



**CITY OF PHILADELPHIA
BOARD OF ETHICS**

Contact: J. Shane Creamer, Jr., Executive Director, 215-686-9450

For Immediate Release: April 20, 2017

PHILADELPHIA – The Board of Ethics has approved settlement agreements with **Teamsters Local 830** and **Frank Keel** resolving violations of the Philadelphia Lobbying Law. A copy of the approved agreements are attached.

In early 2016, Teamsters Local 830 paid Mr. Keel to provide public relations services. During that same time period, Teamsters Local 830 also separately paid for (1) printed materials; (2) public outreach and meetings with community and civic groups; and (3) communications with members of Philadelphia City Council. The expenditures all pertained to the proposed Philadelphia sugary beverage tax. The activities were designed to influence members of City Council and to encourage members of the public to take action to influence the legislative action of City Council.

These activities constitute direct and indirect communications under the City’s Lobbying Law, and are subject to the Law’s registration and reporting requirements if the amount of money spent exceeds \$2,500 in a quarter. In both the 1st and 2nd quarters of 2016, Teamsters Local 830 spent more than \$2,500 on the above described activities. As such, Teamsters Local 830 should have registered as a principal and filed expenses reports with the Board. In addition, because he received more than \$2,500 for his services for the Teamsters, Mr. Keel should have registered as a lobbyist.

Teamsters Local 830 and Mr. Keel cooperated with the Board’s investigation. Teamsters Local 830 has agreed to pay a \$1,000 civil monetary penalty for each of the expense reports it failed to file. The Teamsters will also register as a principal, pay the 2016 annual registration fee, and file its expense reports by the beginning of May. Mr. Keel will register as a lobbyist by the beginning of May and pay the 2016 annual registration fee.

The Philadelphia Board of Ethics is charged with interpreting, administering, enforcing and providing advice and training on Philadelphia's Public Integrity Laws. The Board was established as an independent, five-member City board in June 2006 through voter approval of an amendment to the Philadelphia Home Rule Charter. The Board has jurisdiction over City laws pertaining to conflicts of interest, representation and post-employment restrictions, gifts and gratuities, financial disclosure, interests in certain City contracts, prohibited political activities, campaign finance and lobbying. The Board has authority to issue regulations and advisory opinions, provide informal guidance and trainings, engage in administrative and judicial enforcement actions and impose civil penalties.

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SETTLEMENT AGREEMENT

This Settlement Agreement is made and entered into by the Board of Ethics of the City of Philadelphia, Teamsters Local 830, and J. Shane Creamer, Jr., the Executive Director of the Board of Ethics, jointly referred to as “the Parties.”

RECITALS

- A. The Board of Ethics of the City of Philadelphia is an independent, five-member City board established in 2006 through voter approval of an amendment to the Philadelphia Home Rule Charter. Pursuant to Section 4-1100 of the Home Rule Charter and Chapter 20-1200 of the Philadelphia Code, the Board is charged with administering and enforcing Philadelphia’s Lobbying Law.
- B. Teamsters Local 830 (“Local 830”) is an affiliate of the International Brotherhood of Teamsters.
- C. Philadelphia’s Lobbying Law is found at Chapter 20-1200 of the Philadelphia Code and Board Regulation No. 9, which provides a detailed interpretation of Chapter 20-1200.
- D. Under the City’s Lobbying Law, a principal is a person who engages in lobbying on its own behalf or who pays someone else (a lobbyist) to engage in lobbying. Lobbying is an effort to influence governmental administrative or legislative action through direct communication, indirect communication, or by providing gifts, transportation, hospitality, or lodging to City officers or employees. If a principal incurs expenditures of more than \$2,500 for lobbying expenses in a quarter, the principal must register with the Board.

- E. Under the City’s Lobbying Law, indirect communication is:

An effort to encourage others, including the general public, to take action, the purpose or foreseeable effect of which is to directly influence legislative or administrative action, such as letter-writing campaigns, mailings, telephone banks, print and electronic media advertising, billboards, publications and educational campaigns on public issues, but not including regularly published periodic newsletters primarily designed for and distributed to members of a bona fide association or charitable or fraternal nonprofit corporation.

Board Regulation No. 9, Paragraph 9.1(p).

- F. A principal must file an expense report for each quarter in which the principal incurs lobbying expenditures of more than \$2,500. In an expense report, the principal must disclose its expenditures incurred that quarter for direct communications, indirect communications, and gifts, transportation, hospitality and lodging to City officers and employees as well as detailed information about the nature of those expenditures.

- G. Pursuant to Code Section 20-1207(1)(b) and Regulation No. 9, Paragraph 9.26, the failure to register as a principal or to file an expense report is subject to a civil penalty not exceeding \$250 for each late day up to a maximum of \$2,000 for any one registration or report.
- H. In 2016, Local 830 paid Frank Keel \$5,000 per month to provide public relations services on behalf of its union membership related to the proposed 2016 Philadelphia soda tax being considered by Philadelphia City Council. Specifically, Mr. Keel authored letters to the editor and opinion pieces that encouraged the public to urge their Council members to vote against the proposed soda tax. These letters and opinion pieces constituted indirect communications under Philadelphia's Lobbying Law.
- I. In addition to the activity by Mr. Keel, from March through June of 2016, Local 830 incurred expenditures on behalf of its union membership for public outreach and meetings with community groups and civic associations to promote its opposition to the proposed soda tax. Local 830 also incurred expenditures for printed materials, including buttons, banners, and handouts, which were used to oppose the proposed soda tax. These activities constituted indirect communications under Philadelphia's Lobbying Law.
- J. Local 830 also incurred expenditures on behalf of its union membership for direct communications with members of City Council regarding the proposed soda tax from March through June of 2016.
- K. In the 1st quarter of 2016, Local 830 incurred expenditures of more than \$2,500 for the activities described in Paragraphs H through J and therefore should have registered as a principal and filed a 2016 1st quarter expense report. However, Local 830 did not register as a principal or file a 1st quarter expense report.
- L. In the 2nd quarter of 2016, Local 830 also incurred expenditures of more than \$2,500 for the activities described in Paragraphs H through J. As such, Local 830 should have filed a 2016 2nd quarter expense report. However, Local 830 did not file a 2nd quarter expense report.
- M. At all times, Local 830 cooperated with the Board's investigation.
- N. The Parties desire to enter into this Agreement in order to resolve the issues described herein.

AGREEMENT

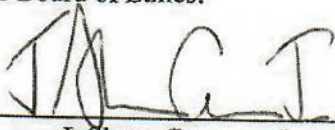
The Parties agree that:

1. The failure of Local 830 to register as a principal in 2016 violated Code Section 20-1207(1)(b) and is subject to a civil monetary penalty of \$2,000. However, in light of the cooperation of Local 830, the Board waives the penalty for this violation.
2. The failure of Local 830 to file an expense report for the 1st quarter of 2016 violated Code Section 20-1207(1)(b) and is subject to a civil monetary penalty of \$2,000. However, the Board reduces the penalty for this violation to \$1,000 in light of the cooperation of Local 830.
3. The failure of Local 830 to file an expense report for the 2nd quarter of 2016 violated Code Section 20-1207(1)(b) and is subject to a civil monetary penalty of \$2,000. However, the Board reduces the penalty for this violation to \$1,000 in light of the cooperation of Local 830.
4. Local 830 shall pay the aggregate civil monetary penalty of \$2,000 within 14 days of the effective date of the Agreement. Payment shall be by check made out to the City of Philadelphia and delivered to the offices of the Board.
5. Within 14 days of the effective date of the agreement, Local 830 shall file a registration statement for 2016 and shall file expense reports for the 1st and 2nd quarters of 2016. When it files its 2016 registration statement, Local 830 shall pay the 2016 registration fee of \$100.
6. Local 830 releases and holds harmless the Board and its staff from any potential claims, liabilities, and causes of action arising from the Board's investigation, enforcement, and settlement of the matters described in this Agreement.
7. In consideration of the above and in exchange for the compliance of Local 830 with all of the terms of the Agreement, the Board waives any further penalties or fines against it for the violations described in this Agreement.
8. The Parties will not make any public statements that are inconsistent with the terms of the Agreement.
9. If the Board or the City is forced to seek judicial enforcement of this Agreement, and prevails, Local 830 shall be liable for attorneys' fees and costs reasonably expended in enforcing compliance with the Agreement. Fees for time spent by Board or City attorneys shall be calculated based upon standard and customary billing rates in Philadelphia for attorneys with similar experience.
10. The Agreement contains the entire agreement between the Parties.
11. The Executive Director will submit a signed copy of the Agreement to the Board for approval.
12. The Agreement shall become effective upon approval by the Board.

13. If the Board rejects the proposed Agreement, presentation to and consideration of the Agreement by the Board shall not preclude the Board or its staff from participating in, considering, or resolving an administrative adjudication of the matters described in the Agreement. If the Board rejects the proposed Agreement, nothing in the proposed Agreement shall be considered an admission by either party and, except for this paragraph, nothing in the Agreement shall be effective.

By the Executive Director of
the Board of Ethics:

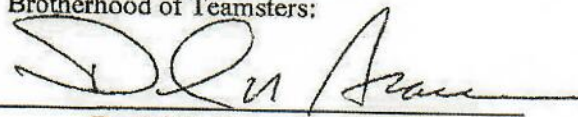
Dated: 4/11/17



J. Shane Creamer, Jr.

By Local 830 of the International
Brotherhood of Teamsters:


Dated: 4/10/2017



Daniel H. Grace, Secretary-Treasurer

Approved by the Board of Ethics:

Dated: 4/19/17



Michael H. Reed
Chair

SETTLEMENT AGREEMENT

This Settlement Agreement is made and entered into by the Board of Ethics of the City of Philadelphia, Frank Keel, and J. Shane Creamer, Jr., the Executive Director of the Board of Ethics, jointly referred to as “the Parties.”

RECITALS

- A. The Board of Ethics of the City of Philadelphia is an independent, five-member City board established in 2006 through voter approval of an amendment to the Philadelphia Home Rule Charter. Pursuant to Section 4-1100 of the Home Rule Charter and Chapter 20-1200 of the Philadelphia Code, the Board is charged with administering and enforcing Philadelphia’s Lobbying Law.
- B. Philadelphia’s Lobbying Law is found at Chapter 20-1200 of the Philadelphia Code and Board Regulation No. 9, which provides a detailed interpretation of Chapter 20-1200.
- C. Under Philadelphia’s Lobbying Law, a lobbyist is an individual who is paid by someone else (a principal) to engage in lobbying. Lobbying is an effort to influence governmental administrative or legislative action through direct communication, indirect communication, or by providing gifts, transportation, hospitality, or lodging to City officers or employees. If a principal incurs expenditures of more than \$2,500 on lobbying expenses in a quarter, the principal must register with the Board. An individual who lobbies on behalf of a principal must register as a lobbyist if, in a quarter, he or she is paid more than \$2,500 to lobby for that principal.
- D. Under the City’s Lobbying Law, indirect communication is:

An effort to encourage others, including the general public, to take action, the purpose or foreseeable effect of which is to directly influence legislative or administrative action, such as letter-writing campaigns, mailings, telephone banks, print and electronic media advertising, billboards, publications and educational campaigns on public issues, but not including regularly published periodic newsletters primarily designed for and distributed to members of a bona fide association or charitable or fraternal nonprofit corporation.

Board Regulation No. 9, Paragraph 9.1(p).

- E. Pursuant to Code Section 20-1207(1)(b) and Regulation No. 9, Paragraph 9.26, the failure to register as a lobbyist is subject to a civil penalty not exceeding \$250 for each late day up to a maximum of \$2,000 for any one registration.

- F. In 2016, Local 830 of the International Brotherhood of Teamsters paid Frank Keel \$5,000 per month to provide public relations services related to the proposed 2016 Philadelphia soda tax being considered by Philadelphia City Council. Specifically, Mr. Keel authored letters to the editor and opinion pieces that encouraged the public to urge their Council members to vote against the proposed soda tax. These letters and opinion pieces constituted indirect communications under Philadelphia's Lobbying Law.
- G. Because Mr. Keel was paid more than \$2,500 in the first quarter of 2016 for the activities described in Paragraph F, he should have registered as a lobbyist with the Board. However, Mr. Keel did not register as a lobbyist with the Board.
- H. At all times, Mr. Keel cooperated with the Board's investigation.
- I. The Parties desire to enter into this Agreement in order to resolve the issues described herein.

AGREEMENT

The Parties agree that:

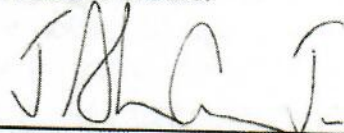
1. The failure by Mr. Keel to timely register as a lobbyist in 2016 violated Code Section 20-1207(1)(b). However, the Board waives the monetary penalties for this violation in light of Mr. Keel's cooperation.
2. Within 14 days of the effective date of the agreement Mr. Keel shall file a 2016 registration statement and pay the 2016 registration fee of \$100.
3. Mr. Keel releases and holds harmless the Board and its staff from any potential claims, liabilities, and causes of action arising from the Board's investigation, enforcement, and settlement of the matters described in this Agreement.
4. In consideration of the above and in exchange for the compliance of Mr. Keel with all of the terms of the Agreement, the Board waives any further penalties or fines against him for the violations described in this Agreement.
5. The Parties will not make any public statements that are inconsistent with the terms of the Agreement.
6. If the Board or the City is forced to seek judicial enforcement of this Agreement, and prevails, Mr. Keel shall be liable for attorneys' fees and costs reasonably expended in enforcing compliance with the Agreement. Fees for time spent by Board or City attorneys shall be calculated based upon standard and customary billing rates in Philadelphia for attorneys with similar experience.
7. The Agreement contains the entire agreement between the Parties.
8. The Executive Director will submit a signed copy of the Agreement to the Board for approval.
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10. If the Board rejects the proposed Agreement, presentation to and consideration of the Agreement by the Board shall not preclude the Board or its staff from participating in, considering, or resolving an administrative adjudication of the matters described in the Agreement. If the Board rejects the proposed Agreement, nothing in the proposed Agreement shall be considered an admission by either party and, except for this paragraph, nothing in the Agreement shall be effective.

Dated:

4/17/17

By the Executive Director of
the Board of Ethics:

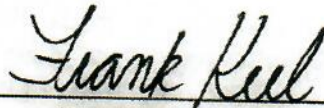


J. Shane Creamer, Jr.

By Frank Keel:

Dated:

4/11/17



Frank Keel

Approved by the Board of Ethics:

Dated:

4/19/17



Michael H. Reed
Chair