

SETTLEMENT AGREEMENT

This Settlement Agreement (“Agreement”) is made and entered into between the Board of Ethics of the City of Philadelphia, J. Shane Creamer Jr., Executive Director of the City of Philadelphia Board of Ethics, Friends of Blondell Reynolds Brown, and the Honorable Blondell Reynolds Brown, jointly referred to as “the Parties.”

RECITALS

- A. The Board of Ethics of the City of Philadelphia is an independent City Board and, pursuant to section 4-1100 of the Home Rule Charter, is responsible for administering and 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 a City Council At-Large seat in the May 2015 Philadelphia primary and general elections.
- C. Arvelle Jones is the treasurer of Friends of Blondell Reynolds Brown.
- D. In March of 2015, on the advice of Councilwoman Reynolds Brown’s campaign consultants and attorneys, Friends of Blondell Reynolds Brown established a savings account into which, over the next several weeks, the campaign deposited numerous contributions totaling \$25,115. The Committee established the savings account at the same bank at which it held its checking account. The purpose of this second account was to set aside funds for election-day get out the vote activities. The Committee did not make any expenditures directly out of the savings account, but later transferred all the money held in the savings account to the checking account.
- E. Councilwoman Reynolds Brown asked her advisors whether or not such an account was permissible under the City’s Campaign Finance Law and they assured her it was. Councilwoman Reynolds Brown herself believed that depositing contributions into the second account was permissible because both accounts were held in the Committee’s name at the same bank. No one from the Councilwoman’s campaign contacted the Board to ask whether or not such an arrangement was permissible under the City’s Campaign Finance Law.
- F. Pursuant to Philadelphia Code § 20-1003 and Regulation No. 1, Paragraph 1.25, candidates for City office must deposit into a single checking account all contributions received for the City office being sought. Depositing contributions into a second account does not comply with this requirement.
- G. Pursuant to Philadelphia Code § 20-1302, the penalty for a violation of Philadelphia Code § 20-1003 is \$1,000, which can be increased to \$2,000 if aggravating factors are present and decreased to \$250 if mitigating factors are present.
- H. From March 16 through May 18 of 2015, Friends of Blondell Reynolds Brown deposited a total of \$25,115 in contributions into the savings account. The committee did not disclose any of the contributions deposited into the savings account in either the cycle 2 (pre-primary) report or the cycle 3 (30 day post-primary) report it filed with the Board.

- I. During the 24 hour reporting period of May 5 through May 19, 2015, Friends of Blondell Reynolds Brown failed to disclose contributions that it deposited into the savings account. Specifically, the Committee received contributions on May 11 and 18, 2015 but failed to file reports on May 12 and 19 disclosing these contributions. The Committee also failed to disclose contributions it received on May 14 in the 24 hour report it filed with the Board on May 15, 2015.
- J. On May 12, 2015, Friends of Blondell Reynolds Brown received a check for \$7,500 from Citizens for Vincent Hughes that the committee deposited into its checking account. However, the Committee did not file a 24 hour report disclosing the contribution until May 18, 2015. As such, that report was filed five days late. In addition, Friends of Blondell Reynolds Brown did not disclose the check in the cycle 3 report the Committee filed with the Board on June 18, 2015.
- K. Pursuant to Philadelphia Code §§ 20-1006(4) and 20-1301(2) and Regulation No. 1 Paragraph 1.54, 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.
- L. Pursuant to Philadelphia Code § 20-1006(4) and Regulation No. 1, Paragraph 1.24, the making of a material misstatement or omission in a report filed with the Board is a violation of the City's Campaign Finance Law. Pursuant to Philadelphia Code § 20-1302, the penalty for a violation of Philadelphia Code § 20-1006(4) is \$1,000, which can be increased to \$2,000 if aggravating factors are present and decreased to \$250 if mitigating factors are present.
- M. In June of 2015, an attorney for Councilwoman Reynolds Brown contacted Board enforcement staff to self-report that the Committee had used more than one account to accept campaign contributions and had failed to disclose the contributions made into that account. The Committee retained a new campaign finance consulting firm to conduct a complete review of the Committee's finances. The consultant worked closely with Board enforcement staff to prepare and file amended campaign finance reports. Councilwoman Reynolds Brown and her new campaign finance consultant have provided full and complete cooperation to Board enforcement staff.
- N. The Parties desire to enter into this Agreement in order to resolve the issues described herein.

AGREEMENT

The Parties agree that:

1. By depositing contributions into a savings account in addition to the committee's checking account Blondell Reynolds Brown violated Philadelphia Code Section 20-1003 and is subject to a civil monetary penalty of \$1,500.

Councilwoman Reynolds Brown shall pay the civil monetary penalty of \$1,500 on the following schedule:

- 1.1 \$500 within 30 days of the effective date of the agreement;
- 1.2 \$500 by April 15, 2016; and
- 1.3 \$500 by July 31, 2016.

Payment shall be by check made payable to the City of Philadelphia and delivered to the offices of the Board.

2. By making material omissions from the 2015 cycle 2 campaign finance report it filed with the Board on May 8, 2015, Friends of Blondell Reynolds Brown violated Philadelphia Code § 20-1006(4), and is subject to a civil monetary penalty of \$2,000.
3. Friends of Blondell Reynolds Brown's late filing of three 24 hour reports with the Board violated Philadelphia Code § 20-1006(1) and is subject to a civil monetary of \$3,000.
4. By making material omissions from a 24 hour report it filed with the Board on May 15, 2015, Friends of Blondell Reynolds Brown violated Philadelphia Code § 20-1006(4), and is subject to a civil monetary penalty of \$1,000.
5. By making material omissions from the 2015 cycle 3 campaign finance report it filed with the Board on June 18, 2015, Friends of Blondell Reynolds Brown violated Philadelphia Code § 20-1006(4), and is subject to a civil monetary penalty of \$2,000.
6. Friends of Blondell Reynolds Brown shall pay the aggregate civil monetary penalty of \$8,000 on the following schedule:
 - 6.1 \$2,000 within two weeks of the effective date of the agreement;
 - 6.2 \$2,000 by April 15, 2016;
 - 6.3 \$2,000 by July 31, 2016; and
 - 6.4 \$2,000 by September 30, 2016.

Payment shall be by check made payable to the City of Philadelphia and delivered to the offices of the Board.

7. On January 28, 2013, the Board approved a settlement agreement with Friends of Blondell Reynolds Brown and Councilwoman Reynolds Brown resolving violations of the City's Campaign Finance Law and Ethics Code. On September 21, 2011, the Board approved a settlement agreement with Friends of Blondell Reynolds Brown and Councilwoman Reynolds Brown resolving violations of the City's Campaign Finance Law. Because of these prior settlement agreements, so long as Councilwoman Reynolds Brown holds City elective office or is a candidate for City elective office:
- a. Councilwoman Reynolds Brown shall notify Board enforcement staff within seven business days if Friends of Blondell Reynolds Brown opens any new or additional bank account or if the Committee changes the bank at which it holds its accounts.
 - b. At all times, Friends of Blondell Reynolds Brown shall employ a person who specializes in campaign finance compliance who shall prepare and review all campaign finance filings the Committee submits to the Board. This person shall have access to the records for all bank accounts held by the Committee.
 - c. Anytime the Committee or Councilwoman retains a new campaign finance compliance person, Councilwoman Reynolds Brown shall so notify Board enforcement staff within seven business days. Within 30 days of being retained, the new compliance person shall contact Board enforcement staff to schedule a time to attend a Board sponsored campaign finance training.
 - d. Before announcing any future candidacy for City elective office, Councilwoman Reynolds Brown shall attend a Board sponsored campaign finance training.
 - e. Any time Friends of Blondell Reynolds Brown files a campaign finance report with the City Commissioners or Pennsylvania Secretary of State, the Committee shall electronically file a copy of that report with the Board.
 - f. Any time Friends of Blondell Reynolds Brown files a campaign finance report with the Board, by the end of the month in which the Committee files the report, it shall provide to Board enforcement staff copies of all bank records for all accounts held by the Committee during the relevant reporting period.
 - g. Any contributions received by either Friends of Blondell Reynolds Brown, Councilwoman Reynolds Brown, or an agent thereof shall be deposited into the Friends of Blondell Reynolds Brown checking account (or the checking account of a litigation fund, as provided by Board Regulation No. 1).

If either Councilwoman Reynolds Brown or Friends of Blondell Reynolds Brown fails to comply with any of the provisions of Paragraph 7, Councilwoman Reynolds Brown shall pay the City \$1,000 within two weeks of being notified by the Board of the specific failure to comply. Payment shall be by check made payable to the City of Philadelphia and delivered to the offices of the Board.

8. Councilwoman Reynolds Brown and 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 matters described in this Agreement.
9. In consideration of the above and in exchange for the compliance of Councilwoman Reynolds Brown and Friends of Blondell Reynolds Brown 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, Councilwoman Reynolds Brown and Friends of Blondell Reynolds Brown 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 Chair signs 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.

Dated: 12/23/15

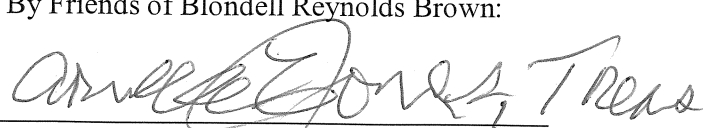
By the Executive Director of
the Board of Ethics:



J. Shane Creamer, Jr.

Dated: 12/22/15

By Friends of Blondell Reynolds Brown:



Arvelle Jones, Treasurer

By Blondell Reynolds Brown:

Dated: Dec. 21, 2015

Blondell Reynolds Brown

Approved by the Board of Ethics:

Dated: 12/28/2015

Michael H. Reed

Michael H. Reed
Chair