

SETTLEMENT AGREEMENT

This Settlement Agreement (“Agreement”) is made and entered into between the Board of Ethics of the City of Philadelphia (“the Board”), the Friends of Curtis Jones, Jr., the Hon. Curtis Jones, Jr., and Karen Lewis (collectively, the “Jones Committee”). The Board of Ethics and the Jones 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. Friends of Curtis Jones, Jr. is the candidate committee of City of Philadelphia Councilmember Curtis Jones, Jr.
- C. Curtis Jones, Jr. is a City Councilmember representing Philadelphia’s 4th City Council District and was a candidate for that office in 2007 until he was elected in the General Election that year.
- D. Karen Lewis is the treasurer of the Friends of Curtis Jones, Jr. candidate political committee.
- E. Because the Jones Committee’s 2007 campaign finance reports for cycles 2, 3, 4, 6, and 7 disclosed contributions and expenditures related to candidates for city office, the Jones 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. The Jones Committee failed to file a required 2007 cycle 3 campaign finance report electronically with the Ethics Board, as required by §20-1006 of the Philadelphia Code.
- K. Upon discovering the Jones Committee’s failure to electronically file its 2007 cycle 3 report, the Board notified the Jones Committee and set an extended deadline of April 30, 2008 for the Jones Committee to file its 2007 cycle 3 campaign finance report. However, the Jones Committee did not file the report by that extended deadline. On May 8, 2008, the Board filed a Petition in the Court of Common Pleas seeking an Order directing the Jones Committee to file its 2007 Cycle 3 campaign finance report with the Board. The Jones Campaign filed the report the next day.
- L. Separately, in November 2007, pursuant to its mandate, the Board commenced an investigation into contributions received and expenditures made by the Jones Committee in 2007.
- M. In the course of its investigation, the Ethics Board discovered that, on Primary Election Day in May 2007, the campaign manager for the Jones Committee received \$15,700 in cash from the Citizens for Vincent Hughes (“Hughes Committee”). Most of the cash (\$10,700) was given to the Jones Committee to fund the distribution of sample ballots, while the remaining \$5,000 in cash was given to the Jones Committee’s campaign manager in exchange for signing-over to the Hughes Committee a check in that amount from the Friends of Jannie Blackwell (“Blackwell Committee”).
- N. The Jones Committee used the \$10,700 cash contribution from the Hughes Committee to pay election-day workers hired by the Jones Committee to distribute in the 4th Councilmanic District 27,300 sample ballots that featured Senator Hughes’ endorsement of Curtis Jones, Jr. The 27,300 sample ballots were given to the Jones Committee by the Hughes Committee earlier on Primary Election Day and cost \$935 to print. The Jones Committee did not disclose the \$935 in-kind contribution of the sample ballots from the Hughes Committee in any of its campaign finance reports.

- O. The \$10,700 cash contribution exceeded the \$10,000 limit under the City's campaign finance law by \$1,635 because the Hughes Committee had already made a contribution of \$935 to the Jones Committee earlier on the same day. The additional contribution of \$5,000 on the same day also exceeded the contribution limits. The Jones Committee did not deposit either of the cash contributions from the Hughes Committee into its checking account, nor did the Jones Committee deposit the \$5,000 check from the Blackwell Committee into its checking account, as required by the campaign finance law.
- P. The Jones Committee did not disclose the \$10,700 contribution from the Hughes Committee in its amended 2007 cycle 3 report. In addition, the Jones Committee did not disclose the \$5,000 contribution it received from the Hughes Committee in exchange for the Blackwell check, nor did it disclose the initial contribution from the Blackwell Committee in any campaign finance report it filed with the Board.
- Q. After Candidate 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.
- R. The Jones Committee did not disclose the September 4, 2007 contribution from the Hughes Committee. In addition, the Jones Committee cashed the August 7 and September 4 contribution checks at a check cashing facility rather than depositing them in its single checking account.
- S. Apart from the issues relating to contributions from the Hughes Committee, the Jones Committee did not disclose a \$10,000 contribution from the Fattah for Mayor Committee. The Jones Committee also failed to disclose a \$2,200 in-kind contribution of T-Shirts from the Committee On Public Education of Local 98 of the International Brotherhood of Electrical Workers ("COPE").
- T. The Parties desire to enter into this Agreement in order to resolve the violations described herein.

AGREEMENT

The Parties agree as follows:

1. The Jones Committee admits that it failed to file its 2007 Cycle 3 campaign finance report with the Board of Ethics on June 14, 2007, in violation of §20-1006(4) of the Philadelphia Code. The Jones Campaign further admits that it failed to file its 2007 Cycle 3 campaign finance report with the Board of Ethics by the extended deadline of April 30, 2008.
 - 1.1. The Jones Committee agrees to pay a civil penalty of \$6,000 for its failure to timely file its 2007 Cycle 3 campaign finance report with the Board of Ethics. The \$6,000 civil penalty represents a penalty of \$1,000 for each business day between the extended deadline and the date the Jones Campaign filed its 2007 Cycle 3 campaign finance report with the Board of Ethics.
2. The Jones Committee admits that it failed to disclose a May 15, 2007 in-kind contribution of \$935 from the Hughes Committee 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.
 - 2.1. The Jones Committee agrees to pay a civil penalty of \$1,000 for failing to disclose the May 15, 2007 in-kind contribution of \$935 from the Hughes Committee.
 - 2.2. The Jones Committee agrees to amend its 2007 Cycle 3 campaign finance report to disclose the May 15, 2007 in-kind contribution of \$935 from the Hughes Committee.
3. The Jones Committee admits that it failed to disclose a May 15, 2007 contribution of \$10,700 from the Hughes Committee 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.
 - 3.1. The Jones Committee agrees to pay a civil penalty of \$1,000 for failing to disclose the May 15, 2007 contribution of \$10,700 from the Hughes Committee.
 - 3.2. The Jones Committee agrees to amend its 2007 Cycle 3 campaign finance report to disclose the May 15, 2007 contribution of \$10,700 from the Hughes Committee.

4. The Jones Committee admits that on May 15, 2007, it accepted from the Hughes Committee a contribution 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.
 - 4.1. The Jones Committee agrees to pay a civil penalty of \$1,500 for accepting a contribution that exceeded by \$1,635 the limitations imposed by the City's campaign finance law.
 - 4.2. The Jones Committee agrees to repay to the Hughes Committee the excess portion of the contribution, \$1,635.
5. The Jones Committee admits that it failed to deposit in its checking account the May 15, 2007 contribution of \$10,700 from the Hughes Committee, in violation of §20-1003 of the Philadelphia Code.
 - 5.1. The Jones Committee agrees to pay a civil penalty of \$1,000 for failing to deposit in its checking account the May 15, 2007 contribution of \$10,700 from the Hughes Committee.
6. The Jones Committee admits that on May 15, 2007, it accepted an excess contribution of \$5,000 from the Hughes Committee, in violation of §20-1002(9) of the Philadelphia Code.
 - 6.1. The Jones Committee agrees to pay a civil penalty of \$1,000 for accepting an excess contribution of \$5,000 from the Hughes Committee.
7. The Jones Committee admits that it failed to disclose a May 15, 2007 contribution of \$5,000 from the Hughes Committee 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.
 - 7.1. The Jones Committee agrees to pay a civil penalty of \$1,000 for failing to disclose the May 15, 2007 contribution of \$5,000 from the Hughes Committee.
 - 7.2. The Jones Committee agrees to amend its 2007 Cycle 3 campaign finance report to disclose the May 15, 2007 contribution of \$5,000 from the Hughes Committee.

8. The Jones Committee admits that it failed to deposit in its checking account the May 15, 2007 contribution of \$5,000 from the Hughes Committee, in violation of §20-1003 of the Philadelphia Code.
 - 8.1. The Jones Committee agrees to pay a civil penalty of \$1,000 for failing to deposit in its checking account the May 15, 2007 contribution of \$5,000 from the Hughes Committee.
9. The Jones Committee admits that it failed to deposit in its checking account a May 15, 2007 contribution of \$5,000 from the Blackwell Committee, in violation of §20-1003 of the Philadelphia Code.
 - 9.1. The Jones Committee agrees to pay a civil penalty of \$1,000 for failing to deposit in its checking account the May 15, 2007 contribution of \$5,000 from the Blackwell Committee.
10. The Jones Committee admits that on June 29, 2007, it accepted an excess contribution of \$1,500 from the Hughes Committee, in violation of §20-1002(9) of the Philadelphia Code.
 - 10.1. The Jones Committee agrees to pay a civil penalty of \$1,000 for accepting an excess contribution of \$1,500 from the Hughes Committee.
 - 10.2. The Jones Committee agrees to repay to the Hughes Committee the excess contribution of \$1,500.
11. The Jones Committee admits that on August 7, 2007, it accepted an excess contribution of \$1,000 from the Hughes Committee, in violation of §20-1002(9) of the Philadelphia Code.
 - 11.1. The Jones Committee agrees to pay a civil penalty of \$1,000 for accepting an excess contribution of \$1,000 from the Hughes Committee.
 - 11.2. The Jones Committee agrees to repay to the Hughes Committee the excess contribution of \$1,000.
12. The Jones Committee admits that it failed to deposit in its checking account the August 7, 2007 contribution of \$1,000 from the Hughes Committee, in violation of §20-1003 of the Philadelphia Code.
 - 12.1. The Jones Committee agrees to pay a civil penalty of \$1,000 for failing to deposit in its checking account the August 7, 2007 contribution of \$1,000 from the Hughes Committee.

13. The Jones Committee admits that on September 4, 2007, it accepted an excess contribution of \$1,200 from the Hughes Committee, in violation of §20-1002(9) of the Philadelphia Code.
 - 13.1. The Jones Committee agrees to pay a civil penalty of \$1,000 for accepting an excess contribution of \$1,200 from the Hughes Committee.
 - 13.2. The Jones Committee agrees to repay to the Hughes Committee the excess contribution of \$1,200.
14. The Jones Committee admits that it failed to deposit in its checking account the September 4, 2007 contribution of \$1,200 from the Hughes Committee, in violation of §20-1003 of the Philadelphia Code.
 - 14.1. The Jones Committee agrees to pay a civil penalty of \$1,000 for failing to deposit in its checking account the May 15, 2007 contribution of \$1,200 from the Hughes Committee.
15. The Jones Committee admits that it failed to disclose the September 4, 2007 contribution of \$1,200 from the Hughes Committee in the 2007 Cycle 4 campaign finance report it filed with the Board of Ethics on October 28, 2007, in violation of §20-1006(4) of the Philadelphia Code.
 - 15.1. The Jones Committee agrees to pay a civil penalty of \$1,000 for failing to disclose the May 15, 2007 contribution of \$1,200 from the Hughes Committee.
 - 15.2. The Jones Committee agrees to amend its 2007 Cycle 3 campaign finance report to disclose the May 15, 2007 contribution of \$1,200 from the Hughes Committee.
16. The Jones Committee admits that it failed to disclose an April 1, 2007 contribution of \$10,000 from Fattah for Mayor in the amended 2007 Cycle 2 campaign finance report it filed with the Board of Ethics on June 14, 2007, in violation of §20-1006(4) of the Philadelphia Code.
 - 16.1. The Jones Committee agrees to pay a civil penalty of \$1,000 for failing to disclose the May 15, 2007 contribution of \$10,000 from Fattah for Mayor.
 - 16.2. The Jones Committee agrees to amend its 2007 Cycle 2 campaign finance report to disclose the May 15, 2007 contribution of \$10,000 from Fattah for Mayor.

17. The Jones Committee admits that it failed to disclose a May 31, 2007 in-kind contribution of \$2,200 from COPE in the amended 2007 Cycle 3 campaign finance report it filed with the Board of Ethics on May 8, 2008, in violation of §20-1006(4) of the Philadelphia Code.
 - 17.1. The Jones Committee agrees to pay a civil penalty of \$1,000 for failing to disclose the May 15, 2007 in-kind contribution of \$2,200 from COPE.
 - 17.2. The Jones Committee agrees to amend its 2007 Cycle 3 campaign finance report to disclose the May 15, 2007 in-kind contribution of \$2,200 from COPE.
18. The Jones 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 2.2, 3.2, 7.2, 15.2, 16.2, and 17.2.
19. The Parties agree that the Jones Committee owes the City of Philadelphia an aggregate civil penalty of \$22,500, which shall be paid as follows:
 - 19.1. \$2,812.50 on February 27, 2009;
 - 19.2. \$2,812.50 on April 30, 2009;
 - 19.3. \$2,812.50 on August 31, 2009
 - 19.4. \$2,812.50 on November 30, 2009;
 - 19.5. \$2,812.50 on February 1, 2010;
 - 19.6. \$2,812.50 on April 30, 2010;
 - 19.7. \$2,812.50 on August 31, 2010; and
 - 19.8. \$2,812.50 on November 30, 2010.
20. The Parties agree that the Jones Committee must repay to the Hughes Committee a total of \$5,335 in excess contributions, which shall be repaid as follows:
 - 20.1. \$1,333.75 on February 1, 2010;
 - 20.2. \$1,333.75 on April 30, 2010;
 - 20.3. \$1,333.75 on August 31, 2010; and
 - 20.4. \$1,333.75 on November 30, 2010.
21. Within fourteen days of the execution of the Agreement, the Board agrees to discontinue *Board of Ethics v. Friends of Curtis Jones, Jr., et al.*, Philadelphia Court of Common Pleas, May 2008 Term, No. 000687.
22. In consideration of the above and in exchange for the Jones Committee's compliance with all of the terms of the Agreement, the Board agrees to waive any further penalties or fines against Jones Campaign for the violations described in the Agreement.
23. The Parties will not to make any public statements that are inconsistent with the terms of the Agreement.

24. The Agreement contains the entire agreement between the Parties.

25. The Agreement shall become effective on execution by the Parties.

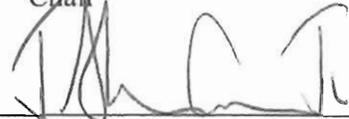
By the Board of Ethics of the City of
Philadelphia:

Dated: 2/13/09



Richard Glazer, Esquire
Chair

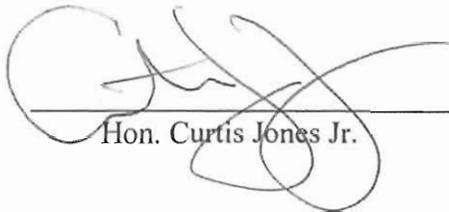
Dated: 2/13/09



J. Shane Creamer, Jr., Esquire
Executive Director

By the Friends of Curtis Jones, Jr.

Dated: 1/21/09



Hon. Curtis Jones Jr.

Dated: _____

Karen Lewis

24. The Agreement contains the entire agreement between the Parties.

25. The Agreement shall become effective on execution by the Parties.

By the Board of Ethics of the City of Philadelphia:

Dated: 2/13/09



Richard Glazer, Esquire
Chair

Dated: 2/13/09



J. Shane Creamer, Jr., Esquire
Executive Director

By the Friends of Curtis Jones, Jr.

Dated: _____

Hon. Curtis Jones Jr.

Dated: 2-11-09



Karen Lewis