



**CITY OF PHILADELPHIA
BOARD OF ETHICS**

Contact: J. Shane Creamer, Jr., Executive Director, 215-686-9450

For Immediate Release: December 22, 2016

PHILADELPHIA – The Board of Ethics has approved a settlement agreement with the political committee **Kenney for Philadelphia** resolving two violations of the City of Philadelphia’s Campaign Finance Law for failing to timely file campaign finance reports with the Board. A copy of the approved agreement is attached.

As detailed in the attached Settlement Agreement (Paragraphs F-I & 1-2), from January-March 2016, Kenney for Philadelphia made numerous expenditures for Mayor Kenney’s transition and inauguration to City office. In February and March of 2016, Kenney for Philadelphia also made contributions of \$1,000 to candidates for the Pennsylvania General Assembly.

Because of the contributions to candidates for the General Assembly, Kenney for Philadelphia was required to file a 2016 cycle 1 and a cycle 2 campaign finance report with the Department of State. Since these reports also disclosed expenditures for the Mayor’s transition and inauguration expenses, Kenney for Philadelphia was also required to electronically file those reports with the Board. However, Kenney for Philadelphia did not timely file its 2016 cycle 1 and cycle 2 campaign finance reports with either the Department of State or the Board.

Kenney for Philadelphia cooperated with the Board’s investigation and has agreed to pay a \$2,000 aggregate civil monetary penalty.

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 (“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, Kenney for Philadelphia, and John J. O’Connor, the treasurer of Kenney for Philadelphia, 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 20-1000 of The Philadelphia Code, the Board is charged with administering and enforcing the City’s Campaign Finance Law.
- B. Kenney for Philadelphia is a political committee based in Philadelphia and was previously named Kenney 2015. Mayor Kenney used the committee as his candidate political committee when he ran for Mayor in 2015. The committee has previously filed campaign finance reports with the Board.
- C. John J. O’Connor is the treasurer of Kenney for Philadelphia.
- D. Pursuant to Philadelphia Code Section 20-1006(1)(f) and Board Regulation No. 1, if the political committee of a former candidate for City elective office files a campaign finance report with the Pennsylvania Secretary of State and that report discloses any contributions or expenditures related to the former candidate’s transition or inauguration to office, the committee shall file electronically a copy of that report with the Board.
- E. Pursuant to Philadelphia Code Section 20-1006(4) and Board Regulation No. 1, the 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. In January through March of 2016, Kenney for Philadelphia made numerous expenditures for the Mayor’s transition and inauguration to office.

- G. In February of 2016, Kenney for Philadelphia made a contribution of \$1,000 to a candidate for the Pennsylvania General Assembly. As a result of this contribution, the committee was required to file a cycle 1 campaign finance report with the Secretary of State. Because that report, which was due on March 15, 2016, would have disclosed expenditures for the Mayor's transition and inauguration to office, Kenney for Philadelphia should have also filed the report with the Board. However, the committee did not file a 2016 cycle 1 report with either the Secretary of State or the Board by March 15, 2016.
- H. In March of 2016, Kenney for Philadelphia made a contribution of \$1,000 to a candidate for the Pennsylvania General Assembly. As a result of this contribution, the committee was required to file a cycle 2 campaign finance report with the Secretary of State. Because that report, which was due on April 15, 2016, would have disclosed expenditures for the Mayor's transition and inauguration to office, Kenney for Philadelphia should have also filed the report with the Board. However, the committee did not electronically file a 2016 cycle 2 report with either the Secretary of State or the Board by April 15, 2016.
- I. In early 2016, attorneys for Kenney for Philadelphia contacted Board staff to inquire about the campaign finance reporting requirements for former candidates. Although Board staff explained the relevant rules, Kenney for Philadelphia mistakenly believed that it did not need to file 2016 cycle 1 and cycle 2 reports with either the Secretary of State or the Board. The committee subsequently realized that, as a result of the contributions to State candidates, it should have filed reports with both the Secretary of State and the Board. Accordingly, on August 8, 2016, Kenney for Philadelphia, on its own initiative, took remedial action and filed 2016 cycle 1 and cycle 2 reports with both the Secretary of State and the Board.
- J. Kenney for Philadelphia at all times fully cooperated with the Board's resolution of this matter.
- K. The Parties desire to enter into this Agreement in order to resolve the issues described herein.


AGREEMENT

The Parties agree that:

1. Kenney for Philadelphia's late filing of its 2016 cycle 1 campaign finance report with the Board violated the City's Campaign Finance Law and is subject to a civil monetary penalty of \$6,000. However, in light of the committee's remedial action and cooperation with the Board, the penalty is reduced to \$1,000.
2. Kenney for Philadelphia's late filing of its 2016 cycle 2 campaign finance report with the Board violated the City's Campaign Finance Law and is subject to a civil monetary penalty of \$5,000. However, in light of the committee's remedial action and cooperation with the Board, the penalty is reduced to \$1,000.
3. Kenney for Philadelphia shall pay the aggregate civil monetary penalty of \$2,000 within 14 days of the effective date of the Agreement. Payment shall be by check made payable to the City of Philadelphia and delivered to the offices of the Board.
4. Kenney for Philadelphia and John J. O'Connor 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 Kenney for Philadelphia with all of the terms of the Agreement, the Board waives any further penalties or fines against it 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, Kenney for Philadelphia shall be liable for attorneys' fees and costs reasonably expended in enforcing compliance with the Agreement. Fees for time spent by 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.
9. The Executive Director, or his Designee, will submit a signed copy of the Agreement to the Board for approval. 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.
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:

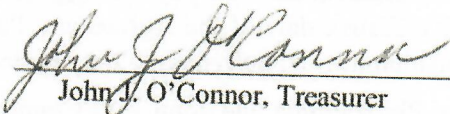
Dated: 12/6/16



J. Shane Creamer, Jr.

By Kenney for Philadelphia:

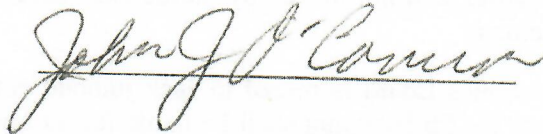
Dated: 12/13/16



John J. O'Connor, Treasurer

By John J. O'Connor:

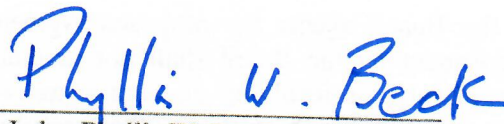
Dated: 12/13/16



John J. O'Connor

Approved by the Board of Ethics:

Dated: 12/21/16



Judge Phyllis W. Beck, (Ret.)
Vice Chair