

SETTLEMENT AGREEMENT

This Settlement Agreement (“Agreement”) is made and entered into between the Board of Ethics of the City of Philadelphia, Friends of Helen Gym, Helen Gym, 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 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. The Ethics Board has provided a detailed interpretation of the campaign finance law in its Regulation No. 1 (Campaign Finance).
- B. Helen Gym is a candidate for a City Council At-Large seat in the upcoming November 2015 general election. Ms. Gym announced her candidacy for City Council in February 2015.
- C. Ms. Gym has designated the political committee Friends of Helen Gym as the one committee which will accept contributions and make expenditures for her campaign for City Council. Irv Ackelsberg is the treasurer of Friends of Helen Gym.
- D. The Philadelphia Federation of Teachers Committee to Support Public Education (“PFT CSPE”) is a political committee based in Philadelphia and registered with the Pennsylvania Department of State.
- E. The AFT-PA Committee to Support Public Education (“AFT-PA CSPE”) is a political committee based in Philadelphia and registered with the Pennsylvania Department of State.
- F. Pursuant to Philadelphia Code § 20-1002(12) and Regulation No. 1, Paragraph 1.7, a candidate for City elective office cannot accept contributions of more than \$11,500 per calendar year from a political committee, including contributions made through one or more political committees.
- G. Pursuant to Regulation No. 1, Paragraph 1.4, a contribution is made through a political committee if a person or political committee makes a contribution to a political committee and directs, suggests, or requests, whether in a direct, indirect, express, or implied manner, that the recipient political committee use all or part of the contributed money to make an expenditure to a specific candidate.
- H. Pursuant to Philadelphia Code § 20-1301(1) and Regulation No. 1, Paragraph 1.52, the acceptance of an excess contribution by a candidate for City elective office is subject to a civil monetary penalty of three times the excess portion or \$2,000, whichever is less.
- I. In late April, Board enforcement staff received a complaint alleging that the PFT CSPE had made an excess contribution to Friends of Helen Gym through the AFT-PA CSPE. Because the complaint stated potential violations of the City’s Campaign Finance Law, enforcement staff accepted the complaint and opened an investigation. In the course of the investigation, enforcement staff interviewed witnesses and obtained documents.

- J. On February 14, 2015, Friends of Helen Gym accepted a contribution of \$11,500 from PFT CSPE.
- K. On February 26, 2015, PFT CSPE wrote a check to AFT-PA CSPE for \$11,500.
- L. On March 10, 2015, AFT-PA CSPE made a contribution of \$11,500 to Friends of Helen Gym.
- M. In a July 15, 2015 settlement agreement with the Board, PFT CSPE acknowledged that, for the purposes of the City's Campaign Finance Law, it made the March 10, 2015 contribution of \$11,500 to Friends of Helen Gym through AFT-PA CSPE. A copy of the PFT CSPE settlement agreement is attached hereto as Exhibit A.
- N. Neither Ms. Gym nor anyone from her campaign was involved in or knew about PFT CSPE's making of the March 10, 2015 contribution through AFT-PA CSPE.
- O. At all times, Ms. Gym and the Gym campaign have fully cooperated with the Board's investigation. Prior to the May primary election, after meeting with Board enforcement staff, the Friends of Helen Gym voluntarily placed \$11,500 into a separate account. Board enforcement staff asked the committee to do so in order to ensure that potential excess monies would not be spent to influence the upcoming May primary election. Since doing so, Friends of Helen Gym has not spent any of that money.
- P. The Parties desire to enter into this Agreement in order to resolve the issues described herein.

AGREEMENT

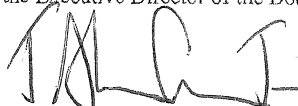
The Parties agree that:

1. For the purposes of the City's Campaign Finance Law, the contribution PFT CSPE made to Friends of Helen through AFT-PA CSPE exceeded the contribution limits by \$11,500. By accepting this excess contribution, Friends of Helen Gym violated Philadelphia Code Section 20-1002(12). However, because neither Friends of Helen Gym nor Helen Gym knew that PFT CSPE had made this contribution through AFT-PA CSPE, the Board waives the civil monetary penalty for this violation.
2. Friends of Helen Gym shall disgorge to the City \$11,500, the amount of the excess contribution. Such disgorgement shall take place within 14 days of the effective date of the Agreement and shall be made by check payable to the City of Philadelphia and delivered to the offices of the Board.
3. Friends of Helen Gym and Helen Gym 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 violation described in the Agreement.
4. In consideration of the above and in exchange for the compliance of Friends of Helen Gym and Helen Gym with all of the terms of the Agreement, the Board waives any further penalties or fines against them for the violation described in this Agreement.

5. The Parties will not make any public statements that are inconsistent with the terms of the Agreement.
6. If the Board or the City is forced to seek judicial enforcement of this Agreement, and prevails, Friends of Helen Gym and Helen Gym 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.
7. The Agreement contains the entire agreement between the Parties.
8. The Executive Director will submit a signed copy of the Agreement to the Board for approval.
9. 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.
10. 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:

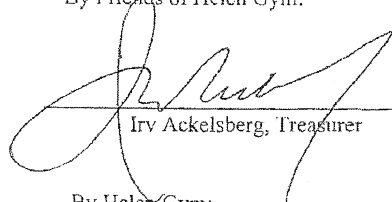
Dated: 8/3/15



J. Shane Creamer, Jr.

By Friends of Helen Gym:

Dated: 7/29/2015



Irv Ackelsberg, Treasurer

By Helen Gym:

Dated: 7/30/2015



Helen Gym

Approved by the Board of Ethics:

Effective Date: 8/20/2015

Michael H. Reed
Michael H. Reed, Chair

EXHIBIT A

SETTLEMENT AGREEMENT

This Settlement Agreement (“Agreement”) is made and entered into between the Board of Ethics of the City of Philadelphia, the Philadelphia Federation of Teachers Committee to Support Public Education, 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 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. The Ethics Board has provided a detailed interpretation of the campaign finance law in its Regulation No. 1 (Campaign Finance).
- B. The Philadelphia Federation of Teachers ("PFT") is a chapter of the American Federation of Teachers — Pennsylvania Chapter ("AFT-PA") and is the certified bargaining agent under Pennsylvania law for teachers and other classification of other employees working in the School District of Philadelphia. Jerry Jordan is the President of the Philadelphia Federation of Teachers. Ted Kirsch is the President of the AFT-PA. Jerry Jordan also serves on the Executive Council of the AFT-PA.
- C. The Philadelphia Federation of Teachers Committee to Support Public Education (“PFT CSPE”) is a political committee based in Philadelphia and registered with the Pennsylvania Department of State. Jerry Jordan is a member of the PFT CSPE.
- D. The AFT-PA Committee to Support Public Education (“AFT-PA CSPE”) is a political committee based in Philadelphia and registered with the Pennsylvania Department of State. Jerry Jordan and Ted Kirsch are members of the AFT-PA CSPE.
- E. Jack Steinberg is the treasurer of both the PFT CSPE and the AFT CSPE.
- F. Pursuant to Philadelphia Code § 20-1002(2) and Regulation No. 1, Paragraph 1.3(a), a political committee cannot contribute more than \$11,500 per calendar year to a candidate for City elective office, including contributions made through one or more political committees.
- G. Pursuant to Regulation No. 1, Paragraph 1.4, a contribution is made through a political committee if a person or political committee makes a contribution to a political committee and directs, suggests, or requests, whether in a direct, indirect, express, or implied manner, that the recipient political committee use all or part of the contributed money to make an expenditure to a specific candidate.
- H. Pursuant to Philadelphia Code § 20-1301(1) and Regulation No. 1, Paragraph 1.52, making an excess contribution to a City candidate is subject to a civil monetary penalty of three times the excess portion or \$2,000, whichever is less.

- I. In late April, Board enforcement staff received a complaint alleging that the PFT CSPE had made an excess contribution to Friends of Helen Gym through the AFT-PA CSPE. The Friends of Helen Gym is the authorized committee of Helen Gym, a candidate for an At-Large City Council seat. Because the complaint stated potential violations of the City's Campaign Finance Law, enforcement staff accepted the complaint and opened an investigation. In the course of the investigation, enforcement staff interviewed witnesses and obtained documents. At all times, the PFT, the PFT CSPE, and their officers and employees fully cooperated with the investigation.
- J. On February 5, 2015 the PFT Executive Board at a regular meeting voted to endorse Helen Gym as a candidate for City Council at Large in the Democratic primary and to contribute the maximum amount allowed by law to her campaign.
- K. Helen Gym announced her candidacy for an At-Large City Council seat on February 9, 2015 at a rally at the Ethical Society. Mr. Jordan spoke at the rally and announced PFT's endorsement of her candidacy. Also on February 9, 2015, the PFT CSPE wrote a check for \$11,500 to Friends of Helen Gym. Mr. Jordan and Mr. Steinberg signed the check.
- L. In mid-February, Mr. Kirsch asked Mr. Jordan if the PFT CSPE could make a donation to the AFT-PA CSPE so that the AFT-PA CSPE could make donations to candidates.
- M. On February 25, 2015 the PFT Executive Board voted at a regular scheduled meeting to transfer \$11,500 from the PFT CSPE to the AFT-PA CSPE.
- N. On February 26, 2015, PFT CSPE wrote a check to AFT-PA CSPE for \$11,500. Mr. Jordan and Mr. Steinberg signed the check. Mr. Jordan chose \$11,500 because it is the maximum amount a political committee can give to a City candidate under the City's Campaign Finance Law. Mr. Jordan personally gave the check to Mr. Kirsch. Between January 1 and March 30, 2015, AFT PA did not receive a contribution of more than \$50 from any source other than PFT CSPE.
- O. Also on February 26, 2015, the AFT-PA Executive Council met by teleconference. During the meeting, the Executive Council voted to have AFT-PA CSPE make a donation of \$11,500 to Friends of Helen Gym. Mr. Jordan participated in the teleconference and voted to approve the contribution to Friends of Helen Gym.
- P. On March 9, 2015, the AFT CSPE wrote a check for \$11,500 to Friends of Helen Gym. Mr. Kirsch and Mr. Steinberg signed the check. Helen Gym was the only candidate to whom AFT-PA CSPE made a contribution in 2015 prior to the May 2015 primary elections.
- Q. Mr. Jordan did not explicitly direct, suggest, or request that AFT-PA CSPE give \$11,500 to Friends of Helen Gym. However, for the purposes of the City's Campaign Finance Law, as interpreted by the Board in Regulation No. 1, the circumstances in which PFT CSPE made the \$11,500 contribution to AFT-PA CSPE created an implied suggestion that AFT-PA CSPE use those funds to make a contribution to support Helen Gym.
- R. The Parties desire to enter into this Agreement in order to resolve the issues described herein.

AGREEMENT

The Parties agree that:

1. For the purposes of the City's Campaign Finance Law, PFT CSPE made a contribution of \$11,500 to Friends of Helen Gym through AFT-PA CSPE. Because this contribution exceeded the City's contribution limits by \$11,500, it violated § 20-1002(2) of the Philadelphia Code and is subject to a civil penalty of \$2,000. However, in light of PFT CSPE's cooperation and prompt resolution of this matter, the penalty is reduced to \$1,500.
2. PFT CSPE shall pay the civil penalty of \$1,500 within 14 days of the effective date of the Agreement. Payment shall be made by check made payable to the City of Philadelphia and delivered to the offices of the Board.
3. PFT CSPE releases and holds 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 violation described in the Agreement.
4. In consideration of the above and in exchange for the PFT CSPE's compliance with all of the terms of the Agreement, the Board waives any further penalties or fines against them for the violation described in this Agreement.
5. The Parties will not make any public statements that are inconsistent with the terms of the Agreement.
6. If the Board or the City is forced to seek judicial enforcement of this Agreement, and prevails, the PFT CSPE 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.
7. The Agreement contains the entire agreement between the Parties.
8. The Executive Director will submit a signed copy of the Agreement to the Board for approval.
9. 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.
10. 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.
11. If the Board rejects the proposed Agreement, nothing in the proposed Agreement shall be considered an admission by either party and, except for paragraphs 10 and 11, nothing in the Agreement shall be effective.

By the Executive Director of the Board of Ethics:

Dated: 7/6/2015

Michael J. Cooke
Michael J. Cooke, Director of Enforcement
Executive Director's Designee

By PFT CSPE:

Dated: 7/6/15

Jack Steinberg
Jack Steinberg, Treasurer

Approved by the Board of Ethics:

Effective Date: 7/15/15

Michael H. Reed
Michael H. Reed, Chair