

**Administrative Adjudication
Matters # 1108CF6 and 1108CF12**

SETTLEMENT AGREEMENT

This Settlement Agreement (“Agreement”) is made and entered into between the Board of Ethics of the City of Philadelphia, Councilwoman Blondell Reynolds Brown, Gail Scarborough, and the Friends of Blondell Reynolds Brown, jointly referred to as “the Parties.”

RECITALS

- A. The Board of Ethics of the City of Philadelphia is a five-member, independent board established by ordinance, approved by Philadelphia voters in May 2006, and installed on November 27, 2006. Pursuant to section 4-1100 of the Home Rule Charter, the Board is charged with, among other things, enforcing the City’s campaign finance law which is found at Chapter 20-1000 of the Philadelphia Code.
- B. The Friends of Blondell Reynolds Brown is the authorized candidate political committee of Councilwoman Blondell Reynolds Brown, a candidate for Philadelphia City Council in 2011.
- C. Gail Scarborough is the treasurer of Friends of Blondell Reynolds Brown.
- D. On February 23, 2011, Councilwoman Blondell Reynolds Brown filed a nomination petition to be placed on the ballot as a candidate for a Democratic nomination for a Philadelphia City Council at-large seat.
- E. Because Councilwoman Brown was a candidate for City of Philadelphia elective office, both she and her authorized candidate committee were subject to Philadelphia’s campaign finance law during the 2011 primary election.
- F. Pursuant to Philadelphia Code § 20-1006(1)(a) and Regulation No. 1 Paragraph 1.42:

Whenever a candidate for City elective office (or such a candidate’s treasurer or agent) files a campaign finance report with the City Commissioners or the Secretary of State pursuant to the Pennsylvania Election Code, he or she shall file electronically a copy of that report with the Board, through the Department of Records.

G. Pursuant to Philadelphia Code § 20-1006(1)(a) and Regulation No. 1 Paragraph 1.43:

Whenever a political committee (or a political committee's treasurer or agent), files a campaign finance report with the City Commissioners or the Secretary of State, the political committee shall file electronically a copy of that report with the Board, through the Department of Records, if the report filed with the City Commissioners or Secretary of State discloses, or should disclose, any contributions or expenditures made to influence the outcome of a covered election, including contributions from or expenditures to a candidate for City elective office.

H. Pursuant to Philadelphia Code § 20-1006(4):

The failure to file information as required by this Section, or the making of material misstatements or omissions in any filing required by this Section, shall be deemed to be a violation of Chapter 20-1300 (Penalties for Campaign Finance-Related and Ethics-Related Violations) and subject to enforcement and the imposition of penalties under that Chapter.

I. Pursuant to Philadelphia Code § 20-1002(2), a political committee may not contribute more than \$10,600 to a City candidate's candidate committee in a calendar year.

J. Pursuant to Code § 20-1002(12), no candidate for City elective office, and no political committee, may accept any contribution which exceeds the contribution limits set forth in Chapter 20-1000.

K. Pursuant to the Pennsylvania Election Code (25 P.S. 3248), in 2011, all candidates for Philadelphia municipal office, and their authorized candidate committees, were required to file pre-primary campaign finance reports (cycle 2) with the City Commissioners by May 6, 2011. Pursuant to the City's campaign finance law, authorized candidate committees were also required to electronically file those reports with the Ethics Board. In such a pre-primary report, a candidate committee should have disclosed all of its receipts and expenditures for the time period January 1 – May 2, 2011, including all contributions received by the committee.

L. In order to ensure that the public has access to information about large contributions received by candidates before the primary, but after the close of the pre-primary reporting period, the Pennsylvania Election Code further requires that candidates' committees disclose any contributions of \$500 or more received in that time period within 24 hours of receipt. Therefore, in 2011, a City candidate's authorized committee should have filed reports with the City Commissioners disclosing all contributions of \$500 or more received from May 3rd through May 17th. Pursuant to the City's campaign finance law, the committee should also have disclosed such contributions in reports electronically filed with the Ethics Board.

M. In addition, all candidates for Philadelphia municipal office, and their authorized candidate committees, were required to file post-primary campaign finance reports (cycle 3) with the City Commissioners by June 16, 2011. Pursuant to the City's campaign finance law, authorized candidate committees were therefore required to electronically file those reports with the Ethics Board. In such a post-primary report, a candidate committee should have disclosed all of its receipts and expenditures for the time period May 3 – June 6, 2011, 2011, including all contributions received by the committee.

N. The Friends of Blondell Reynolds Brown failed to disclose the following contributions in the pre-primary (cycle 2) campaign finance report the committee filed with the Ethics Board on May 12, 2011:

- 1) April 16, Progressive Agenda, \$10,000
- 2) April 21, Progressive Agenda, \$15,000
- 3) April 20, Faculty Federation of Community College of Phila., \$500
- 4) April 21, Swanson St Assoc, \$500
- 5) April 24, Citizens for Hughes, \$1,000
- 6) April 25, J. McDaniel, \$500
- 7) May 1, Power Point, \$500
- 8) May 1, HAPCO, \$1250
- 9) May 1, C. Williams, \$500
- 10) May 1, Neighbors United to Elect Frank DiCicco, \$1,000
- 11) May 1, Citizens for Hughes, \$1,000
- 12) May 1, SRW&A PAC, \$1,000
- 13) May 2, H. Kimmel, \$500

O. The Friends of Blondell Reynolds Brown failed to disclose the following contributions received during the 2011 primary election 24 hour reporting period:

- 1) May 3, N. Shah, \$500
- 2) May 3, Linebarger, Goggan, \$500
- 3) May 3, R. Vague, \$1,000
- 4) May 3, T. Dean, \$500
- 5) May 3, M. Shaw, \$1,000
- 6) May 3, Comcast PAC, \$5,000
- 7) May 3, Fattah for Congress, \$5,000
- 8) May 5, F. Devine, \$1,000
- 9) May 5, D. Richman, \$500
- 10) May 5, L. McKay, \$1,000
- 11) May 5, J. Tucker, \$1,500
- 12) May 5, M. Feeley, \$500
- 13) May 5, M. Bowen, \$800
- 14) May 5, Pepper Hamilton, \$2,500
- 15) May 6, Phila PAC, \$1,500
- 16) May 9, Ballard Spahr, \$2,500

- 17) May 9, PFT, \$1,000
- 18) May 9, GPCC Penn PAC, \$1,000
- 19) May 11, TWU Local 234, \$1,000
- 20) May 11, Jackmont Hospitality, \$500
- 21) May 11, A. Clay, \$500
- 22) May 11, Walker Nell Partners, \$500
- 23) May 11, D. Allie, \$500
- 24) May 11, W. Johnson, \$1,000
- 25) May 11, N. Ball, \$1,000
- 26) May 11, F. Ahmed, \$1,500
- 27) May 11, D. Boozer, \$500
- 28) May 16, Progressive Agenda, \$500
- 29) May 16, Citizens for Hughes, \$1,000
- 30) May 16, Power Point, \$500
- 31) May 16, R. Straughter, \$500
- 32) May 16, Duane Morris PAC, \$1,000
- 33) May 16, Aramark PAC, \$500
- 34) May 16, Clear Channel, \$500
- 35) May 16, A. Pratt, \$700
- 36) May 16, B. Ficken, \$500
- 37) May 16, T. Cole, \$500
- 38) May 9, J. Del Raso, \$500
- 39) May 16, R Harris, \$500
- 40) May 16, W. Walker, \$500
- 41) May 16, Citizens for Hughes, \$1,000
- 42) May 16, Cashsman LLC, \$500
- 43) May 16, D. Napper, \$1,000
- 44) May 16, D. Dunphy, \$500

P. The Friends of Blondell Reynolds Brown failed to disclose the following contributions in the post-primary (cycle 3) campaign finance report the committee filed with the Ethics Board on June 16, 2011:

- 1) May 3, N. Shah, \$500
- 2) May 3, Linebarger, Goggan, \$500
- 3) May 3, R. Vague, \$1,000
- 4) May 3, T. Dean, \$500
- 5) May 3, M. Shaw, \$1,000
- 6) May 3, Fattah for Congress, \$5,000
- 7) May 5, F. Devine, \$1,000
- 8) May 5, D. Richman, \$500
- 9) May 5, L. McKay, \$1,000
- 10) May 5, J. Tucker, \$1,500
- 11) May 5, M. Feeley, \$500
- 12) May 5, M. Bowen, \$800
- 13) May 5, Pepper Hamilton, \$2,500

- 14) May 6, Phila PAC, \$1,500
- 15) May 9, Ballard Spahr, \$2,500
- 16) May 9, PFT, \$1,000
- 17) May 9, GPCC Penn PAC, \$1,000
- 18) May 16, Progressive Agenda, \$500
- 19) May 16, Citizens for Hughes, \$1,000
- 20) May 16, Power Point, \$500
- 21) May 16, R. Straughter, \$500
- 22) May 16, Duane Morris PAC, \$1,000
- 23) May 16, Aramark PAC, \$500
- 24) May 16, Clear Channel, \$500
- 25) May 16, A. Pratt, \$700
- 26) May 16, B. Ficken, \$500
- 27) May 16, T. Cole, \$500
- 28) May 16, J. Del Raso, \$500
- 29) May 16, Cashman LLC, \$500
- 30) May 16, D. Napper, \$1,000
- 31) May 16, D. Dunphy, \$500

Q. Progressive Agenda PAC made the following contributions to the Friends of Blondell Reynolds Brown in 2011:

- 1) April 15th, \$10,000;
- 2) April 22nd, \$15,000; and
- 3) May 13th, \$500.

R. Progressive Agenda PAC's contributions to the Friends of Blondell Reynolds Brown on April 22nd and May 13th exceeded the contribution limits set by the City's campaign finance law by a total of \$14,900.

S. On June 15, 2011, the Friends of Blondell Reynolds Brown refunded \$5,000 of the excess contributions to Progressive Agenda PAC. The Friends of Blondell Reynolds Brown refunded the remaining \$9,900 on September, 21, 2011.

T. On August 2, 2011, the Board's Executive Director served Notices of Administrative Enforcement Proceeding on Councilwoman Brown, Scarborough, and the Friends of Blondell Reynolds Brown alleging violations of Code §§ 20-1002(2) and 20-1006(4).

U. In response to the Notices of Administrative Enforcement Proceeding, Councilwoman Brown and the Friends of Blondell Reynolds Brown have cooperated fully with Ethics Board staff to identify any and all contributions omitted from the committee's campaign finance reports and to remedy the related violations of the City's campaign finance law.

V. The Parties desire to enter into this Agreement in order to resolve the issues described herein.

AGREEMENT

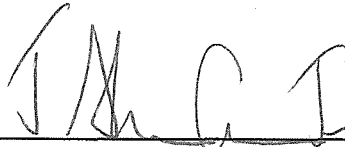
The Parties agree that:

1. The Friends of Blondell Reynolds Brown's and Scarborough's failure to disclose the contributions identified in Paragraph N violated §20-1006(4) of the Philadelphia Code and shall be subject to a civil penalty of \$2,000.
2. The Friends of Blondell Reynolds Brown's and Scarborough's failure to disclose the contributions identified in Paragraph O violated §20-1006(4) of the Philadelphia Code and shall be subject to a civil penalty of \$2,500.
3. Friends of Blondell Reynolds Brown's and Scarborough's failure to disclose the contributions identified in Paragraph P violated §20-1006(4) of the Philadelphia Code and shall be subject to a civil penalty of \$2,000.
4. Friends of Blondell Reynolds Brown shall pay an aggregate civil penalty of \$6,500 on the following schedule:
 - 4.1. \$1,500 by October 31, 2011;
 - 4.2. \$1,000 by March 31, 2012;
 - 4.3. \$1,000 by September 30, 2012;
 - 4.4. \$1,000 by January 31, 2013;
 - 4.5. \$1,000 by March 31, 2013; and
 - 4.6. \$1,000 by September 30, 2013.
5. Payment shall be made by check made out to the City of Philadelphia and delivered to the offices of the Board.
6. Friends of Blondell Reynolds Brown's and Councilwoman Reynolds Brown's acceptance of excess contributions from Progressive Agenda PAC in 2011 violated §20-1002(12) of the Philadelphia Code and shall be subject to a civil penalty of \$1,500.
7. Councilwoman Blondell Reynolds Brown shall pay the civil penalty of \$1,500 on the following schedule:
 - 7.1. \$500 by October 31, 2011;
 - 7.2. \$500 by June 30, 2012; and
 - 7.3. \$500 by March 31, 2013.
8. Payment shall be made by check made out to the City of Philadelphia and delivered to the offices of the Board.

9. Within 45 days of the execution of the Agreement, the Friends of Blondell Reynolds Brown will file amended campaign finance reports correcting all omissions and errors identified in the Agreement. In addition, the committee will thoroughly review its records of all contributions received from January 2, 2011 to June 7, 2011 and will disclose any and all contributions received in that time period. Any omissions or errors that are discovered and disclosed by the committee in its amended reports will not be the basis for an enforcement action initiated by the Board, even if such omissions or errors are not identified in the Agreement.
10. Councilwoman Brown, Scarborough, and the Friends of Blondell Reynolds Brown 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 violations described in the Agreement.
11. In consideration of the above and in exchange for Councilwoman Brown's, Scarborough's, and the Friends of Blondell Reynolds Brown's compliance 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 and in the Notices of Administrative Enforcement Proceeding served on Councilwoman Brown, Scarborough, and the Friends of Blondell Reynolds Brown on August 2, 2011 alleging violations of Code §§ 20-1002(2) and 20-1006(4).
12. The Parties will not make any public statements that are inconsistent with the terms of the Agreement.
13. If the Ethics Board is forced to seek judicial enforcement of the Agreement, and prevails, Friends of Blondell Reynolds Brown and Councilwoman Brown shall be jointly and severally liable for attorneys' fees and costs reasonably expended in enforcing compliance with paragraph 7 of this Agreement; the Friends of Blondell Reynolds Brown shall be liable for attorneys' fees and costs reasonably expended in enforcing compliance with paragraphs 4 and 9 of this Agreement. Fees for time spent by Board staff attorneys shall be calculated based upon standard and customary billing rates in Philadelphia for attorneys with similar experience.
14. The Agreement contains the entire agreement between the Parties.
15. The Parties will submit a signed copy of the Agreement to the Board for approval. Signatures may be submitted in counterparts.
16. The Agreement shall become effective upon approval by the Board.
17. 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 further participation in or consideration or resolution of the pending Administrative adjudication of the matters described in the Agreement.

By the Executive Director of the Board of Ethics:

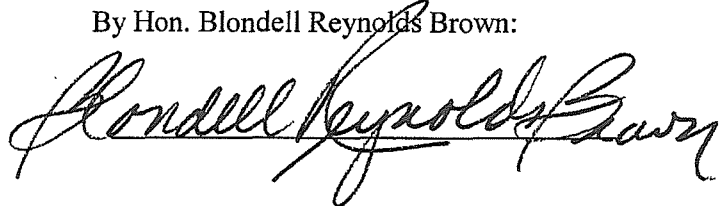
Dated: 9/21/11



J. Shane Creamer, Jr., Esquire

By Hon. Blondell Reynolds Brown:

Dated: 9/18/11



Blondell Reynolds Brown

By Gail Scarborough:

Dated: _____


By Friends of Blondell Reynolds Brown:

Dated: _____

Gail Scarborough, Treasurer

Approved by the Board of Ethics:

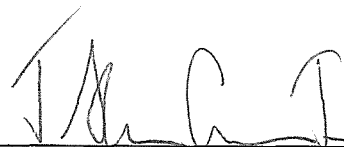
Dated: 9/21/2011



Richard Glazer, Esquire
Chair

By the Executive Director of the Board of Ethics:

Dated: 9/21/11



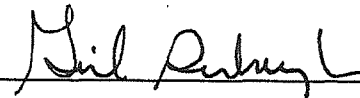
J. Shane Creamer, Jr., Esquire

By Hon. Blondell Reynolds Brown:

Dated: _____


By Gail Scarborough:

Dated: 9/20/11



By Friends of Blondell Reynolds Brown:

Dated: 9/20/11



Gail Scarborough, Treasurer

Approved by the Board of Ethics:

Dated: _____

Richard Glazer, Esquire
Chair