



**CITY OF PHILADELPHIA
BOARD OF ETHICS**

Contact: J. Shane Creamer, Jr., Executive Director, 215-686-9450
For Immediate Release: July 19, 2018

PHILADELPHIA – On July 18, 2018, the Board of Ethics approved the below two settlement agreements. Copies of the approved agreements are attached.

- **Philadelphians for a Fair Future, et al.** This agreement resolves violations of the City’s Lobbying Law by Philadelphians for a Fair Future for making material misstatements and omissions in a registration and expense report submitted to the Board. The agreement also resolves violations by several lobbyists and lobbying firms for failing to register with the Board.

Philadelphians for a Fair Future has agreed to pay \$8,000 in civil monetary penalties and \$400 in 2016 registration fees on behalf of itself and Peak Strategic Solutions, Bellevue Strategies, Bellevue Communications Group, and Andrew Dalzell. Philadelphians for a Fair Future has filed an amended 2016 lobbying registration and an amended 2016 second quarter expense report with the Board.

- **47th Ward Democratic Executive Committee and George Brooks.** This agreement resolves violations of the City’s Campaign Finance Law by the 47th Ward Democratic Executive Committee for failing to timely file required campaign finance reports with the Board in 2017 for Cycles 3 and 6. The 47th Ward will pay a total of \$12,000 in civil monetary penalties.

The Philadelphia Board of Ethics is charged with interpreting, administering, enforcing and providing advice and training on Philadelphia's Public Integrity Laws. The Board was established as an independent, five-member City board in June 2006 through voter approval of an amendment to the Philadelphia Home Rule Charter. The Board has jurisdiction over City laws pertaining to conflicts of interest, representation and post-employment restrictions, gifts and gratuities, financial disclosure, interests in certain City contracts, prohibited political activities, campaign finance and lobbying. The Board has authority to issue regulations and advisory opinions, provide informal guidance and trainings, engage in administrative and judicial enforcement actions and impose civil penalties.

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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



J. Shane Creamer, Jr.

By Philadelphians for A Fair Future:

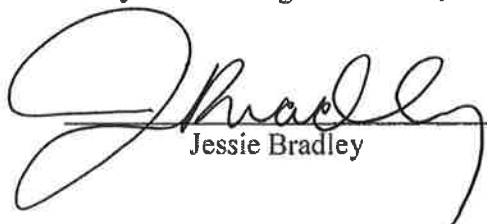
Dated: _____



Lora Haggard

By Peak Strategic Solutions, LLC:


Dated: 6/27/18



Jessie Bradley

By Bellevue Strategies, LLC:

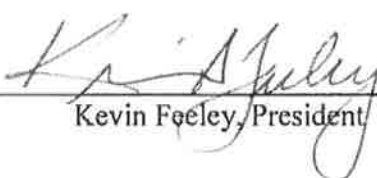
Dated: 6/26/2018



Mustafa Rashed, CEO

By Bellevue Communications Group:


Dated: 6/27/18



Kevin Feeley, President

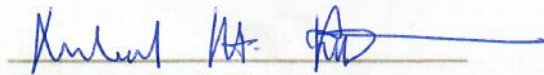
By Andrew Dalzell:

Dated: 6/20/18



Andrew Dalzell

Approved by the Board of Ethics on July 18, 2018



Michael H. Reed, Chair

SETTLEMENT AGREEMENT

This Settlement Agreement (“Agreement”) is made and entered into by the Board of Ethics of the City of Philadelphia, J. Shane Creamer, Jr., the Executive Director of the Board, the 47th Ward Democratic Executive Committee, and George Brooks, the Treasurer of the 47th Ward Democratic Executive Committee, 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, the Board is charged with administering and enforcing the City’s Campaign Finance Law.
- B. The 47th Ward Democratic Executive Committee is a registered political committee based in Philadelphia.
- C. George Brooks is the Treasurer of the 47th Ward Democratic Executive Committee. He also serves as the Democratic Ward Leader for the 47th ward.
- D. Pursuant to Philadelphia Code § 20-1006(1)(a)(2) and Regulation No. 1 Paragraph 1.20(d):

Any time any person or political committee is required by the Pennsylvania Election Code to file a campaign finance report or statement with the City Commissioners or the Secretary of State and that report or statement discloses, or is required to disclose, any expenditures or any debt incurred to influence the outcome of a covered election, the person or political committee shall file a copy of the report or statement with the Board of Ethics in a digital electronic format prescribed by the Board no later than the state law due date.
- E. Pursuant to Philadelphia Code §§ 20-1006(4) and 20-1301(2) and Regulation No. 1 Paragraph 1.53, late filing of a campaign finance report violates the City’s Campaign Finance Law and is subject to a civil monetary penalty of \$250 for each day the report is late with maximum total penalties of \$2,000 for the first 30 days the report remains unfiled plus \$1,000 for each additional 30 day period, or part thereof, the report remains unfiled.
- F. June 15, 2017 was the deadline for political committees to file a thirty day post-primary election (cycle 3) campaign finance report.
- G. The 47th Ward Democratic Executive Committee made over \$7,000 in expenditures for get-out-the-vote and Election Day activities during the cycle 3 reporting period, including expenditures supporting candidates for City office. Therefore, the committee should have electronically filed a cycle 3 report with the Board by June 15, 2017. The 47th Ward Democratic Executive Committee did not file a cycle 3 report with the Board by June 15, 2017.

- H. December 7, 2017 was the deadline for political committees to file a thirty day post-general election (cycle 6) campaign finance report.
- I. The 47th Ward Democratic Executive Committee made almost \$6,000 in expenditures for get-out-the-vote and Election Day activities during the cycle 6 reporting period, including expenditures supporting candidates for City office. Therefore, the committee should have electronically filed a cycle 6 report with the Board by December 7, 2017. The 47th Ward Democratic Executive Committee did not file a cycle 6 report with the Board by December 7, 2017.
- J. After contact from Board Enforcement Staff, the 47th Ward Democratic Executive Committee filed its 2017 cycle 3 and cycle 6 reports with the Board on June 25, 2018.
- K. The Parties desire to enter into this Agreement in order to resolve the issues described herein.

AGREEMENT

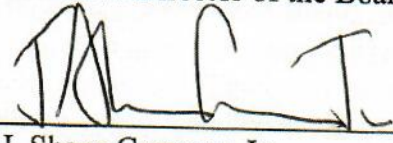
The Parties agree that:

1. The 47th Ward Democratic Executive Committee's late filing of its 2017 cycle 3 campaign finance report with the Board violated the City's Campaign Finance Law and is subject to a civil monetary penalty of \$13,000. However, for the purposes of settlement, the aggregate penalty is reduced to \$8,000.
2. The 47th Ward Democratic Executive Committee's late filing of its 2017 cycle 6 campaign finance report with the Board violated the City's Campaign Finance Law and is subject to a civil monetary penalty of \$7,000. However, for the purposes of settlement, the aggregate penalty is reduced to \$4,000.
3. The 47th Ward Democratic Executive Committee and George Brooks are jointly and severally liable for the aggregate civil monetary penalty of \$12,000, which shall be paid on the following schedule.
 - 3.1. \$2,000 within 60 days of the effective date of the Agreement; and
 - 3.2. At least \$500 every 90 days thereafter until the full amount is paid, provided that the full amount shall be paid by July 31, 2019.Payment shall be by check or money order made payable to the City of Philadelphia and delivered to the offices of the Board.
4. The 47th Ward Democratic Executive Committee and George Brooks 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 the Agreement.
5. In consideration of the above and in exchange for the compliance of the 47th Ward Democratic Executive Committee and George Brooks with all of the terms of the Agreement, the Board waives any further penalties or fines against them for the violations described in the Agreement.

6. The Parties will not make any public statements that are inconsistent with the terms of the Agreement.
7. If the Ethics Board is forced to seek judicial enforcement of the Agreement, and prevails, the 47th Ward Democratic Executive Committee and George Brooks 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.
8. The Agreement contains the entire agreement between the Parties.
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By the Executive Director of the Board of Ethics:

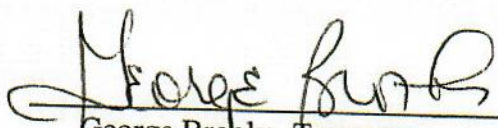
Dated: 7/12/18



J. Shane Creamer, Jr.

By 47th Ward Democratic Executive Committee:

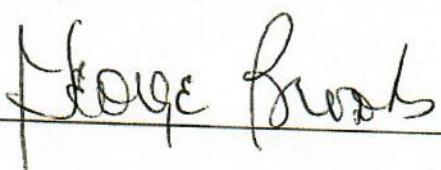
Dated: 7/12/18




George Brooks, Treasurer

By George Brooks:

Dated: 7/12/18



Approved by the Board of Ethics on July 18, 2018



Michael H. Reed
Chair