatively new Pennsylvania state legislator, Rep. Vanessa Lowery Brown.⁴ Rep. Brown shared with the CI that Elected Official D had told her that she needed to raise \$100,000 for her next election or the Democratic Party would run someone against her in a primary. Rep. Brown gave the CI her cell phone number, and the two agreed to meet in the near future. Nine days later, the CI went to the Representative's district office in Philadelphia. She was not there, so the CI left his name with a staff member and identified himself as a lobbyist from Harrisburg.

Less than two weeks later, on January 21, 2011, the CI and Rep. Brown had their first meeting together. They met for lunch at the Palm restaurant in Philadelphia. The CI told Rep. Brown that Elected Official C, who introduced the two at his/her New Year's party, suggested that he reach out to Rep. Brown to see how the two might "work together." The CI then explained that he is a lobbyist and could offer advice and assistance – and raise money. Shortly thereafter, Rep. Brown again told the CI that Elected Official D had told her that she needed to raise \$100,000 for her next election, and admitted that she had no way of raising that kind of money. Toward the end of their lunch meeting, the CI told Rep. Brown that he wanted to help and work with the Representative. He then noted that she needed some political capital and was in "dire need of a few friends." Rep. Brown said that that assessment of her was "true." The CI told her, "[y]ou have a friend in me."

⁴ Rep. Brown was first elected to the Pennsylvania House of Representatives in 2008 and was sworn into office in January 2009. Her base salary as a representative currently is \$85,338.65 per year – plus a per diem allowance of \$159 per day.

One week later, on January 28, 2011, the CI and Rep. Brown met again for lunch at the Palm restaurant in Philadelphia. Thirty minutes into their second meeting, Rep. Brown told the CI that she was looking to raise \$10,000. The CI responded, "I have ten percent of that with me. Do you want it?" Rep. Brown quickly answered, "[o]f course I do." After initially agreeing to accept the money, the Representative gave the cash back and told the CI that she would be more comfortable if he gave her a check. The CI told Rep. Brown that he would bring a check the next time if that would make her more comfortable. This was the first – and only – time that Rep. Brown declined a cash payment from the CI.

One minute later, she told the CI that she owed \$30,000 to a major law firm in Philadelphia that had represented her in her first campaign for her seat, and asked the CI for help in raising the money to pay that debt. She further revealed that the law firm had taken out a judgment against her, and she wanted to be able to remove that judgment from her credit report. She also told the CI that she also had a \$1,600 utility bill from her last campaign that she needed to pay, but that she had less than \$500 in her political action committee. Clearly, Rep. Brown had money problems – and, just as clearly, she saw the CI as an answer, regardless of what strings would be attached.

Payment #1: "I'm Ready To Get Busy"

On February 11, 2011, the CI and Rep. Brown met for lunch again in Philadelphia. At this meeting, Rep. Brown's demeanor and tone had changed. Almost immediately after sitting down, the Representative told the CI, "I need you now more than I did before" because someone at the law firm called her about her debt. An hour later, she challenged the CI: "Well, you keep talking and I'm ready to move." She then added, "[t]his is our third dinner, ahm meal, and I'm ready to get busy." The CI reminded her that he had tried to help her but was turned down, a

clear reference to her denial of his initial payment. Rep. Brown responded, “[w]e need to move to the next stage. Now we’re in February. Next time it will be March. I’m ready. Let’s figure this thing out.” An hour later, as they ended their lunch, the CI recapped issues that they discussed. Rep. Brown added another: she asked if his offer to pay her cash had “expired.” The CI assured her that it had not, but also tried to calm her down and said that he would give her the money “when we’re leaving, all right?” After promising to pay her \$500 that day and \$500 the following week in Harrisburg, the CI told Rep. Brown that he wanted her to look at three projects on which he was working and to introduce some legislation that would help his clients.

The two then pledged their commitment to work together. Rep. Brown asked the CI, “[s]o when are you going to explain to me what you get out of the deal? Is that the next time we meet?” Clearly, Rep. Brown understood that there were strings attached to the money she was about to be paid – a *quid pro quo*. The CI then gave her an envelope containing \$500 cash, which Rep. Brown accepted. The CI asked the Representative to count the money to make sure that there were “five there.” After confirming, Rep. Brown joked, “If there was ten, I wouldn’t tell you.”

Payment #2: “I Need The Door Closed Right Now.”

Three days later, the CI met with Rep. Brown at her Harrisburg office in the Pennsylvania State Capitol Complex. As the CI and Rep. Brown began to talk, she suggested that she close her door so they could have privacy. Rep. Brown then ordered one of her staffers to remove the door stopper because “I need the door closed right now.” The CI told the Representative that he had \$10,000 to spend on each House committee, and that he needed a couple people to “push our agenda.” He asked Rep. Brown to be one of his “sponsors,” and she agreed. A few minutes later, as their meeting was ending, Rep. Brown offered to introduce the

CI to her staff. But before they left her office, the CI asked for a piece of paper, which he then used to conceal \$500 cash. When he gave her the money, the CI told Rep. Brown, “[t]here’s five in there.”

Payment #3: “What Do You Need Me To Do?”

On March 9, 2011, the CI again visited Rep. Brown at her office in the Capitol complex. As the meeting began, Rep. Brown once again closed the door to her office to give them privacy. Two minutes later, the CI asked if the Representative needed anything, and the CI gave her \$500:

VANESSA BROWN: Yeah, I need a contribution. I’ll take cash.

CI: How much?

VANESSA BROWN: Five hundred. Is that too much?

CI: Is that door locked?

VANESSA BROWN: It’s closed.

CI: Five hundred.

VANESSA BROWN: What do you need me to do?

CI: I don’t need you to do anything. Make sure there’s five in there for me. Make sure.

By her own words, Rep. Brown knew that she had entered into an illegal *quid pro quo* relationship. Moreover, Rep. Brown was asking the CI what he wanted her to do in exchange for the money he was giving her.

Nine days later, the CI and Rep. Brown met for dinner at a Philadelphia restaurant. Thirty minutes into the dinner, the CI began to discuss “[h]ow do we serve each other in terms of purpose.” He asked Rep. Brown if she was “on board” and saw herself as a partner to the CI and his clients who would support their issues. In response, the Representative brought up two issues that the CI had previously mentioned: privatizing liquor stores and Marcellus Shale extraction.

Rep. Brown said that she could support the extraction, but “[p]rivatizing liquor stores is a harder one.” Nonetheless, because the CI was paying her, she calculated that she would “be safe to cross over” because her district “is not going to care one way or the other...when it comes to the votes.”

On April 5, 2011, the CI and Rep. Brown had dinner at a restaurant in Harrisburg. They began to discuss getting a group of like-minded legislators together for a social event that the CI would host. He asked Rep. Brown to take the lead in terms of who to invite, and told her to think of six or seven legislators from the women’s caucus: “people who you like, people who you trust.” The CI told Rep. Brown that he wanted to put on these social events once per month so that he could find additional legislators who also could help with his client’s agenda.⁵ A few minutes later, he told the Representative, “I’m putting the offer to you. If you become our person to deal with in the House, it’ll be worth your while.” He then told her that there were two pieces of legislation that he would discuss with her in the future, and Rep. Brown responded, “[o]kay.”

Payment #4: “That’s My Present. I Want It Like A Present”

On April 22, 2011, the CI and Rep. Brown met for dinner in Philadelphia. As soon as they were seated, the CI told the Representative that he brought her “a little pick-me-up:” \$500 cash and a pastry. He told her that she should put the money in the bag with the pastry, to which Rep. Brown joked, “[t]hat’s my present. I want it like a present.” The CI then asked her to make

⁵ The conversation that the CI had with Rep. Brown at this dinner epitomized the plan for the OAG investigation: putting the CI into the stream of political commerce and see where it took him. In this dinner conversation, the CI sought new contacts from Rep. Brown, who was willing to make those introductions. It was by these types of meetings and contacts that the OAG investigators thought they could transition the CI to Harrisburg and expand the investigation.

sure that there was \$500 because he was “playing Santa Claus” that afternoon. After Rep. Brown confirmed that she had received \$500 cash, they began discussing the plan to set up a meeting with other female legislators. Rep. Brown offered to “personally call each lady and ask them what’s their preference” in terms of scheduling the event.⁶ A few minutes later, the CI told the Representative that there were three votes coming up in the House on which he wanted her support. The first was a bill that would get rid of “Lifeline,” which is a program offering discounts on phone service for low-income subscribers:

VANESSA BROWN: That’s getting rid of the Lifeline. You want me to get rid of Lifeline?

CI: I didn’t say that I wanted you either way. I’m just saying, I may need your support. Can I count on you?

VANESSA BROWN: Do you know how many of my constituents have Lifeline services?

CI: It depends on which side of the issue we’re on. We haven’t decided yet. It could be no. So, if I need you to --

VANESSA BROWN: If you want me to vote a no, you got it.

CI: Okay. All right. Good. That’s – because we have not decided yet which side of the equation that we are on.

Rep. Brown then told the CI that she had already sent a letter to Verizon or the Governor in support of Lifeline. She complained, “[y]ou got to let me know these things right away before I start signing” letters in support. At the end of the dinner, the CI told Rep. Brown that he would let her know about the communications vote the next week, to which the Representative responded, “[t]he sooner the better.” She also promised not to sign her name to anything else. Clearly, the money that the CI had been paying to Rep. Brown caused her to be willing to change

⁶ Rep. Brown ultimately did, in fact, schedule the social event at which she introduced the CI to other female legislators, helping him to build additional contacts within the General Assembly.

her position on legislation, even in an instance where she had already publicly announced her position.⁷

The CI next met with Rep. Brown on May 5, 2011. During their dinner meeting, the CI told Rep. Brown that he was interested in trying to obtain a collections contract with either PPA or Traffic Court for his client. Rep. Brown responded that she was close to Judge Tynes – “She’s dear to me. She looks out for me all the time. It’s a- it’s a long term family thing” – and that she could set up a dinner meeting for him. The CI told the Representative that he had already met with the PPA executive, and that the executive told him to meet and discuss a contract with Judge Tynes at Traffic Court. The CI also told Rep. Brown that Rep. Waters could “deliver this.” Rep. Brown, in turn, told the CI that she may be able to deliver first, and that Judge Tynes “likes to play ball” and is “cunning.” She suggested that the CI just needed to “make it worth her while,” referring to Judge Tynes. When the CI told Rep. Brown that a meeting with Judge Tynes was important to him, Rep. Brown offered to call Judge Tynes that night. Later in the conversation, Rep. Brown offered to call Judge Tynes right then and there. Rep. Brown called and spoke to Judge Tynes to set up a meeting with the CI. After ending her call with Judge Tynes, Rep. Brown admitted to the CI that she only told him about her close personal relationship with Judge Tynes because Rep. Brown was trying to help him:

VANESSA BROWN: You see, I don't let everybody know what my associations with people. Nobody in the- in the world would believe that Thomasine's like family to me. I've never told anyone but you... And I only told you because I thought it would be beneficial to you.

Rep. Brown then suggested to the CI that they would want privacy for their meeting with Judge Tynes.

⁷ The CI sensed that he had hit a nerve on the Lifeline issue and pulled back to a non-committal position. Again, the OAG investigators did not want to effect the democratic process and change a legislator’s vote, so the CI never discussed the bill with Rep. Brown again.

On May 16, 2011, the CI called Rep. Brown to ask if she voted no on a piece of legislation they had previously discussed. Rep. Brown answered that she was sure she did – but then asked the CI to “remind her” about which bill he was referring. After he told her, she confirmed, “[y]eah, I voted no.” The CI said that he was unable to see her to pay her – “that is the problem” – so they made plans to meet the following week.

Payment #5: “Thank You Twice”

One week later, the CI called Rep. Brown to discuss House Bill 934 and asked her to vote no. Not only did Rep. Brown agree to vote as requested, but she also offered to “get up and speak” on the floor of the Pennsylvania House of Representatives. The CI then confirmed that Rep. Brown would be available to meet later that afternoon. A few hours later, the CI arrived at Rep. Brown’s office in the Capitol complex. The Representative told her staff, “I am going to have the door closed for awhile.” Once in her private office, the CI handed an envelope to Rep. Brown containing \$2,000. The Representative was elated: “Ooo, good lookin’! Ooh wee!” She then told the CI, “[t]hank you twice.”

The CI and Rep. Brown next met on May 27, 2011, for an afternoon meeting that Rep. Brown had arranged with Judge Tynes at the Judge’s Traffic Court office. The purpose of the meeting was for Rep. Brown to introduce the CI to Judge Tynes so he could pitch his idea of a collections contract for the court. For her part, Judge Tynes testified before this Grand Jury and admitted that she never would have met with the CI except that Rep. Brown asked her to do so. After the conversation turned to collections of unpaid fines and Judge Tynes mentioned the Traffic Court’s problems with collecting revenues, Rep. Brown segued by telling Judge Tynes, “[s]o how do we set that up, that’s why he is here. He wants to talk about it.” After the meeting was over and the CI and Rep. Brown left Judge Tynes’ office, the Representative exclaimed that

they needed to get Judge Tynes focused. They agreed that they would keep working on it, with Rep. Brown adding, “[p]iece by piece.” Clearly, Rep. Brown viewed herself as the CI’s partner and was eager to see him succeed.

On June 7, 2011, the CI called Rep. Brown to discuss the upcoming vote on House Bill 934. The CI repeated to the Representative that he needed a no vote on the legislation. He then asked her to find out who else would be voting no and that he would “take care of them through” Rep. Brown. He explained that he could funnel money through a non-profit with which the Representative had an association. When he asked how much she thought the other legislators might want, Rep. Brown had an ironic response: “I can’t talk about it on this cell.”

That night, the two met for dinner in Harrisburg. They again discussed who else might be willing to vote against House Bill 934, and the CI repeated his willingness to put money into the non-profit’s bank account for Rep. Brown and her colleagues. When the CI later told Rep. Brown how much he appreciated her help with his efforts, she responded with an amazing admission for a legislator: “I’m enjoying this, can’t you tell?”

Rep. Brown Also Admitted She Broke The Law

Rep. Vanessa Brown also appeared before this Grand Jury and admitted to taking 5 cash payments from the CI totaling \$4,000. She also admitted that she took that money from the CI because she was feeling personal financial pressures over debt and political pressure to raise money for her campaign. Rep. Brown further admitted that, after declining the CI’s initial attempt to give her cash, she talked to either Rep. Waters or Elected Official C (she could not recall which one) and was told that it was okay to take money from the CI because that person had accepted cash payments from the CI. Rep. Brown knew that there would be strings attached to the cash payments and that it was a *quid pro quo* – something given (money) in return for

something delivered (votes or favors for the CI). Finally, she admitted that it was entirely up to her to choose the fellow female legislators who she introduced to the CI, and she invited to the social event both Democrats and Republicans regardless of race or ethnicity. Rep. Brown admitted that she knew what she did was wrong and illegal, but she desperately needed the money. Thus, Rep. Brown corroborated the evidence contained on the recordings.

Rep. Brown conceded that, as a legislator, she received ethics training during each General Assembly session (*i.e.*, every two years). She also admitted that she never disclosed these payments in any campaign filings or statements of financial interest.

ALLEGED “EXCULPATORY” INFORMATION

As detailed above, the Grand Jury heard overwhelming evidence of guilt, including the full admissions of the guilty parties themselves. Nonetheless, in light of the high profile given to this case even before we started our work, the Grand Jury endeavored to explore any available evidence to the contrary. In particular, we looked closely into claims that the original investigation was “racist,” that the confidential informant was not credible because of the alleged magnitude of his own criminal conduct, that the subjects of this investigation were “entrapped” into taking illegal cash, and that a “comprehensive” review by subsequent state officials found no basis for bringing the charges that we recommend today. After careful review, we found that each of these allegations was empty.

As the grand jurors represent a cross-section of Philadelphia citizens, we were particularly sensitive to the explosive charge that the defendants were racially targeted. We are of course aware of recent controversies concerning racism in the criminal justice system, and we would not tolerate it here. We found, however, that the claims of racism in this instance were

simply false. The Grand Jury heard testimony from numerous individuals, both black and white, both former and current state employees, who were involved in the original investigation. We were able to assess their demeanor, and we credited their testimony that there was no racial focus or targeting.

But we did not simply take their word for it. We also reviewed extensive documents produced under subpoena. These internal documents demonstrated to us that there had never been any factual basis for the charge of racism. Finally, we heard from a high-ranking officer from the administration of the current attorney general, who appeared before us. This official testified under oath that “[t]here is absolutely nothing in the case file that would lead one to believe that” the investigation targeted only African-American legislators or ignored wrongdoing by white legislators, and that the official “never for one second believed” that investigators were led to conduct such an investigation. In short, whatever the motivations of those who disseminated allegations of racism, we found nothing to undermine the validity of the charges in this presentment.

We also examined assertions that charges should not be brought in this case because the confidential informant was facing charges of his own, of such magnitude that they crippled the chance of succeeding in this prosecution. Specifically, there were public claims that the confidential informant had stolen almost half a million dollars meant for poor children and seniors. Accordingly, the Grand Jury subpoenaed the files in the informant’s case, and heard testimony from current OAG employees who had conducted that investigation. They revealed that the case against the informant likely amounted to less than \$100,000 – sufficient to provide the leverage needed to gain his cooperation in this case, but hardly so extreme as to justify

dropping a major political corruption probe at precisely the point where the evidence was complete and compelling.

Indeed, we had some difficulty understanding the concern at all. The informant was hardly the linchpin of the case; his actions were thoroughly corroborated by extensive video- and audiotapes. And now, of course, he has been doubly corroborated by the testimony of Representatives Waters and Brown themselves. We found nothing concerning the confidential informant that would undermine our determination to present these charges.

In addition, we made sure to consider claims that the subjects of this investigation had been entrapped, without any predicate to direct attention toward them. Accordingly, the Grand Jury reviewed investigation documents created before any recordings had been made, and heard from investigators about how they proceeded. Most tellingly, we also heard from the subjects themselves – Representative Waters, Representative Brown, and former Judge Tynes. What their testimony revealed was that the investigators didn't target anyone at all; rather, it was the targets who targeted each other – by telling the informant who they thought would play ball with him, and by introducing him to them. The informant, in effect, was passed from one public official to another.

And just to be certain, the Grand Jury also reviewed a document prepared by the current administration of the OAG, which confirms these findings. Indeed, in an email between two high-ranking officials there, one stated that the case file had “ample predication,” and that “no legislator was entrapped.” The other high-ranking official agreed. We do as well. We found no sign of entrapment that would undermine these charges.

Finally, we looked at a “comprehensive” review of the case conducted by the current Office of the Attorney General, and which supposedly exposed fatal weaknesses that made the

case impossible to prosecute. That process was a difficult one. Despite numerous public references to this allegedly “comprehensive” review, it had never been shared with the public. And, despite numerous requests and subpoenas, the Grand Jury did not receive the document itself until October 31, 2014, many months after we began our work. Indeed, on repeated occasions, the Grand Jury was assured that it had received all relevant materials, only to receive significant additional materials upon judicial intervention. Each new document dump, of course, indicated that the prior representations had been false.

Nonetheless, we were able to determine that it was the review, rather than the underlying investigation, that appeared flawed. The review failed to examine a wealth of internal documents – documents created by and in the possession of the OAG – that contradicted the report’s assumptions. The review also failed to include interviews of agents assigned to the investigation or others whose knowledge would have refuted the report’s preferred conclusions.

In short, the Grand Jury found nothing in the well-publicized “comprehensive” review that undermined our confidence in the charges. The evidence outlined in this presentment is unusually damning, consisting as it does not only of eyewitness accounts, but of hours of tape recordings, and of detailed admissions by the subjects of the investigation themselves. We are cognizant that the subjects of an investigation do not often agree to testify freely before a grand jury – let alone to detail their own criminal behavior. That does not just happen. The fact that it happened here is a testament to the strength of the evidence that had been compiled before we even began. We believe that evidence must see the light of day, and that criminal charges are just and fair.