

## **SETTLEMENT AGREEMENT**

This Settlement Agreement is made and entered into by the Board of Ethics of the City of Philadelphia, Philadelphians for A Fair Future, Peak Strategic Solutions, LLC, Bellevue Strategies, LLC, Bellevue Communications Group, Andrew Dalzell, 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. Philadelphians for A Fair Future, Inc. (“PFF”) is a registered lobbying principal with the Board. In 2016, PFF organized, participated in, and funded a campaign supporting the passage of a sugary beverage tax in Philadelphia.
- C. Peak Strategic Solutions, Bellevue Strategies, Bellevue Communications Group, and Andrew Dalzell, were all paid by PFF in 2016 to further its campaign in support of the proposed sugary beverage tax. Bellevue Communications Group paid Rodney Muhammad to support its work for PFF.
- D. Philadelphia’s Lobbying Law is found at Chapter 20-1200 of the Philadelphia Code. Board Regulation No. 9 provides a detailed interpretation of Chapter 20-1200.
- E. Under the City’s Lobbying Law, a principal must register with the Board if it spends more than \$2,500 on lobbying activity in a quarter.
- F. A firm or individual must register as a lobbying firm or lobbyist if, in a quarter, the firm or lobbyist is paid more than \$2,500 by a principal to engage in lobbying activity.
- G. A principal must file an expense report for each quarter in which the principal spends more than \$2,500 on lobbying activity. In an expense report, the principal must disclose the amount of money it spent that quarter for direct communications, indirect communications, and gifts, transportation, hospitality and lodging to City officers and employees. The principal must also provide detailed information about the nature of those expenditures, including, for direct communications, the officials lobbied, the issues on which it lobbied, and the positions it took with regard to those issues. For indirect communications, the principal must disclose the issues on which it lobbied, the positions it took with regard to those issues, its methods of communication, and the groups that were the recipients of its communications.
- H. Making a material misstatement or omission in a lobbying registration statement or expense report filed with the Board is subject to a civil penalty of \$1,000, which may be increased to \$2,000 or decreased to \$250 depending on the presence of aggravating or mitigating factors.

- I. The failure to register as a lobbying firm or 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.
- J. In January of 2017, Board Enforcement Staff received a complaint alleging that, in its filings with the Board, PFF had failed to disclose all of its lobbying activities. Because the complaint stated potential violations of the Lobbying Law, Enforcement Staff accepted the complaint and opened an investigation. At all times, PFF, Peak Strategic Solutions, Bellevue Strategies, Bellevue Communications Group, and Andrew Dalzell fully cooperated with the investigation.
- K. PFF registered with the Board as a lobbying principal on April 29, 2016.
- L. Although PFF paid each of the following lobbying firms and lobbyists more than \$2,500 in the second quarter of 2016, it failed to list them in its April 29, 2016 registration statement:
  - 1. Peak Strategic Solutions;
  - 2. Bellevue Strategies;
  - 3. Bellevue Communications Group; and
  - 4. Andrew Dalzell.

As described in Paragraph C, Bellevue Communications Group also paid Rodney Muhammad more than \$2,500 in the second quarter of 2016 to support Bellevue Communications Group's work for PFF, but PFF failed to list Mr. Muhammad in its April 29, 2016 registration statement.

- M. None of the lobbying firms and lobbyists described in Paragraph L registered with the Board in 2016.
- N. On July 29, 2016, PFF filed a 2016 second quarter expense report with the Board in which it disclosed \$2,185,944.62 in expenditures for indirect communications supporting the proposed beverage tax during the time period of April through June of 2016. The report did not disclose any direct communications.
- O. Board Enforcement Staff discovered that during the second quarter of 2016, PFF's expenditures of \$2,185,944.62 included \$3,750 for direct communications. Enforcement Staff also discovered that PFF did not disclose all of the methods it used to make indirect communications, specifically letters to the editor and organizing coalition partners for communications with City Council. In the expense report it filed in July of 2016, PFF described the latter communications as "Organizing the general public."
- P. As a result of the Board's investigation:
  - 1. PFF has filed an amended registration with the Board in which it lists all of the lobbying firms and lobbyists paid more than \$2,500 in the second quarter of 2016;
  - 2. Each of the lobbying firms and lobbyists described in Paragraph L has registered with the Board for 2016; and

3. PFF has filed an amended 2016 second quarter expense report that, in addition to the information in its original expense report, also discloses (i) \$3,750 for direct communications with City Council members and staffers and (ii) indirect communications related to letters to the editor and PFF's organizing of coalition partners to lobby City Council members.

Q. The Parties desire to enter into this Agreement in order to resolve the issues described herein.

### **AGREEMENT**

The Parties agree that:

1. By making material omissions from the 2016 lobbying registration statement it filed with the Board, PFF violated Code Section 20-1205(8)(a)(xi) for which it is subject to a civil monetary penalty of \$2,000.
2. By making material omissions and misstatements in the 2016 second quarter expense report it filed with the Board, PFF violated Code Section 20-1205(8)(a)(xi) for which it is subject to a civil monetary penalty of \$2,000.
3. By failing to timely register as a lobbying firm in 2016, Peak Strategic Solutions violated Code Section 20-1202(1) and is subject to a civil monetary penalty of \$1,000. Peak Strategic Solutions also owes the City the 2016 lobbying registration fee of \$100.
4. By failing to timely register as a lobbying firm in 2016, Bellevue Strategies violated Code Section 20-1202(1) and is subject to a civil monetary penalty of \$1,000. Bellevue Strategies also owes the City the 2016 lobbying registration fee of \$100.
5. By failing to timely register as a lobbying firm in 2016, Bellevue Communications Group violated Code Section 20-1202(1) and is subject to a civil monetary penalty of \$1,000. Bellevue Communications Group also owes the City the 2016 lobbying registration fee of \$100.
6. By failing to timely register as a lobbyist in 2016, Andrew Dalzell violated Code Section 20-1202(1) and is subject to a civil monetary penalty of \$1,000. Andrew Dalzell also owes the City the 2016 lobbying registration fee of \$100.
7. PFF shall pay the aggregate civil monetary penalty and registration fees of \$8,400 on behalf of itself and its lobbying firms and lobbyists within 14 days of the effective date of the Agreement by check or money order made payable to the City of Philadelphia and delivered to the offices of the Board.
8. PFF, Peak Strategic Solutions, Bellevue Strategies, Bellevue Communications Group, and Andrew Dalzell 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.

9. In consideration of the above and in exchange for the compliance of PFF, Peak Strategic Solutions, Bellevue Strategies, Bellevue Communications Group, and Andrew Dalzell, 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.
10. The Parties will not make any public statements that are inconsistent with the terms of the Agreement.
11. If the Board or the City is forced to seek judicial enforcement of this Agreement, and prevails, PFF, Peak Strategic Solutions, Bellevue Strategies, Bellevue Communications Group, and Andrew Dalzell, 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.
12. The Agreement contains the entire agreement between the Parties.
13. The Executive Director will submit a signed copy of the Agreement to the Board for approval.
14. 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.
15. 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: 7/11/18

  
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J. Shane Creamer, Jr.

By Philadelphians for A Fair Future:

Dated: \_\_\_\_\_

  
\_\_\_\_\_  
Lora Haggard

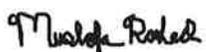
By Peak Strategic Solutions, LLC:

Dated: 6/27/18

  
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Jessie Bradley

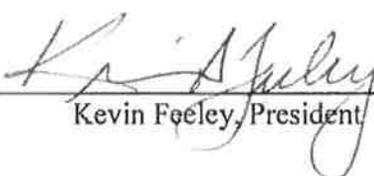
By Bellevue Strategies, LLC:

Dated: 6/26/2018

  
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Mustafa Rashed, CEO

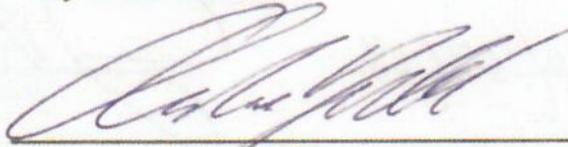
By Bellevue Communications Group:

Dated: 6/27/18

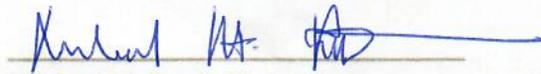
  
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Kevin Feeley, President

By Andrew Dalzell:

Dated: 6/20/18

  
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Andrew Dalzell

Approved by the Board of Ethics on July 18, 2018

  
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Michael H. Reed, Chair