

## SETTLEMENT AGREEMENT

This Settlement Agreement (“Agreement”) is made and entered into between the Board of Ethics of the City of Philadelphia (“the Board”), the Citizens for Vincent Hughes, the Hon. Vincent Hughes, and Jeanice Salter (collectively, the “Hughes Committee”). The Board of Ethics and the Hughes Committee are referred to jointly as “the Parties.”

### **RECITALS**

- A. The Philadelphia Board of Ethics is an independent board that was established by ordinance, 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. Citizens for Vincent Hughes is the candidate political committee of Pennsylvania State Senator Vincent Hughes.
- C. Senator Vincent Hughes represents the 7<sup>th</sup> Senatorial District in the Pennsylvania Senate, a large portion of which is in West Philadelphia.
- D. Jeanice Salter is the treasurer of the Hughes Committee.
- E. Because the Hughes Committee’s 2007 campaign finance reports for cycles 1, 2, 3, and 4 disclosed contributions and expenditures related to candidates for city office, the Hughes Committee was required to electronically file copies of those campaign finance reports with the Board, via the Records Department for the City of Philadelphia, pursuant to §20-1006 of the city’s campaign finance law.
- F. The making of a material omission or misstatement in any campaign finance report filed with the 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 Board.
- G. In calendar year 2007, contributions to candidates for City Council from political committees were limited to \$10,000, pursuant to §20-1001(2) of the city’s campaign finance law. The acceptance by a candidate of a contribution in excess of the limit set by §20-1001(2) is punishable by a civil penalty in the amount set forth in §20-612.

- H. Contributions include “[m]oney, gifts, forgiveness of debts, loans, or things having a monetary value incurred or received by a candidate or his/her agent for use in advocating or influencing the election of the candidate,” pursuant to §20-1001(6) of the city’s campaign finance law.
- I. Section 20-1003 of the city’s campaign finance law provides that a candidate for City elective office may have no more than one political committee and one checking account for the city office being sought, into which all contributions for such office shall be made, and out of which all expenditures for that office shall be made.
- J. In November 2007, pursuant to its mandate, the Board commenced an investigation into contributions received and expenditures made by the Hughes Committee in 2007.
- K. In the course of its investigation, the Board discovered that on Primary Election Day in May 2007, Hughes Committee gave the Friends of Curtis Jones, Jr. (“Jones Committee”) 27,300 sample ballots that featured Senator Hughes’ endorsement of Curtis Jones, Jr. and other candidates. The sample ballots cost \$935.
- L. On the evening of Primary Election Day, the Hughes Committee gave the Jones Committee \$10,700 in cash to pay workers the Jones Committee had used to distribute the sample ballots in the 4<sup>th</sup> Councilmanic District. The Hughes Committee also gave the Jones Committee \$5,000 in cash in exchange for signing-over to the Hughes Committee a check in that amount from the Friends of Jannie Blackwell (“Blackwell Committee”).
- M. At the time, Curtis Jones, Jr. (“Jones”), was a candidate for City Council for the 4<sup>th</sup> Councilmanic District, and therefore was subject to the contribution limits of the City’s campaign finance law.
- N. The Hughes Committee did not disclose the \$935 in-kind contribution of the sample ballots to the Jones Committee in any campaign finance report it filed with the Board.
- O. Because the Hughes Committee had already made a contribution of \$935 to the Jones Committee, the contribution of \$10,700 exceeded the \$10,000 limit under the City’s campaign finance law by \$1,635.
- P. The Hughes Committee did not disclose the \$5,000 contribution it made to the Jones Committee in exchange for the Blackwell check. The Hughes Committee has represented to the Board that it did not disclose the contribution because it interpreted it as cashing a check. The contribution of \$5,000 exceeded the limits imposed by the City’s campaign finance law.

- Q. After Jones won the primary election in May 2007, the Hughes Committee made three additional contributions (by check) to the Jones Committee. On June 29, 2007, the Hughes Committee made a contribution of \$1,500 to the Jones Committee; on August 7, 2007, it made a contribution of \$1,000; and on September 4, 2007, it made a contribution of \$1,200. Each of these contributions exceeded the City's contribution limits because the Hughes Committee's had already given the Jones Committee more than \$10,000 on May 15, 2007. The Hughes Committee properly disclosed each of the three checks in campaign finance reports it filed with the Board.
- R. The Parties desire to enter into this Agreement in order to resolve the violations described herein.

## **AGREEMENT**

The Parties agree as follows:

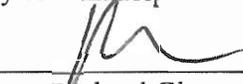
1. The Hughes Committee admits that it failed to disclose an in-kind contribution of \$935 it made to the Jones Committee on May 15, 2007 in the 2007 Cycle 3 campaign finance report it filed with the Board of Ethics on May 14, 2008, in violation of §20-1006(4) of the Philadelphia Code.
  - 1.1. The Hughes Committee agrees to pay a civil penalty of \$1,000 for failing to disclose the May 15, 2007 in-kind contribution of \$935 it made to the Jones Committee.
  - 1.2. The Hughes Committee agrees to amend its 2007 Cycle 3 campaign finance report to disclose the May 15, 2007 in-kind contribution of \$935 it made to the Jones Committee.
2. The Hughes Committee admits that on May 15, 2007, it made a contribution to the Jones Committee of \$10,700 that exceeded by \$1,635 the contribution limits imposed by the City's campaign finance law, in violation of §20-1002(9) of the Philadelphia Code.
  - 2.1. The Hughes Committee agrees to pay a civil penalty of \$1,500 for making a contribution to the Jones Committee that exceeded by \$1,635 the limitations imposed by the City's campaign finance law.

3. The Hughes Committee admits that on May 15, 2007, it made an excess contribution of \$5,000 to the Jones Committee, in violation of §20-1002(9) of the Philadelphia Code.
  - 3.1. The Hughes Committee agrees to pay a civil penalty of \$1,000 for making an excess contribution of \$5,000 to the Jones Committee.
4. The Hughes Committee admits that it failed to disclose a contribution of \$5,000 it made to the Jones Committee on May 15, 2007 in the amended 2007 Cycle 3 campaign finance report it filed with the Board of Ethics on May 9, 2008, in violation of §20-1006(4) of the Philadelphia Code.
  - 4.1. The Hughes Committee agrees to pay a civil penalty of \$1,000 for failing to disclose the May 15, 2007 contribution of \$5,000 it made to the Jones Committee.
  - 4.2. The Hughes Committee agrees to amend its 2007 Cycle 3 campaign finance report to disclose the May 15, 2007 contribution of \$5,000 it made to the Jones Committee.
5. The Hughes Committee admits that on June 29, 2007, it made an excess contribution of \$1,500 to the Jones Committee, in violation of §20-1002(9) of the Philadelphia Code.
  - 5.1. The Hughes Committee agrees to pay a civil penalty of \$1,000 for making an excess contribution of \$1,500 to the Jones Committee.
6. The Hughes Committee admits that on August 7, 2007, it made an excess contribution of \$1,000 to the Jones Committee, in violation of §20-1002(9) of the Philadelphia Code.
  - 6.1. The Hughes Committee agrees to pay a civil penalty of \$1,000 for making an excess contribution of \$1,000 to the Jones Committee.
7. The Hughes Committee admits that on September 4, 2007, it made an excess contribution of \$1,200 from the Jones Committee, in violation of §20-1002(9) of the Philadelphia Code.
  - 7.1. The Hughes Committee agrees to pay a civil penalty of \$1,000 for making an excess contribution of \$1,200 to the Jones Committee.
8. The Hughes Committee 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 1.2 and 4.2.

9. The Parties agree that the Hughes Committee owes the Board an aggregate civil penalty of \$7,500, which shall be paid as follows:
  - 9.1. \$2,500 within 30 days of the execution of the Agreement;
  - 9.2. \$2,500 within 60 days of the execution of the Agreement; and
  - 9.3. \$2,500 within 90 days of the execution of the Agreement.
10. In consideration of the above and in exchange for the Hughes Committee's compliance with all of the terms of the Agreement, the Board agrees to waive any further penalties or fines against Hughes Committee for the violations described in the Agreement.
11. The Parties will not to make any public statements that are inconsistent with the terms of the Agreement.
12. The Agreement contains the entire agreement between the Parties.
13. The Agreement shall become effective on execution by the Parties.

By the Board of Ethics of the  
City of Philadelphia:

Dated: 1/16/09

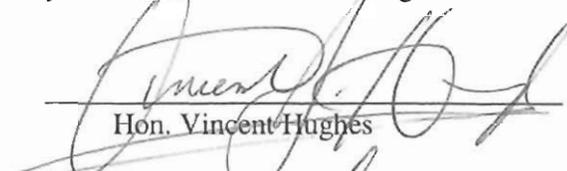
  
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Richard Glazer, Esquire  
Chair

Dated: 1/16/09

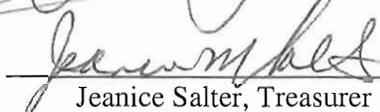
  
\_\_\_\_\_  
J. Shane Creamer, Jr., Esquire  
Executive Director

By the Citizens for Vincent Hughes:

Dated: 1/14/09

  
\_\_\_\_\_  
Hon. Vincent Hughes

Dated: 1/15/09

  
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Jeanice Salter, Treasurer