



**CITY OF PHILADELPHIA  
BOARD OF ETHICS**

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

**For Immediate Release:** April 19, 2018

**PHILADELPHIA** –. On April 18, 2018, the Board of Ethics approved the below three settlement agreements. Copies of the approved agreements are attached.

- **Citizens for Rich Negrin.** This agreement resolves two violations of the City’s Campaign Finance Law. One violation was for failing to disclose an in-kind contribution in the 2017 Cycle 2 campaign finance report the Committee filed with the Board. The second violation was for the late filing with the Board of the Committee’s 2017 Cycle 3 campaign finance report. Citizens for Rich Negrin has agreed to pay aggregate civil monetary penalties of \$1,650.
- **Media Mobilizing Project & Arielle Klagsbrun.** This agreement resolves three violations of the City’s Lobbying Law. One violation is for the failure of Media Mobilizing Project to register as a principal with the Board of Ethics. The second violation is for the failure of Media Mobilizing Project to file an expense report for the fourth quarter of 2018. The third violation is for the failure of Ms. Klagsbrun to register as a lobbyist with the Board of Ethics. As explained in Paragraphs K through L of the Agreement, the violations arose because Media Mobilizing Project paid Ms. Klagsbrun over \$2,500 to engage in lobbying on behalf of the *Our City/Our Schools* campaign to abolish the School Reform Commission and establish an elected School Board for the City of Philadelphia. Those expenditures triggered the filing requirements. Media Mobilizing Project has agreed to pay \$3,000 in civil monetary penalties and \$400 in registration fees on behalf of itself and Ms. Klagsbrun. Media Mobilizing Project and Ms. Klagsbrun have registered for 2017 and Media Mobilizing Project has filed a 2017 expense report with the Board, all of which are attached to the Agreement.
- **State Senator Scott Wagner.** This agreement resolves two violations of the City’s Campaign Finance Law. The violations arose from excess campaign contributions from Sen. Wagner to former District Attorney Candidate Beth Grossman. The first excess contribution was a \$20,000 contribution from Sen. Wagner made through the Scott Wagner Family Limited Partnership. The second excess contribution was a \$5,000 contribution Sen. Wagner made through the Philadelphia Black Republican Council PAC. Senator Wagner has agreed to pay aggregate civil monetary penalties of \$3,500.

*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.*

###

**CITIZENS FOR RICH  
NEGRIN SETTLEMENT**

## **SETTLEMENT AGREEMENT**

This Settlement Agreement (“Agreement”) is made and entered into by the Board of Ethics of the City of Philadelphia, J. Shane Creamer, Jr., the Executive Director of the Board of Ethics, Citizens for Rich Negrin, Rich Negrin, the Treasurer of Citizens for Rich Negrin, and Richard Glazer, the former Treasurer of Citizens for Rich Negrin, 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, the Board is charged with administering and enforcing the City’s Campaign Finance Law.
- B. Rich Negrin was a candidate for Philadelphia District Attorney in the May 2017 Primary Election. Mr. Negrin designated the political committee Citizens for Rich Negrin as the one committee to accept contributions and make expenditures for his campaign for District Attorney.
- C. During the May 2017 Primary Election, Richard Glazer was the treasurer of the committee. Rich Negrin is currently the treasurer of Citizens for Rich Negrin.
- D. Pursuant to Philadelphia Code § 20-1006(1)(a)(.1) and Regulation No. 1, Paragraph 1.20(a), candidate political committees are required to electronically file campaign finance reports with the Board.
- E. The late filing of a campaign finance report violates the City’s Campaign Finance Law and is subject to a civil monetary penalty of \$250 for each day the report is late with maximum total penalties of \$2,000 for the first 30 days the report remains unfiled plus \$1,000 for each additional 30 day period, or part thereof, the report remains unfiled. The Board has established a schedule of reduced penalties for late filings that are resolved by agreement. For a first time violator, a filing that is five days late results in a \$650 penalty.
- F. Pursuant to Philadelphia Code § 20-1006(4), the making of a material misstatement or omission in a report filed with the Board violates the City’s Campaign Finance Law. Pursuant to Philadelphia Code § 20-1302, the penalty for a violation of Philadelphia Code § 20-1006(4) is \$1,000, but can be increased to \$2,000 depending on aggravating factors or decreased to \$250 depending on mitigating factors.
- G. In April of 2017, the Negrin campaign agreed with State Representative Donna Bullock to create and distribute a mailer that featured a picture of Representative Bullock and Mr. Negrin and included an endorsement of Mr. Negrin by Representative Bullock. The mailer also included endorsements by Representative Bullock of several judicial candidates. Neither Mr. Negrin nor Mr. Glazer was involved in discussions about the mailer.

- H. The political committee Friends of Donna Bullock paid the full cost of the printing and distribution of the mailer, which totaled \$9,998. Friends of Donna Bullock properly disclosed the in-kind contributions in campaign finance filings with the Board, but the committee did not provide documentation to the Negrin campaign regarding the expenditure.
- I. Despite receiving an in-kind contribution from Friends of Donna Bullock in April of 2017 for the printing and distribution of the mailers, Citizens for Rich Negrin did not disclose an in-kind contribution from Friends of Donna Bullock in the Cycle 2 campaign finance report it filed with the Board. Neither Mr. Negrin nor Mr. Glazer was aware of the in-kind contribution until learning, after the filing deadline, of the disclosure made by Friends of Donna Bullock.
- J. Separately, although June 15, 2017 was the deadline for candidate committees of candidates in the 2017 Primary Election for Philadelphia District Attorney to file a 30 day post-primary (Cycle 3) campaign finance report, Citizens for Rich Negrin did not file its Cycle 3 report until June 20, 2017, five days after the deadline.
- K. The Parties desire to enter into this Agreement in order to resolve the issues described herein.

## **AGREEMENT**

The Parties agree that:

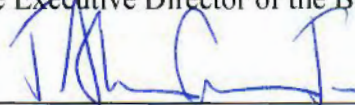
1. By failing to disclose an in-kind contribution from Friends of Donna Bullock, Citizens for Rich Negrin violated Philadelphia Code § 20-1006(4) and is subject to a civil monetary penalty of \$1,000.
2. By filing its 2017 Cycle 3 campaign finance report five days late, Citizens for Rich Negrin violated the City's Campaign Finance Law and is subject to a civil monetary penalty of \$1,250. As provided by the Board's schedule of penalties for late filings that are resolved by agreement, this penalty is reduced to \$650.
3. Payment of the aggregate civil monetary penalty of \$1,650 shall be by check or money order made payable to the City of Philadelphia and delivered to the offices of the Board within 45 days of the effective date of the Agreement.
4. Citizens for Rich Negrin, Rich Negrin, and Richard Glazer release and hold 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.
5. In consideration of the above and in exchange for the compliance of Citizens for Rich Negrin, Rich Negrin, and Richard Glazer with all of the terms of the Agreement, the Board waives any further penalties or fines against them for the violations described in this Agreement.

6. The Parties will not make any public statements that are inconsistent with the terms of the Agreement.
7. If the Ethics Board is forced to seek judicial enforcement of paragraph 3 of the Agreement, and prevails, Citizens for Rich Negrin, Rich Negrin, and Richard Glazer shall be liable for attorneys' fees and costs reasonably expended in enforcing compliance with the Agreement. Fees for time spent by City or Board attorneys shall be calculated based upon standard and customary billing rates in Philadelphia for attorneys with similar experience.
8. The Agreement contains the entire agreement between the Parties.
9. The Executive Director will submit a signed copy of the Agreement to the Board for approval. The Agreement shall become effective upon approval by the Board. The effective date of the Agreement shall be the date the Board Chair signs the Agreement.
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: \_\_\_\_\_

4/11/18

By the Executive Director of the Board of Ethics:



\_\_\_\_\_  
J. Shane Creamer, Jr.  
Executive Director

Dated: 4/11/18

By Citizens for Rich Negrin:

Richard Negrin  
Rich Negrin, Treasurer

Dated: 4/11/18

By Richard Glazer:

[Signature]

Dated: 4/11/18

By Rich Negrin:

Richard Negrin

Approved by the Board of Ethics:

Dated: 4/18/18

Michael H. Reed

Michael H. Reed  
Chair

**MEDIA MOBILIZING &  
ARIELLE KLAGSBRUN  
SETTLEMENT**

## **SETTLEMENT AGREEMENT**

This Settlement Agreement is made and entered into by the Board of Ethics of the City of Philadelphia, Media Mobilizing Project, Arielle Klagsbrun, 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. Media Mobilizing Project is a non-profit organization registered with the Commonwealth of Pennsylvania.
  - 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. The City’s Lobbying Law regulates lobbying of both City and School District officials, including members of the School Reform Commission.
  - 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. 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.
  - 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 lobbyist 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 early 2018, Board Enforcement Staff became aware of potential violations of the City's Lobbying Law by Media Mobilizing Project and opened an investigation in the course of which they obtained documents and records and interviewed witnesses.
- I. In 2017, Media Mobilizing Project organized, participated in, and funded the Our City/Our Schools coalition. The purpose of the coalition was to campaign to abolish the Philadelphia School Reform Commission and replace it with a School Board elected by the citizens of Philadelphia.
- J. Arielle Klagsbrun is an organizer who led the Our City/Our Schools campaign to abolish the School Reform Commission and establish an elected School Board. Media Mobilizing Project paid Ms. Klagsbrun for her work on the Our City/Our Schools campaign.
- K. From October to December 2017, Ms. Klagsbrun organized rallies and protests at the School Reform Commission and City Council; authored and submitted petitions and opinion editorials; engaged with the press; organized coalition partners; and issued communications via social media, text, and email to coalition members and the public. All of these activities encouraged the public to urge the School Reform Commission to abolish itself and to urge the Mayor and City Council to enact legislation to replace it with a School Board elected by the citizens of Philadelphia. As such, under Philadelphia's Lobbying Law, these activities were indirect communications.
- L. From October through December of 2017, Ms. Klagsbrun had direct communications with staffers and elected officials in the Mayor's Office and City Council in which she urged them to enact legislation supporting the abolition of the School Reform Commission and to create an elected School Board for the City of Philadelphia.
- M. In the 4<sup>th</sup> quarter of 2017, Media Mobilizing Project incurred expenditures of more than \$2,500 for the activities described in Paragraphs K and L and therefore should have registered as a principal and filed a 2017 4<sup>th</sup> quarter expense report. However, Media Mobilizing Project did not register as a principal or file a 4<sup>th</sup> quarter expense report.
- N. Because Ms. Klagsbrun was paid more than \$2,500 in the fourth quarter of 2017 for the activities described in Paragraphs K and L, she should have registered as a lobbyist with the Board. However, Ms. Klagsbrun did not register as a lobbyist with the Board.
- O. At all times, Media Mobilizing Project and Ms. Klagsbrun fully cooperated with the Board's investigation. Media Mobilizing Project and Ms. Klagsbrun have registered for 2017 as a lobbying principal and a lobbyist, respectively. Media Mobilizing Project has also filed a 2017 fourth quarter expense report with the Board. Copies of the registrations and the expense report are attached hereto as Exhibit A.
- P. The Parties desire to enter into this Agreement in order to resolve the issues described herein.

## **AGREEMENT**

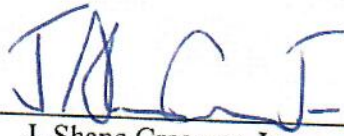
The Parties agree that:

1. By failing to timely register as a lobbying principal in 2017, Media Mobilizing Project violated Code Section 20-1202(1) and is subject to a civil monetary penalty of \$2,000. However, in light of Media Mobilizing Project's cooperation, the penalty is reduced to \$1,000. Media Mobilizing Project also owes the City the 2017 lobbying registration fee of \$200.
2. By failing to timely file an expense report with the Board for the 4<sup>th</sup> quarter of 2017, Media Mobilizing Project violated Code Section 20-1203(1) and is subject to a civil monetary penalty of \$2,000. However, in light of Media Mobilizing Project's cooperation, the penalty is reduced to \$1,000.
3. By failing to timely register as a lobbyist in 2017, Arielle Klagsbrun violated Code Section 20-1202(1) and is subject to a civil monetary penalty of \$2,000. However, in light of Ms. Klagsbrun's cooperation, the penalty is reduced to \$1,000. Ms. Klagsbrun also owes the City the 2017 lobbying registration fee of \$200.
4. Media Mobilizing Project shall pay the aggregate civil monetary penalties and registration fees of \$3,400 on behalf of itself and Ms. Klagsbrun within 14 days of the effective date of this Agreement. Payment shall be made by check or money order made payable to the City of Philadelphia and delivered to the offices of the Board.
5. Media Mobilizing Project and Ms. Klagsbrun release and hold 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.
6. In consideration of the above and in exchange for the compliance of Media Mobilizing Project and Ms. Klagsbrun with all of the terms of the Agreement, the Board waives any further penalties or fines against them for the violations described in this Agreement.
7. The Parties will not make any public statements that are inconsistent with the terms of this Agreement.
8. If the Board or the City is forced to seek judicial enforcement of this Agreement, and prevails, Media Mobilizing Project and Ms. Klagsbrun 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.
9. This Agreement contains the entire agreement between the Parties. The Agreement shall become effective upon approval by the Board. The effective date of the Agreement shall be the date the Board approves the Agreement.
10. The Executive Director will submit a signed copy of this Agreement to the Board for approval.
11. The Agreement shall become effective upon approval by the Board.

12. 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.

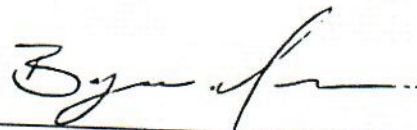
By the Executive Director of  
the Board of Ethics:

Dated: 3/16/18

  
\_\_\_\_\_  
J. Shane Creamer, Jr.

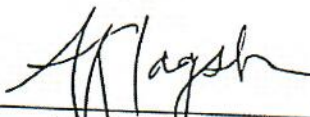
By Media Mobilizing Project:

Dated: 3/14/18


  
\_\_\_\_\_  
Bryan Mercer, Executive Director

By Arielle Klagsbrun:

Dated: 3/14/18

  
\_\_\_\_\_  
Arielle Klagsbrun

Approved by the Board of Ethics on 4/18/18

  
\_\_\_\_\_  
Michael H. Reed, Chair

# **EXHIBIT A**

**Registration No:** P00252 **Registration Status:** Expired  
**Registration Name:** Media Mobilizing Project **Lobbying Commenced:** 01/01/2017  
**Acronym:** MMP **Date Filed:** 01/09/2015  
**Phone#:** 215-821-9632 Ext.0 **Additional Phone#:** 267-970-4007 Ext.0  
**Fax#:** 215-821-9632 **Last Renewed:** 1/1/2017 12:00:00 AM  
**Email:** hannah@mediamobilizingproject.org **Additional Email:** bryan@mediamobilizingproject.org  
**Registration Period:** 2017-2017 **Last Amended Date:** 03/15/2018  
**Nature of Business:** Public Interest  
**Address:** 4534 Baltimore Ave  
(215) 821-9632  
**City:** Philadelphia **State:** PA **Zip:** 19143

**Lobbyist(s):**

Name	RegistrationNum	Affiliated Start Date	Affiliated End Date
Klagsbrun Arielle	L00485	9/1/2017 12:00:00 AM	

**Lobbying Firm(s):**

Name	RegistrationNum	Affiliated Start Date	Affiliated End Date
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**Political Action Committee(s):**

Name	Acronym
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**Association/Organization members:**

**Is this Principal an Association or Organization?** Yes  
**No Number of Dues - Paying Members:** 0  
**For The Calender Year :** 2017

**FILER AFFIRMATION:**

**Registration No:** L00485                                **Registration Status:** Expired  
**Registration Name:** Klagsbrun, Arielle            **Lobbying Commenced:**  
**Acronym:**    **Date Filed:** 03/13/2018  
**Phone#:** 617-869-8345 Ext.0                                **Additional Phone#:** 617-869-8345 Ext.0  
**Fax#:** 617-869-8345    **Last Renewed:**  
**Email:** arielle@215pa.com                                        **Additional Email:** info@215pa.com  
**Registration Period:** 2017-2017                                **Last Amended Date:** 03/15/2018

**Address:** 4534 Baltimore Avenue  
none

**City:** Philadelphia                                **State:** PA                                **Zip:** 19143

**Principal(s):**

Name	RegistrationNum	Affiliated Start Date	Affiliated End Date
Media Mobilizing Project	P00252	3/13/2018 12:00:00 AM	

**Lobbying Firm(s):**

Name	RegistrationNum	Affiliated Start Date	Affiliated End Date
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**Political Action Committee(s):**

Name	Acronym
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**Candidate Political Committee(s):**

Name	Acronym
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**FILER AFFIRMATION:**

By affixing my signature to this registration statement, I affirm that I have actual knowledge of the contents of this registration statement and that the information reported herein is valid, accurate, and complete to the best of my knowledge. I acknowledge that this affirmation is being made subject to 18 Pa.C.S. § 4904 (relating to unsworn falsification to authorities). I consent to receive service of notices, other official mailings, or process at the address or email listed in this registration statement.

**First Name:** Arielle    **MI:** K  
**Last Name:** Klagsbrun  
**Title:** organizer

**LOBBYING DISCLOSURE QUARTERLY EXPENSE REPORT****FILER'S INFORMATION:**

Filer's Name: Media Mobilizing Project  
Registration No.: P00252  
Filing Period: Quarter: Oct - Dec Year: 2017

**PERMANENT BUSINESS ADDRESS:**

Address: 4534 Baltimore Ave  
(215) 821-9632  
City: Philadelphia State: PA Zip: 19143

**CONTACT INFORMATION OF FILER:**

Phone: 215-821-9632 Ext.0  
Email Address: hannah@mediamobilizingproject.org

**IDENTIFICATION OF LOBBYIST(S)/LOBBYING FIRM(S) LOBBYING ON PRINCIPAL'S BEHALF:**

Registration Name	Related to RegistrationNum	Affirmation Status
Klagsbrun, Arielle	L00485	Submitted

**TOTAL LOBBYING EXPENSES DURING THE REPORTING PERIOD:**

TOTAL EXPENDITURES FOR GIFTS, HOSPITALITY, TRANSPORTATION, AND LODGING  
TO CITY OFFICIALS, EMPLOYEES OR THEIR IMMEDIATE FAMILIES :

TOTAL EXPENDITURES FOR DIRECT  
COMMUNICATION:

TOTAL EXPENDITURES FOR INDIRECT  
COMMUNICATION:

+

TOTAL EXPENDITURES OF ALL LOBBYING FOR THE  
PERIOD:

**SUBJECT(S) OF LOBBYING:****DIRECT COMMUNICATIONS:**

Lobbying Category	Subject Matter	Position Taken	Department or Agency	Name of City Official
Education	Resolution to Abolish the SRC	Support	City Council	Blackwell, Jannie

<b>Lobbying Category</b>	<b>Subject Matter</b>	<b>Position Taken</b>	<b>Department or Agency</b>	<b>Name of City Official</b>
Education	Resolution to Abolish the SRC	Support	City Council	Squilla, Mark
Education	Amendments to bill to abolish the SRC, support People's School Board	Amend	Mayor's Office	Engler, Jim and Hackney, Otis
Education	Amendments to bill to abolish the SRC, support People's School Board	Amend	City Council	Clarke, Darrell L.

**INDIRECT COMMUNICATIONS:**

<b>Lobbying Category</b>	<b>Subject Matter</b>	<b>Position Taken</b>	<b>Method of Communication</b>	<b>Recipient Group</b>
Education	Abolish the SRC	Propose	email blasts, rallies, press outreach, signs, text message outreach, coalition meetings, petition, opinion editorial piece	public
Education	People's School Board	Propose	email blasts, rallies, press outreach, signs, text message outreach, coalition meetings, petition, opinion editorial piece	public
Education	Local Control Bill	Amend	coalition meetings, press outreach, rallies	public

**GIFT RECIPIENTS:**

None.

**REPAYMENTS:**

None.

**SOURCE OF CONTRIBUTIONS:**

None.



**FILER AFFIRMATION:**

By affixing my signature to this expense report, I affirm that I have actual knowledge of the contents of this expense report and that the information reported herein is valid, accurate, and complete to the best of my knowledge. To the best of my knowledge at all times relevant to this quarterly expense reporting period, I have complied with the requirements of City Code §20-1205(5). I acknowledge that this affirmation is being made subject to 18 Pa.C.S. § 4904 (relating to unsworn falsification to authorities). I consent to receive service of notices, other official mailings, or process at the address or email listed in this expense report.

**First Name:** Bryan **MI:** S  
**Last Name:** Mercer  
**Title:** executive director  
**Date:** 03/16/2018

**LOBBYING FIRM/LOBBYIST NOT ASSOCIATED WITH A LOBBYING FIRM AFFIRMATION:**

**Name:** Arielle K Klagsbrun **Registration No:** L00485  
**Date:** 3/16/2018

 YES

By affixing my signature to this expense report, I affirm that I have actual knowledge of the contents of this expense report and that the information reported herein is valid, accurate, and complete to the best of my knowledge. To the best of my knowledge at all times relevant to this quarterly expense reporting period, I have complied with the requirements of City Code §20-1205(5). I acknowledge that this affirmation is being made subject to 18 Pa.C.S. § 4904 (relating to unsworn falsification to authorities). I consent to receive service of notices, other official mailings, or process at the address or email listed in this expense report.

 NO

By affixing my signature to this expense report, I affirm that I engaged in no lobbying activity for this principal during this expense report period. I acknowledge that this affirmation is being made subject to 18 Pa.C.S. § 4904 (relating to unsworn falsification to authorities). I consent to receive service of notices, other official mailings, or process at the address or email listed in this expense report.

 NO

By affixing my signature to this expense report, I affirm that I have actual knowledge of the contents of this expense report to the extent described in my statement which follows. I affirm that the information reported on this expense report of which I have knowledge is valid, accurate, and complete to the best of my knowledge. To the best of my knowledge at all times relevant to this quarterly expense reporting period, I have complied with the requirements of City Code §20-1205(5). I acknowledge that this affirmation is being made subject to 18 Pa.C.S. § 4904 (relating to unsworn falsification to authorities). I consent to receive service of notices, other official mailings, or process at the address or email listed in this expense report.

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**STATE SENATOR SCOTT  
WAGNER SETTLEMENT**

## **SETTLEMENT AGREEMENT**

This Settlement Agreement (“Agreement”) is made and entered into between the Board of Ethics of the City of Philadelphia, the Hon. Scott Wagner, 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, the Board is charged with administering and enforcing the City’s Campaign Finance Law. The Ethics Board has provided a detailed interpretation of the campaign finance law in its Regulation No. 1 (Campaign Finance).
- B. The Hon. Scott Wagner is a State Senator representing Pennsylvania’s 28<sup>th</sup> District.
- C. The Scott Wagner Family Limited Partnership is a Limited Liability Partnership registered with the Pennsylvania Department of State and is majority controlled by Senator Wagner.
- D. Pursuant to Philadelphia Code § 20-1002(1) and Regulation No. 1, Paragraph 1.2(a), an individual cannot contribute more than \$3,000 per calendar year to a candidate for City elective office, including contributions made through one or more political committees.
- E. Beginning December 30, 2016, the limits for contributions from an individual to a 2017 candidate for District Attorney were doubled to \$6,000 per calendar year, pursuant to Philadelphia Code § 20-1002(9) and Regulation No. 1, Paragraph 1.6(a). This was because on December 30, 2016, a candidate for District Attorney invested over \$250,000 of his own monies into his campaign.
- F. Pursuant to Philadelphia Code § 20-1301(1) and Regulation No. 1, Paragraph 1.51, making an excess contribution to a City candidate is subject to a civil monetary penalty of three times the excess portion or \$2,000, whichever is less.
- G. In November 2017, Board Enforcement Staff received information indicating that the Hon. Scott Wagner had potentially made excess contributions to a 2017 District Attorney candidate. As a result, Board Enforcement Staff opened an investigation in the course of which they interviewed witnesses and obtained documents. At all times, Senator Wagner fully cooperated with the investigation.

- H. On September 18, 2017, Senator Wagner wrote and signed a check from his personal bank account in the amount of \$20,000 and deposited it into the bank account for the Scott Wagner Family Limited Partnership. At the time of deposit, these monies constituted 95% of the total funds available to the Partnership. That same day, Senator Wagner wrote and signed a Partnership check payable to Friends of Beth Grossman in the amount of \$20,000. At the time of this contribution, Senator Wagner believed that the contribution was attributable solely to the Scott Wagner Family Limited Partnership and therefore within the limits set by Philadelphia's Campaign Finance Law.
- I. Friends of Beth Grossman was the authorized candidate committee for 2017 District Attorney candidate Beth Grossman.
- J. Pursuant to Regulation No. 1, Paragraph 1.18, a contribution from a check drawn on a partnership is from the partnership unless other facts demonstrate that the contribution is from the signer of the check.
- K. Based on the facts set forth in Paragraph H, the \$20,000 check from the Scott Wagner Family Limited Partnership to Friends of Beth Grossman counted towards Senator Wagner's individual contribution limits and exceeded the limits set by Philadelphia's Campaign Finance Law by \$14,000.
- L. On September 25, 2017 the Philadelphia Black Republican Council, a political committee registered with the Pennsylvania Department of State, held a fundraiser for Ms. Grossman's candidacy. The Council solicited contributions from Senator Wagner for this fundraiser and informed him that the principal beneficiary of a contribution would be Ms. Grossman.
- M. In response to these solicitations, on September 20, 2017, Senator Wagner wrote a personal check for \$5,000 to the Philadelphia Black Republican Council for the fundraiser for Ms. Grossman. He attended the fundraiser on September 25<sup>th</sup> and spoke in support of Ms. Grossman's candidacy. At the time of this contribution, Senator Wagner believed that the contribution was to the Philadelphia Black Republican Council, not to Friends of Beth Grossman.
- N. The Philadelphia Black Republican Council raised a total of \$9,940 through the fundraiser and on September 29, 2017, the Council wrote a check to Friends of Beth Grossman for \$9,000. At the time of the contribution to Friends of Beth Grossman, the Council had a total of \$9,306.97 on hand.
- O. Pursuant to Regulation No. 1, Paragraph 1.4, a contribution is made through a political committee if a person makes a contribution to a political committee and directs, suggests, or requests, whether in a direct, indirect, express, or implied manner, that the recipient political committee use all or part of the contributed money to make an expenditure to a specific candidate. For the purposes of the City's contribution limits, a contribution made through a political committee is from both the original contribution person and the political committee through which it is made and counts towards the contribution limits for both.

- P. Based on the facts described in Paragraphs L through N, Senator Wagner made a contribution of \$5,000 to Friends of Beth Grossman through the Philadelphia Black Republican Council and that contribution counted towards his individual contribution limits. Because Senator Wagner had already made a contribution of \$20,000 to Friends of Beth Grossman, the contribution of \$5,000 exceeded the limits.
- Q. The Parties desire to enter into this Agreement in order to resolve the issues described herein.

## **AGREEMENT**

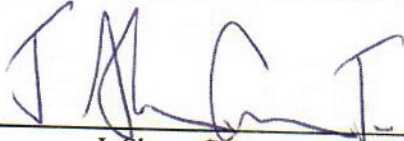
The Parties agree that:

1. Because Senator Wagner's September 18, 2017 contribution of \$20,000 to Friends of Beth Grossman exceeded the limits set by Philadelphia's Campaign Finance Law, he violated § 20-1002(1) of the Philadelphia Code and is subject to a civil monetary penalty of \$2,000.
2. Because Senator Wagner's September 20, 2017 contribution of \$5,000 to Friends of Beth Grossman exceeded the limits set by Philadelphia's Campaign Finance Law, he violated § 20-1002(1) of the Philadelphia Code and is subject to a civil monetary penalty of \$2,000. However, in light of the Hon. Scott Wagner's cooperation, the penalty is reduced to \$1,500.
3. Senator Wagner shall pay the aggregate civil monetary penalty of \$3,500 within 14 days of the effective date of the Agreement. Payment shall be made by check or money order made payable to the City of Philadelphia and delivered to the offices of the Board.
4. Senator Wagner 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 violation described in the Agreement.
5. In consideration of the above and in exchange for Senator Wagner's compliance with all of the terms of the Agreement, the Board waives any further penalties or fines against him for the violation described in this Agreement.
6. The Parties will not make any public statements that are inconsistent with the terms of the Agreement.
7. If the Board or the City is forced to seek judicial enforcement of Paragraph 3 of this Agreement, and prevails, Senator Wagner 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.
8. The Agreement contains the entire agreement between the Parties.
9. The Executive Director will submit a signed copy of the Agreement to the Board for approval. The Agreement shall become effective upon approval by the Board. The effective date of the Agreement shall be the date the Board approves the Agreement.

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 this paragraph, nothing in the Agreement shall be effective.

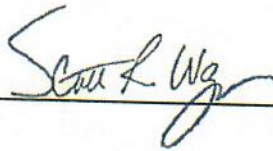
By the Executive Director of the Board of Ethics:

Dated: 4/16/18

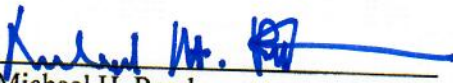
  
\_\_\_\_\_  
J. Shane Creamer, Jr.

By the Hon. Scott Wagner:

Dated: 4/16/18

  
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Approved by the Board of Ethics on 4/18/18

  
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Michael H. Reed  
Chair