

Philadelphia Board of Ethics
Meeting Minutes
January 20, 2016 - 1:00 p.m.
One Parkway Building
1515 Arch Street, 18th Floor

Board Present

Michael H. Reed, Esq., Chair
Judge Phyllis Beck (Ret.), Vice-Chair
Sanjuanita González, Esq.
Brian McCormick, Esq.
JoAnne A. Epps, Esq.

Staff Present

J. Shane Creamer, Jr., Esq.
Nedda Massar, Esq.
Maya Nayak, Esq.
Michael Cooke, Esq.
Diana Lin, Esq.
Jordan Segall, Esq.
Thomas Klemm, Esq.
Bryan McHale
Tina Simone
Hortencia Vasquez

Chair Reed recognized the presence of a quorum and called the meeting to order at 1:00 p.m.

I. Installation of Board, Michael H. Reed Esq., to his Second Term

Mr. Creamer welcomed the Honorable Sheila Woods-Skipper, the President Judge of the Court of Common Pleas Philadelphia County.

****At this time, Judge Woods-Skipper administered the oath of office to Chair Reed for his second term on the Board of Ethics.****

II. Approval of Minutes

By a 5-0 vote, the Board approved the minutes for the public meeting held on December 16, 2015, as presented.

III. Executive Director's Report

Mr. Creamer welcomed the City's Chief Integrity Officer, Ellen Kaplan, who is the Kenney Administration's first representative to attend a Board meeting.

A. Settlement Agreements

Mr. Creamer said that since his last report at the December Board meeting, the Board has approved and Board staff have announced four settlement agreements. Each settlement agreement concerned violations of the City's Campaign Finance Law, and each settlement agreement is available on the Board's website.

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On December 16, 2015, the Board of Ethics approved three settlement agreements:

- The Agreement with Bobby11 resolved violations for: (1) the late filing of 24 hour campaign finance reports with the Board and (2) material omissions in the thirty day post-primary (cycle 3) report filed with the Board.
- The Agreement with Citizens for Vincent Hughes resolved a violation for the late filing of the thirty day post-primary (cycle 3) report with the Board.
- The Agreement with the Friends of Darrell Clarke resolved violations for the late filing of 24 hour campaign finance reports with the Board.

On December 24, 2015, the Board of Ethics approved a settlement agreement with the Hon. Blondell Reynolds Brown and Friends of Blondell Reynolds Brown resolving violations for: (1) material omissions in several campaign finance reports filed with the Board; (2) the late filing of three 24 hour campaign finance reports with the Board; and (3) using more than one account, in addition to the Friends of Blondell Reynolds Brown's checking account, to deposit contributions supporting Councilwoman Reynolds Brown's candidacy for City elective office.

Mr. Creamer noted that these four approved agreements bring the total number of Board approved settlement agreements for calendar year 2015 to 45. Of those 45 approved settlement agreements, 41 addressed violations of the City's Campaign Finance Law.

B. Quadrennial Adjustment of Contribution Limits

Mr. Creamer explained that Section 20-1002(11) of the City Code requires quadrennial adjustment of the annual limits in the City's Campaign Finance Law on contributions to candidates for City elective office. Section 20-1002(11) provides that the City Finance Director shall calculate the amount of the adjustment and certify the new contribution limits in writing to the Mayor, the City Council President, and the Chief Clerk of Council.

Mr. Creamer said that Board staff received notice from the Finance Director certifying that, as of January 1, 2016, the limit on contributions from an individual per calendar year to (1) a candidate for City elective office, (2) a candidate's litigation fund, or (3) a post-candidacy contribution to a candidate, has been adjusted from \$2,900 to \$3,000. The limit on contributions from a political committee or unincorporated business per calendar year to (1) a candidate for City elective office, (2) a candidate's litigation fund, or (3) a post-candidacy contribution to a candidate, has been adjusted from \$11,500 to \$11,900. Mr. Creamer provided a copy of the Finance Director's memorandum to Board members certifying the quadrennial adjustment for 2016.

Mr. Creamer advised the Board that on January 11, 2016, Board staff sent an Advisory Alert to the Board's Campaign Finance email distribution list announcing the adjusted contribution limits. Board staff also posted the Alert on the Board's website. Mr. Creamer provided to Board members a copy of the Advisory Alert sent on January 11, 2016. Board staff also plan to insert a

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note in the text of Regulation No. 1 on Campaign Finance on the Board's website that announces the new limits and their January 1, 2016 effective date. Mr. Creamer provided a draft version of the note for Board members to review.

In the near future, Mr. Creamer said Board staff expect to propose amendments to Regulation No. 1 that will implement recent changes made to the City's Campaign Finance Law, and Board staff will include the new contribution limits as part of those amendments.

C. Ethics Training

Mr. Creamer noted that last month, he advised the Board that Board staff expected a heavy training schedule from January through April. He said that Board staff's prediction has proven correct. Board staff has a full schedule of ethics training sessions that includes new City employees in the Kenney Administration and new City Council members. For example, on January 14th, Board staff conducted a training session for 35 employees in the Mayor's Office with Chief Integrity Officer Ellen Kaplan and Deputy Chief Integrity Officer Stephanie Tipton.

Board staff also anticipate that there will be many new appointments to City boards and commissions by the new Administration in the coming months and that Board staff will therefore have a full schedule of ethics training sessions for board and commission members.

IV. General Counsel's Report

A. Informal Guidance

Ms. Nayak reviewed the chart summarizing informal guidance provided from November 7, 2015 through December 4, 2015. She observed that individuals are making good use of the advice function of the Board and noted the increasing number of requestors seeking guidance who want answers right away. Ms. Nayak stated that Board staff attempts to accommodate and to respond to questions that requestors say are time-sensitive and prioritize time-sensitive requests over longer-term projects, which can make it challenging to move long-term projects forward.

Ms. Nayak highlighted one long-term project involving the creation of an educational document focusing on the Democratic National Convention that will be hosted in Philadelphia in July 2016 and the City's restrictions on political activity by City officials. General Counsel staff are preparing an "FAQ" document that will provide non-fact-specific guidance regarding the application of the political activity restrictions in the context of the July Convention.

SUMMARY OF INFORMAL GUIDANCE PROVIDED, NOVEMBER 7, 2015 – DECEMBER 4, 2015

| General topic | monthly total # (ytd total) | phone | email | phone & email | in-person | Subtopics |
|------------------|--------------------------------|-------|-------|---------------|-----------|---|
| Campaign Finance | 24 (573) | 20 | 2 | 2 | | <ul style="list-style-type: none"> ▪ Post-candidacy contributions ▪ Reporting requirements for political committees, including ward committees and judicial candidate committees ▪ Application of City Campaign Finance Law to candidates, committees, incumbents, and former candidates ▪ Filing amended reports ▪ Cycle 6 deadlines and scope of reporting period ▪ Filing and campaign finance database searching assistance |
| Conflicts | 12 (60) | 6 | 6 | | | <ul style="list-style-type: none"> ▪ Overview of conflict restrictions ▪ Conflict of interest with respect to prospective employer ▪ Overview of ethics restrictions for multiple requestors, including prospective City official with outside for-profit and non-profit interests ▪ Representation restriction ▪ Disclosure and disqualification process ▪ City employee's purchase of property sold at a sheriff's sale ▪ Restrictions pertaining to outside employment ▪ Application of conflict of interest restrictions pertaining to outside employment as an independent contractor ▪ City employee renting property from another City employee |

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**SUMMARY OF INFORMAL GUIDANCE PROVIDED, NOVEMBER 7, 2015 – DECEMBER 4, 2015
(CONTINUED)**

| General topic | monthly total # (ytd total) | phone | email | phone & email | in-person | Subtopics |
|---------------|--------------------------------|-------|-------|---------------|-----------|---|
| Gifts | 10 (39) | 6 | | 4 | | <ul style="list-style-type: none"> ▪ Perishable gift received by City office ▪ Retirement gift for City official ▪ Applicability of gift ordinance to incoming City officials and to members of registered community organizations ▪ Supplementing City salary with payments from a political committee ▪ Acceptance of meals paid for by a City department or by a friend ▪ City department accepting a gift that was offered to and declined by a department head |
| Lobbying | 6 (198) | 5 | | | 1 | <ul style="list-style-type: none"> ▪ Overview of lobbying requirements ▪ Registration fee thresholds ▪ Reporting direct lobbying contacts ▪ Board does not issue certificates of non-lobbying ▪ Technical assistance |

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**SUMMARY OF INFORMAL GUIDANCE PROVIDED, NOVEMBER 7, 2015 – DECEMBER 4, 2015
(CONTINUED)**

| General topic | monthly total # (ytd total) | phone | email | phone & email | in-person | Subtopics |
|----------------------|--|--------------|--------------|--------------------------|------------------|--|
| Political Activity | 4 (109) | 2 | 1 | 1 | | <ul style="list-style-type: none"> ▪ Letter to government officials opposing proposed legislation ▪ City employees prohibited from assisting a political committee with campaign finance reports ▪ City employees prohibited from serving as treasurer of political action committee ▪ Finalization and signing of a campaign finance report in City Hall by an elected official |
| Other | 3 (72) | 1 | 1 | | 1 | <ul style="list-style-type: none"> ▪ Human resource issues ▪ Non-competitively bid contracting law |

This chart summarizes the informal guidance provided by a number of Board staff members during the specified time period. The figures provided reflect the approximate number of inquiries that Board staff has responded to and do not indicate the amount of time spent per topic or inquiry.

V. New Business

There was no new business presented at the meeting.

VI. Questions/Comments

Chief Integrity Officer Kaplan thanked Board members and Board staff for all the support and assistance they have provided since she was appointed City Chief Integrity Officer.

Adam Bonin said it would be helpful for the Board to explain how the post-employment restrictions apply to former City employees. Ms. Nayak noted that the Board has an educational document about the post-employment restrictions that is likely responsive to Mr. Bonin’s

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suggestion and also noted that Mr. Bonin can refer former City employees to the Board for specific guidance.

Chair Reed made the following announcements regarding Board sessions that have been held and were to be held pursuant to Sections 708 and 716 of the Pennsylvania Sunshine Act:

1. The Board held a session regarding confidential enforcement matters by email on December 24, 2015.
2. After the public meeting, the Board would meet pursuant to Sections 708 and 716 of the Pennsylvania Sunshine Act to address non-public advice and confidential enforcement matters.

The public session of the Board meeting was adjourned at approximately 1:25 p.m.