

**Philadelphia Board of Ethics**  
**Meeting Minutes**  
June 10, 2015 - 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.  
Jordan Segall, Esq.  
Ayodeji Perrin, 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. Approval of Minutes**

By a 5-0 vote, the Board approved the minutes for the public meeting held on May 13, 2015, as presented.

**II. Executive Director's Report**

**A. Campaign Finance Legislation**

Mr. Creamer announced that Bill #150368 amending the City's Campaign Finance Law (Chapter 20-1000 of The Philadelphia Code) had been scheduled for a hearing on May 29<sup>th</sup> before Council's Committee on Law and Government. Michael Cooke presented testimony on behalf of the Board in support of the amendments.

Mr. Creamer stated that earlier in the morning he had learned that Bill #150368 was placed on City Council's agenda for tomorrow, June 11, 2015, for a second reading and final passage. If approved, the legislation would become effective on July 1, 2015. Mr. Creamer said that Board staff planned to work with the City's Records Department and the vendor that handles SmartClient to amend the notices and requirements provided to the public.

Mr. Creamer noted that the Board may recall Bill #150368 is the result of a collaborative effort between the Board and City Council to address shortcomings in the City's Campaign Finance Law. The proposed amendments would enhance the campaign finance disclosures required for candidates, political committees, and other entities that participate in or spend money to influence City elections.

As Board staff explained in testimony before City Council, recent judicial decisions, such as the U. S. Supreme Court's 2010 decision in *Citizens United v. Federal Elections Commission*, have shifted the landscape of campaign finance spending, and significant money is now being spent

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by persons other than candidates and traditional political committees. Some of this spending is done through non-profit entities that try to exploit existing laws and disclose as little of their funding and activity as possible. As a result, the public does not know the source of much of the money now being spent in elections in the United States.

Mr. Creamer noted that another shortcoming of the existing City Campaign Finance Law is that most candidates and most political committees that spend to influence City elections do not file reports disclosing their activities until two weeks before the primary or general elections. For the last two weeks before these elections, political committees and other persons who make independent expenditures of \$500 or more have to report those expenditures within 24 hours, but in those reports, political committees and other persons do not have to disclose their sources of funding.

Mr. Creamer said that Bill #150368 would address the shortcomings of the existing City Campaign Finance Law by making the below changes to the City's Campaign Finance Law:

- The new law would add an additional reporting requirement six weeks before the election for candidate committees of City candidates and any political committees that make expenditures to influence a City election;
- The new law would impose new reporting requirements on any person, including a political committee (other than a candidate political committee) or a not-for-profit organization that makes or incurs expenditures for electioneering communications aggregating in excess of \$5,000 within the 50 days prior to the election. Mr. Creamer noted that because of the time sensitive nature of such last-minute communications, these new reporting requirements are imposed on four different dates within the 50 day pre-election period. Reports filed based on this requirement would disclose not just the single particular expenditure that triggered the obligation to file, but also all funding received, expenditures made, and debt incurred in the reporting period; and
- The new law would expand reportable independent expenditures beyond just express advocacy for or against a candidate, to include spending for any communication that, within 50 days of a covered election, either promotes, attacks, supports, or opposes a candidate or refers to or depicts a candidate in that covered election.

Mr. Creamer added that Board staff submitted a technical amendment to the Bill, which was reported favorably out of Committee. Mr. Creamer said that Board staff will further advise the Board on the status of Bill #150368 at the July Board meeting.

## **B. Common Cause Pennsylvania Award**

Mr. Creamer said that he was pleased to announce that Common Cause Pennsylvania will honor former Board Chair Richard Glazer at its Building a Better Democracy Awards Reception on June 18, 2015. Mr. Glazer will receive the Bob Edgar Public Service Achievement Award that is presented to an individual who "by force of imagination, initiative and public impact has made

an outstanding contribution to the public interest in the area of government performance and integrity.”

Mr. Glazer was selected by Common Cause Pennsylvania based on his service as Chair of the Board of Ethics and his leadership when the Board “implemented and enforced the city’s contribution limits” and “established itself as a tough but non-partisan arbiter of campaign finance questions, and demonstrated that municipal contribution limits can work.”

The award is named for Mr. Edgar, who was president and CEO of Common Cause from May 2007 until his death in 2013. Prior to serving as CEO of Common Cause, Mr. Edgar served Pennsylvania in Congress for 12 years and also led the National Council of Churches.

Chair Reed noted that the Board has sent a letter to Common Cause thanking it for honoring the Board’s former Chair and testifying to his great service as the initial Chair of the Board. He noted that Judge Beck and Mr. McCormick will be attending the awards reception. Mr. Creamer added that former Board members will also be attending the awards reception.

### **III. General Counsel’s Report**

#### **A. Informal Guidance**

Ms. Nayak reviewed the chart summarizing informal guidance provided from May 2, 2015 to May 29, 2015. She noted the large volume of informal guidance provided by Board staff regarding campaign finance spanned the time period of the filing deadlines for the Cycle 2 (May 8<sup>th</sup>) and 24 hour (May 5<sup>th</sup>-19<sup>th</sup>) reports as well as the primary election (May 19<sup>th</sup>).

#### **B. Hiring Update**

Ms. Nayak announced that the search to fill the Associate General Counsel position is completed. She stated that she was pleased to report that Diana Lin, who has been working as a litigator at Cozen O’Connor, will be joining the Board as Associate General Counsel on June 19, 2015. Ms. Nayak promptly notified all other applicants by letter or e-mail that the position has been filled. She noted that the hiring process at times was very time consuming. As such, she said that it was helpful to have the process completed and be able to turn to other matters.

**SUMMARY OF INFORMAL GUIDANCE PROVIDED, MAY 2, 2015 – MAY 29, 2015**  
**(CONTINUED ON NEXT PAGE)**

<b>General topic</b>	<b>monthly total # (ytd total)</b>	<b>phone</b>	<b>email</b>	<b>phone &amp; email</b>	<b>in-person</b>	<b>Subtopics</b>
Campaign Finance	107 (349)	72	30	4	1	<ul style="list-style-type: none"> <li>▪ filing 24-hour reports</li> <li>▪ how to file required reports, including setting up account with Board and use of SmartClient software</li> <li>▪ filing deadlines</li> <li>▪ amending a report</li> <li>▪ inquiries from judicial and out-of-state candidates about applicability of City campaign finance requirements, which depends on expenditures to influence covered City elections</li> <li>▪ doubling of limits</li> <li>▪ disclosing loans from candidates</li> <li>▪ date of acceptance of contributions</li> <li>▪ reporting requirements for political committees</li> <li>▪ filing sworn statement forms</li> <li>▪ use of text files in reporting process</li> <li>▪ how to handle excess contributions</li> <li>▪ excess pre-candidacy contributions</li> <li>▪ candidates sharing printing costs</li> <li>▪ volunteer services not contributions</li> <li>▪ no reporting required if only expenditures are for ballot questions</li> <li>▪ filing help center hours and assistance</li> </ul>

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**SUMMARY OF INFORMAL GUIDANCE PROVIDED, MAY 2, 2015 – MAY 29, 2015 (CONTINUED)**

Financial Disclosure	12 (785)	10		2		<ul style="list-style-type: none"> <li>▪ reporting of gifts from friends</li> <li>▪ not reporting gift from sister</li> <li>▪ general partner reporting creditor to general partnership</li> <li>▪ use of online system</li> <li>▪ filing obligation for board and commission members and alternates and for former City officials</li> </ul>
Political Activity	8 (66)	4	2	2		<ul style="list-style-type: none"> <li>▪ political lawn signs permitted</li> <li>▪ Charter ballot measure activity is not political</li> <li>▪ political activity restrictions, including prohibition on being a candidate, apply to City employee who permissibly resides outside City</li> <li>▪ prohibition on City employees engaging in political activity on behalf of or in coordination with a political committee, which is a partisan political group</li> <li>▪ application of Charter § 10-107(3) to elected officials</li> <li>▪ attendance permitted at partisan political group's event</li> </ul>
Lobbying	6 (121)	4	1		1	<ul style="list-style-type: none"> <li>▪ use of online filing system, including payment process</li> <li>▪ threshold requirements for registration</li> <li>▪ definition of lobbying</li> <li>▪ expense report affirmation</li> </ul>

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**SUMMARY OF INFORMAL GUIDANCE PROVIDED, MAY 2, 2015 – MAY 29, 2015 (CONTINUED)**

Conflicts	5 (21)	3	1	1		<ul style="list-style-type: none"> <li>▪ representation restriction as applied to writing letter of support to City board</li> <li>▪ Charter § 10-102 application to being paid by City for work outside City job</li> </ul>
Gifts	2 (17)			1	1	<ul style="list-style-type: none"> <li>▪ lunch meeting with City vendor</li> </ul>
Post-Employment	2 (15)		1	1		<ul style="list-style-type: none"> <li>▪ conferred with State Ethics Commission counsel that signing a filing submitted to former governmental body would cause State Ethics Act issue</li> <li>▪ interaction by current City employee with former City employee</li> </ul>
Other	6 (46)	4	2			<ul style="list-style-type: none"> <li>▪ ethics training requirement</li> <li>▪ non-competitively bid contract reform law</li> <li>▪ conferred with Law Dept and City Commissioners re: State Election Code prohibition on City employees being election officers, include judge of elections</li> </ul>

*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.*

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#### **IV. New Business**

There was no new business presented at the meeting.

#### **V. Questions/Comments**

Hope Caldwell, the City's Chief Integrity Officer, announced that she would be leaving the City in the next few weeks to begin working at Princeton University in its compliance office. Stephanie Tipton, the current Deputy Chief Integrity Officer, will be filling Ms. Caldwell's position on an interim basis. Ms. Caldwell anticipated that Ms. Tipton will continue the City Integrity Week program in November 2015.

Ms. Caldwell said that it has been a pleasure working with the Board, particularly the Board's staff members. Chair Reed said on behalf of the Board that it has been wonderful working with Ms. Caldwell. He also said that he hoped the next Administration would carry on Ms. Caldwell's excellent work in continuing the City's Chief Integrity Office.

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Chair Reed announced that after the public session meeting, the Board will meet in executive session to address confidential enforcement matters and consult with an attorney regarding pending litigation.

The public session of the Board meeting was adjourned at approximately 1:12 p.m.