

## SETTLEMENT AGREEMENT

This Settlement Agreement (“Agreement”) is made and entered into between the Board of Ethics of the City of Philadelphia (“Ethics Board”) the Committee to Elect Seth Williams (“the Committee”), Vincent DeFino, and Seth Williams (collectively “the Williams Campaign”). The Ethics Board and the Williams Campaign are referred to jointly as “the Parties.”

### RECITALS

- A. The Philadelphia Board of Ethics is an independent board that was established by Charter amendment, approved by voters, and installed on November 27, 2006. It is charged with providing ethics training for all city employees and enforcing city campaign finance, financial disclosure and conflict of interest laws. The Board has the authority to render advice, investigate complaints and issue fines.
- B. Seth Williams is currently a candidate for the office of District Attorney of Philadelphia.
- C. Vincent DeFino is the treasurer of the Committee to Elect Seth Williams.
- D. Because the Committee’s 2008 cycle 7 campaign finance report disclosed contributions and expenditures related to an election for City office, the Committee was required to, and did, electronically file a copy of that report with the Ethics Board, via the Philadelphia Department of Records, pursuant to §20-1006 of the city’s campaign finance law.
- E. Because Mr. Williams’s 2008 cycle 7 campaign finance report disclosed contributions and expenditures related to an election for City office, he was required to, and did, electronically file a copy of that report with the Ethics Board, via the Philadelphia Department of Records, pursuant to §20-1006 of the City’s campaign finance law.
- F. Section 20-1006(4) of the City’s campaign finance law prohibits the making of material omissions or misstatements in any campaign finance report filed with the Ethics Board pursuant to §20-1006. The making of material misstatements or omissions is subject to the civil penalties set forth in §20-612.
- G. In February 2009, pursuant to its mandate, the Ethics Board commenced an investigation into contributions received and expenditures made by the Williams Campaign.

- H. During the course of its investigation, the Ethics Board obtained bank records and other documents through Administrative Subpoenas, took testimony under oath, and reviewed campaign finance reports. The Williams Campaign has cooperated with the Ethics Board's investigation.
- I. For part of 2008, the Williams Campaign did not maintain adequate documentation of certain expenditures for which Mr. Williams was reimbursed by the Committee. Since late 2008, the Williams Campaign has adopted record keeping practices that properly document expenditures and reimbursements. The reporting errors addressed in this Agreement were mistakes made in the course of the Williams Campaign's good-faith efforts to comply with all applicable requirements, including those of Chapter 20-1000 of the Philadelphia Code.
- J. The 2008 cycle 7 campaign finance report Mr. Williams filed with the Ethics Board mistakenly reported ten duplicate expenditures and one triplicate expenditure. As a result of erroneously including these expenditures, the total amount of money disclosed as expended is incorrect.
- K. The 2008 cycle 7 campaign finance report the Committee filed with the Ethics Board discloses 22 expenditures to Sonita Williams which are described as "reimbursement". Seth and Sonita Williams have a joint bank account from which the reimbursed expenditures were made. The expenditures would more properly have been described as "Reimbursement to Seth and Sonita Williams for expenditures incurred by Seth Williams."
- L. The Parties desire to enter into this Agreement in order to resolve the reporting errors described herein.

## AGREEMENT

The Parties agree as follows:

1. The Williams Campaign made only one expenditure of \$81.74 to Manoa Beverage, but it mistakenly reported three such expenditures to Manoa Beverage in Mr. Williams's 2008 cycle 7 report. By reporting two expenditures it did not make, the Williams Campaign failed to comply with §20-1006(4) of the Philadelphia Code.
2. The Williams Campaign made only one expenditure of \$57.47 to Wine & Spirits, but it mistakenly reported two such expenditures to Wine & Spirits in Mr. Williams's 2008 cycle 7 report. By reporting an expenditure it did not make, the Williams Campaign failed to comply with §20-1006(4) of the Philadelphia Code.
3. The Williams Campaign made only one expenditure of \$58.82 to Party City, but it mistakenly reported two such expenditures to Party City in Mr. Williams's 2008 cycle 7 report. By reporting an expenditure it did not make, the Williams Campaign failed to comply with §20-1006(4) of the Philadelphia Code.
4. The Williams Campaign made only one expenditure of \$36.80 to Twenty21, but it mistakenly reported two such expenditures to Twenty21 in Mr. Williams's 2008 cycle 7 report. By reporting an expenditure it did not make, the Williams Campaign failed to comply with §20-1006(4) of the Philadelphia Code.
5. The Williams Campaign made only one expenditure of \$52.94 to Twenty21, but it mistakenly reported two such expenditures to Twenty21 in Mr. Williams's 2008 cycle 7 report. By reporting an expenditure it did not make, the Williams Campaign failed to comply with §20-1006(4) of the Philadelphia Code.
6. The Williams Campaign made only one expenditure of \$40.00 to Delmonico's, but it mistakenly reported two such expenditures to Delmonico's in Mr. Williams's 2008 cycle 7 report. By reporting an expenditure it did not make, the Williams Campaign failed to comply with §20-1006(4) of the Philadelphia Code.
7. The Williams Campaign made only one expenditure of \$31.85 to Pikkels Plus, but it mistakenly reported two such expenditures to Pikkels Plus in Mr. Williams's 2008 cycle 7 report. By reporting an expenditure it did not make, the Williams Campaign failed to comply with §20-1006(4) of the Philadelphia Code.
8. The Williams Campaign made only one expenditure of \$24.50 to Tony's Restaurant, but it mistakenly reported two such expenditures to Tony's Restaurant in Mr. Williams's 2008 cycle 7 report. By reporting an expenditure it did not make, the Williams Campaign failed to comply with §20-1006(4) of the Philadelphia Code.

9. The Williams Campaign made only one expenditure of \$28.22 to Tony's Restaurant, but it mistakenly reported two such expenditures to Tony's Restaurant in Mr. Williams's 2008 cycle 7 report. By reporting an expenditure it did not make, the Williams Campaign failed to comply with §20-1006(4) of the Philadelphia Code.
10. The Williams Campaign made only one expenditure of \$38.67 to McCormick & Schmick, but it mistakenly reported two such expenditures to McCormick & Schmick in Mr. Williams's 2008 cycle 7 report. By reporting an expenditure it did not make, the Williams Campaign failed to comply with §20-1006(4) of the Philadelphia Code.
11. The Williams Campaign will pay a civil penalty of \$250 for each of the eleven expenditures that were erroneously reported more than once in Mr. Williams's 2008 cycle 7 campaign finance report.
12. The Williams Campaign will file an amended 2008 cycle 7 campaign finance report on behalf of Mr. Williams in order to correct the repetitive reporting of expenditures as described in paragraphs 1 through 10.
13. The 22 expenditures to Sonita Williams reported in the Committee's 2008 cycle 7 report should have been described as "Reimbursement to Seth and Sonita Williams for expenditures incurred by Seth Williams" in order to comply with §20-1006(4) of the Philadelphia Code.
  - 13.1. The Williams Campaign will pay a civil penalty of \$1,000 for failing to properly describe the expenditures to Sonita Williams in the Committee's 2008 cycle 7 report.
  - 13.2. The Williams Campaign will amend the Committee's 2008 cycle 7 report to change the description of the 22 expenditures to Sonita Williams to "Reimbursement to Seth and Sonita Williams for expenditures incurred by Seth Williams".
14. Within 14 days of the execution of the Agreement, the Williams Campaign will file amended campaign finance reports with the Board as described in paragraphs 12 and 13.2.
15. The Williams Campaign owes the City of Philadelphia a total civil penalty of \$3,750, which shall be paid as follows:
  - 15.1 \$750 on or before June 30, 2009;
  - 15.2 \$1,000 on or before August 31, 2009;
  - 15.3 \$1,000 on or before November 30, 2009; and
  - 15.4 \$1,000 on or before January 29, 2010.

16. If the Williams Campaign fails to make a payment as required by paragraphs 15.1-15.4, the balance of the penalty shall be due within two weeks of the date the payment was due.
17. In consideration of the above and in exchange for the Williams Campaign's compliance with all of the terms of the Agreement, the Board waives any further penalties or fines against the Williams Campaign and any related parties for the reporting failures described in the Agreement or otherwise relating to the 2008 cycle 7 report.
18. The Parties will not make any public statements that are inconsistent with the terms of the Agreement.
19. If the Ethics Board is forced to seek judicial enforcement of the payments described in paragraphs 15.1 through 15.4, the Williams Campaign shall be liable for attorneys' fees and costs. Fees for time spent by Ethics Board staff attorneys shall be calculated based upon standard and customary billing rates in Philadelphia for attorneys with similar experience.
20. The Agreement contains the entire agreement between the Parties.
21. The Agreement shall become effective on execution by the Parties.

By the Board of Ethics of the City of Philadelphia:

Dated: 5/26/09

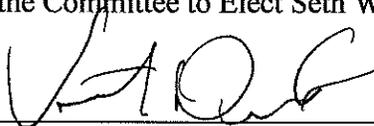
  
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Richard Glazer, Esquire  
Chair

Dated: 5/26/09

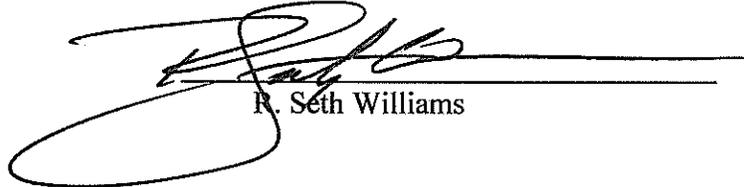
  
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J. Shane Creamer, Jr., Esquire  
Executive Director

By the Committee to Elect Seth Williams

Dated: 5/22/09

  
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Vincent DeFino, Treasurer

Dated: 5/22/09

  
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R. Seth Williams