

## SETTLEMENT AGREEMENT

This Settlement Agreement ("Agreement") is made and entered into between the Board of Ethics of the City of Philadelphia ("Ethics Board") and Pennsylvanians for Better Leadership ("the PBL PAC"). The Ethics Board and the PBL PAC 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. Pennsylvanians for Better Leadership is a Political Action Committee based in Philadelphia, Pennsylvania.
- C. Charles Breslin is the treasurer of the PBL PAC. Kevin Watson was the treasurer of the PBL PAC from June 19, 2003 to March 6, 2009.
- D. Because the PBL PAC's 2007 campaign finance reports for cycles 2 and 3 disclosed contributions and expenditures related to candidates for city office, the PBL PAC was required to electronically file copies of those campaign finance reports with the Ethics Board, via the Philadelphia Department of Records, pursuant to §20-1006 of the city's campaign finance law.
- E. The making of a material omission or misstatement in any campaign finance report filed with the Ethics Board pursuant to §20-1006 of the City's campaign finance law constitutes a violation of Chapter 20-600 (Standards of Conduct and Ethics). Such violations are subject to enforcement and the imposition of penalties by the Ethics Board.
- F. In November 2007, pursuant to its mandate, the Ethics Board commenced an investigation into contributions received and expenditures made by the PBL PAC in 2007.
- G. During the course of its investigation, the Ethics Board obtained bank records and other documents through Administrative Subpoenas, deposed witnesses, and reviewed campaign finance reports filed by multiple committees.
- H. Through its investigation, the Ethics Board identified 20 violations of Philadelphia's campaign finance law by the PBL PAC.

- I. On February 23, 2009, the Ethics Board filed a Petition in the Court of Common Pleas seeking civil penalties and injunctive relief to remedy the PBL PAC's violations of Philadelphia's campaign finance laws.
- J. In March 2009, representatives from the Ethics Board and the PBL PAC met to discuss the PBL PAC's violations of Philadelphia's campaign finance laws and to discuss settlement of the Petition.
- K. The Parties desire to enter into this Agreement in order to resolve the violations described herein.

## AGREEMENT

The Parties agree as follows:

1. The PBL PAC admits that it failed to disclose in its 2007 cycle 2 campaign finance report a March 1, 2007 contribution of \$5,000 to Friends of Bob Brady, thereby violating §20-1006(4) of the Philadelphia Code.
  - 1.1. The PBL PAC agrees to pay a civil penalty of \$1,500 for failing to disclose the March 1, 2007 contribution of \$5,000 to Friends of Bob Brady in its 2007 cycle 2 campaign finance report.
  - 1.2. The PBL PAC agrees to disclose the March 1, 2007 contribution of \$5,000 to Friends of Bob Brady in its 2007 cycle 1 campaign finance report.
2. The PBL PAC admits that it failed to disclose in its 2007 cycle 2 campaign finance report a March 1, 2007 contribution of \$10,000 to Friends for Dwight Evans for Mayor, thereby violating §20-1006(4) of the Philadelphia Code.
  - 2.1. The PBL PAC agrees to pay a civil penalty of \$1,500 for failing to disclose the March 1, 2007 contribution of \$10,000 to Friends for Dwight Evans for Mayor in its 2007 cycle 2 campaign finance report.
  - 2.2. The PBL PAC agrees to disclose the March 1, 2007 contribution of \$10,000 to Friends for Dwight Evans for Mayor in its 2007 cycle 1 campaign finance report.

3. The PBL PAC admits that it failed to disclose in its 2007 cycle 2 campaign finance report a March 9, 2007 contribution of \$2,000 to Fattah for Mayor, thereby violating §20-1006(4) of the Philadelphia Code.
  - 3.1. The PBL PAC agrees to pay a civil penalty of \$1,500 for failing to disclose the March 9, 2007 contribution of \$2,000 to Fattah for Mayor in its 2007 cycle 2 campaign finance report.
  - 3.2. The PBL PAC agrees to disclose the March 9, 2007 contribution of \$2,000 to Fattah for Mayor in its 2007 cycle 1 campaign finance report.
4. The PBL PAC admits that it failed to disclose in its 2007 cycle 3 campaign finance report a May 13, 2007 contribution of \$1,000 to Philadelphians for Green, thereby violating §20-1006(4) of the Philadelphia Code.
  - 4.1. The PBL PAC agrees to pay a civil penalty of \$1,500 for failing to disclose the May 13, 2007 contribution of \$1,000 to Philadelphians for Green in its 2007 cycle 3 campaign finance report.
  - 4.2. The PBL PAC agrees to amend its 2007 cycle 3 campaign finance report to disclose the May 13, 2007 contribution of \$1,000 to Philadelphians for Green.
5. The PBL PAC admits that it failed to disclose in its 2007 cycle 2 campaign finance report a March 5, 2007 contribution of \$25,000 from Andre Duggin, thereby violating §20-1006(4) of the Philadelphia Code.
  - 5.1. The PBL PAC agrees to pay a civil penalty of \$1,500 for failing to disclose the March 5, 2007 contribution of \$25,000 from Andre Duggin in its 2007 cycle 2 campaign finance report.
  - 5.2. The PBL PAC agrees to disclose the March 5, 2007 contribution of \$25,000 from Andre Duggin in its 2007 cycle 1 campaign finance report.
6. The PBL PAC admits that it failed to disclose in its 2007 cycle 3 campaign finance report a May 7, 2007 contribution of \$5,000 from Andre Duggin, thereby violating §20-1006(4) of the Philadelphia Code.
  - 6.1. The PBL PAC agrees to pay a civil penalty of \$1,500 for failing to disclose the May 7, 2007 contribution of \$5,000 from Andre Duggin in its 2007 cycle 3 campaign finance report.
  - 6.2. The PBL PAC agrees to amend its 2007 cycle 3 campaign finance report to disclose the May 7, 2007 contribution of \$5,000 from Andre Duggin.

7. The PBL PAC admits that it failed to disclose in its 2007 cycle 2 campaign finance report a March 1, 2007 contribution of \$5,000 to Rendell for Governor, thereby violating §20-1006(4) of the Philadelphia Code.
  - 7.1. The PBL PAC agrees to pay a civil penalty of \$500 for failing to disclose the March 1, 2007 contribution of \$5,000 to Rendell for Governor in its 2007 cycle 2 campaign finance report.
  - 7.2. The PBL PAC agrees to disclose the March 1, 2007 contribution of \$5,000 to Rendell for Governor in its 2007 cycle 1 campaign finance report.
8. The PBL PAC admits that it failed to disclose in its 2007 cycle 2 campaign finance report a March 8, 2007 contribution of \$2,000 to the Committee to Elect Angel Figueroa, thereby violating §20-1006(4) of the Philadelphia Code.
  - 8.1. The PBL PAC agrees to pay a civil penalty of \$500 for failing to disclose the March 8, 2007 contribution of \$2,000 to the Committee to Elect Angel Figueroa in its 2007 cycle 2 campaign finance report.
  - 8.2. The PBL PAC agrees to disclose the March 8, 2007 contribution of \$2,000 to the Committee to Elect Angel Figueroa in its 2007 cycle 1 campaign finance report.
9. The PBL PAC admits that it failed to disclose in its 2007 cycle 2 campaign finance report a March 9, 2007 contribution of \$2,000 to the Committee to Elect Jackie Fraizer-Lyde, thereby violating §20-1006(4) of the Philadelphia Code.
  - 9.1. The PBL PAC agrees to pay a civil penalty of \$500 for failing to disclose the March 9, 2007 contribution of \$2,000 to the Committee to Elect Jackie Fraizer-Lyde in its 2007 cycle 2 campaign finance report.
  - 9.2. The PBL PAC agrees to disclose the March 9, 2007 contribution of \$2,000 to the Committee to Elect Jackie Fraizer-Lyde in its 2007 cycle 1 campaign finance report.

10. The PBL PAC admits that it failed to disclose in its 2007 cycle 2 campaign finance report a March 19, 2007 contribution of \$2,500 to Hilary Clinton for President, thereby violating §20-1006(4) of the Philadelphia Code.
  - 10.1. The PBL PAC agrees to pay a civil penalty of \$500 for failing to disclose the March 19, 2007 contribution of \$2,500 to Hilary Clinton for President in its 2007 cycle 2 campaign finance report.
  - 10.2. The PBL PAC agrees to disclose the March 19, 2007 contribution of \$2,500 to Hilary Clinton for President in its 2007 cycle 1 campaign finance report.
11. The PBL PAC admits that it failed to disclose in its 2007 cycle 2 campaign finance report a March 23, 2007 contribution of \$1,000 to Hilary Clinton for President, thereby violating §20-1006(4) of the Philadelphia Code.
  - 11.1. The PBL PAC agrees to pay a civil penalty of \$500 for failing to disclose the March 23, 2007 contribution of \$1,000 to Hilary Clinton for President in its 2007 cycle 2 campaign finance report.
  - 11.2. The PBL PAC agrees to disclose the March 23, 2007 contribution of \$1,000 to Hilary Clinton for President in its 2007 cycle 1 campaign finance report.
12. The PBL PAC admits that it failed to disclose in its 2007 cycle 2 campaign finance report a March 30, 2007 contribution of \$1,000 to Hilary Clinton for President, thereby violating §20-1006(4) of the Philadelphia Code.
  - 12.1. The PBL PAC agrees to pay a civil penalty of \$500 for failing to disclose the March 30, 2007 contribution of \$1,000 to Hilary Clinton for President in its 2007 cycle 2 campaign finance report.
  - 12.2. The PBL PAC agrees to amend its 2007 cycle 2 campaign finance report to disclose the March 30, 2007 contribution of \$1,000 to Hilary Clinton for President.

13. The PBL PAC admits that it failed to disclose in its 2007 cycle 2 campaign finance report a March 26, 2007 contribution of \$800 to Bill Richardson for President, thereby violating §20-1006(4) of the Philadelphia Code.
  - 13.1. The PBL PAC agrees to pay a civil penalty of \$500 for failing to disclose the March 26, 2007 contribution of \$800 to Bill Richardson for President in its 2007 cycle 2 campaign finance report.
  - 13.2. The PBL PAC agrees to disclose the March 26, 2007 contribution of \$800 to Bill Richardson for President in its 2007 cycle 1 campaign finance report.
14. The PBL PAC admits that it failed to disclose in its 2007 cycle 3 campaign finance report a May 7, 2007 contribution of \$15,000 to Joan Cleary for County Council, thereby violating §20-1006(4) of the Philadelphia Code.
  - 14.1. The PBL PAC agrees to pay a civil penalty of \$500 for failing to disclose the May 7, 2007 contribution of \$15,000 to Joan Cleary for County Council in its 2007 cycle 3 campaign finance report.
  - 14.2. The PBL PAC agrees to amend its 2007 cycle 3 campaign finance report to disclose the May 7, 2007 contribution of \$15,000 to Joan Cleary for County Council.
15. The PBL PAC admits that it failed to disclose in its 2007 cycle 3 campaign finance report a May 11, 2007 contribution of \$1,750 to Friends of Michael P. Fleck, thereby violating §20-1006(4) of the Philadelphia Code.
  - 15.1. The PBL PAC agrees to pay a civil penalty of \$500 for failing to disclose the May 11, 2007 contribution of \$1,750 to Friends of Michael P. Fleck in its 2007 cycle 3 campaign finance report.
  - 15.2. The PBL PAC agrees to amend its 2007 cycle 3 campaign finance report to disclose the May 11, 2007 contribution of \$1,750 to Friends of Michael P. Fleck.

16. The PBL PAC admits that it failed to disclose in its 2007 cycle 3 campaign finance report a May 3, 2007 contribution of \$15,000 from Friends of Dan Onorato, thereby violating §20-1006(4) of the Philadelphia Code.
  - 16.1. The PBL PAC agrees to pay a civil penalty of \$500 for failing to disclose the May 3, 2007 contribution of \$15,000 from Friends of Dan Onorato in its 2007 cycle 3 campaign finance report.
  - 16.2. The PBL PAC agrees to amend its 2007 cycle 3 campaign finance report to disclose the May 3, 2007 contribution of \$15,000 from Friends of Dan Onorato.
17. The PBL PAC admits that it made a material misstatement in its 2007 cycle 2 campaign finance report by disclosing a contribution of \$5,000 to Friends of Darrell Clarke that it did not actually make, thereby violating §20-1006(4) of the Philadelphia Code.
  - 17.1. The PBL PAC agrees to pay a civil penalty of \$500 for making a material misstatement in its 2007 cycle 2 campaign finance report regarding the contribution of \$5,000 to Friends of Darrell Clarke.
  - 17.2. The PBL PAC agrees to amend its 2007 cycle 2 campaign finance report to correct the material misstatement.
18. The PBL PAC admits that it made a material misstatement in its 2007 cycle 2 campaign finance report by disclosing a contribution of \$5,000 to Friends of Juan Ramos that it did not actually make, thereby violating §20-1006(4) of the Philadelphia Code.
  - 18.1. The PBL PAC agrees to pay a civil penalty of \$500 for making a material misstatement in its 2007 cycle 2 campaign finance report regarding the contribution of \$5,000 to Friends of Juan Ramos.
  - 18.2. The PBL PAC agrees to amend its 2007 cycle 2 campaign finance report to correct the material misstatement.
19. The PBL PAC admits that it made a material misstatement in its 2007 cycle 3 campaign finance report by disclosing a contribution of \$10,000 to One Step Closer that it did not actually make, thereby violating §20-1006(4) of the Philadelphia Code.
  - 19.1. The PBL PAC agrees to pay a civil penalty of \$500 for making a material misstatement in its 2007 cycle 3 campaign finance report regarding the contribution of \$10,000 to One Step Closer.
  - 19.2. The PBL PAC agrees to amend its 2007 cycle 3 campaign finance report to correct the material misstatement.

20. The PBL PAC admits that it made a material misstatement in its 2007 cycle 3 campaign finance report by disclosing a May 24, 2007 contribution of \$22,000 from Andre Duggin when the actual amount of the contribution was \$2,000, thereby violating §20-1006(4) of the Philadelphia Code.
  - 20.1. The PBL PAC agrees to pay a civil penalty of \$250 for making a material misstatement in its 2007 cycle 3 campaign finance report regarding the May 24, 2007 contribution from Andre Duggin.
  - 20.2. The PBL PAC agrees to amend its 2007 cycle 3 campaign finance report to correct the material misstatement.
21. The PBL PAC agrees that within 14 days of the execution of the Agreement it will file amended campaign finance reports with the Board as described in paragraphs 4.2, 6.2, 14.2, 15.2, 16.2, 17.2, 18.2, 19.2, and 20.2.
22. The PBL PAC agrees that within 14 days of the execution of the Agreement it will file a 2007 cycle 1 campaign finance report with the Ethics Board.
23. The Parties agree that the PBL PAC owes the City of Philadelphia an aggregate civil penalty of \$15,750, which shall be paid as follows:
  - 23.1. \$3,750 by April 30, 2009;
  - 23.2. \$3,000 by September 30, 2009;
  - 23.3. \$3,000 by January 29, 2010;
  - 23.4. \$3,000 by May 31, 2010; and
  - 23.5. \$3,000 by September 30, 2010.
24. Within fourteen days of the execution of the Agreement, the Ethics Board agrees to discontinue *Board of Ethics v. Pennsylvanians for Better Leadership, et al.*, Philadelphia Court of Common Pleas, February 2009 Term, No. 03516.
25. In consideration of the above and in exchange for the PBL PAC's compliance with all of the terms of the Agreement, the Board agrees to waive any further penalties or fines against the PBL PAC for the violations described in the Agreement.
26. If the PBL PAC fails to make a payment by any date identified in paragraphs 23.1-23.5, the full balance of the civil penalty still unpaid shall be due within two weeks of that date.
27. The Parties will not to make any public statements that are inconsistent with the terms of the Agreement.

28. If the Ethics Board is forced to seek judicial enforcement of the Agreement, the parties agree that the PBL PAC 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.
29. The Agreement contains the entire agreement between the Parties.
30. The Agreement shall become effective on execution by the Parties.

By the Board of Ethics of the City of Philadelphia:

Dated: 4/15/09

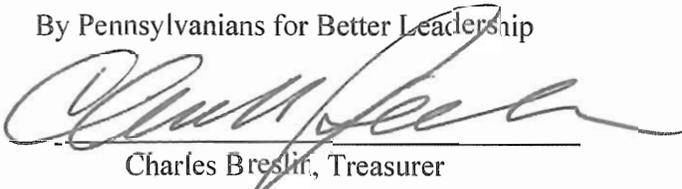
  
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Richard Glazer, Esquire  
Chair

Dated: 4/15/09

  
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J. Shane Creamer, Jr., Esquire  
Executive Director

By Pennsylvanians for Better Leadership

Dated: 4/19/09

  
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Charles Breslin, Treasurer