

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, Lawrence Krasner for District Attorney, Lawrence Krasner, and Vernon Anastasio, the Treasurer of Lawrence Krasner for District Attorney, 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. Lawrence Krasner is the Philadelphia District Attorney. In 2017, he was a candidate for that office and used Lawrence Krasner for District Attorney as the candidate political committee for his campaign. Vernon Anastasio is the Treasurer of Lawrence Krasner for District Attorney.
- C. Real Justice PAC is a political committee based in San Francisco, California. In early 2017, the committee registered with the Pennsylvania Department of State in order to engage in activity in Pennsylvania.
- D. Under the City’s Campaign Finance Law, a political committee could not make contributions of more than \$23,800¹ in 2017 to a candidate for District Attorney. Both monetary and in-kind contributions count towards the limits.
- E. The acceptance by a candidate of an excess contribution from a political committee violates Philadelphia Code § 20-1002(12) and is subject to a civil monetary penalty of three times the amount by which the contribution exceeded the limit, or \$2,000, whichever is less.
- F. As provided by Board Regulation No. 1, Paragraph 1.1(q), an in-kind contribution occurs if a person: (i) provides goods or services directly to a candidate’s campaign without charge or at a reduced charge; (ii) pays someone else to provide goods or services to the candidate’s campaign; or (iii) coordinates expenditures it makes to advocate or influence the election of the candidate with the candidate’s campaign.
- G. Pursuant to the City’s Campaign Finance Law, candidates and candidate political committees must file campaign finance reports with the Board several times during the year of a covered City election. 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.

¹ This figure was double the usual contribution limit because one of the candidates for District Attorney in 2017 contributed more than \$250,000 of his own money to his campaign.

- H. In June of 2018, Board Enforcement Staff received a referral that indicated potential violations of the City's Campaign Finance Law in 2017 by Real Justice PAC and the campaign of District Attorney candidate Larry Krasner. Accordingly, the Executive Director opened an investigation during which Enforcement Staff obtained bank records, emails, text messages, campaign records, and other documents and information.
- I. Real Justice PAC was founded in February of 2017 as a federal PAC with the goal of changing the criminal justice system by electing reform-minded District Attorneys across the country. During the 2017 Philadelphia District Attorney election, in order to support Mr. Krasner's candidacy, Real Justice PAC embedded three full time staffers with his campaign. These staffers developed and ran a volunteer based peer-to-peer text message program and a phone bank operation using a web-based dialer system. The three embedded staffers worked closely with other members of the Krasner campaign.
- J. Two of these embedded staffers worked with the Krasner campaign from late March through the May 16, 2017 Primary Election. Real Justice PAC paid these two staffers a total of \$17,104.84 during this time period and also reimbursed them a total of \$465.24 for travel. The Krasner campaign did not make any payments to these two staffers.
- K. The third staffer worked with the Krasner campaign from early April through the November 7, 2017 General Election. Real Justice PAC paid this staffer a total of \$16,250 for the time period of April through early September. In August of 2017, the Krasner campaign named the staffer a Deputy Campaign Manager and began making payments to him.
- L. In addition to the payments made to the three staffers, Real Justice PAC made administrative expenditures of \$1,000 related to the work they did for the Krasner campaign.
- M. By paying people who worked as staffers on the Krasner campaign, as described above, Real Justice PAC made in-kind contributions to the Krasner campaign totaling \$34,820.08 in 2017, which was \$11,020.08 in excess of the limits imposed by the City's Campaign Finance Law.
- N. Real Justice PAC and the Krasner campaign were aware that any expenditures Real Justice PAC made in coordination with the campaign would be in-kind contributions. In 2017, however, Real Justice PAC miscalculated the amount of expenditures to the embedded staffers that would be attributable as in-kind contributions. During the time the three staffers were embedded with the Krasner campaign, Real Justice PAC did not provide documentation to the campaign detailing how much the PAC was paying them, nor did the Krasner campaign request such documentation.
- O. Lawrence Krasner for District Attorney filed campaign finance reports with the Board as required by the City's Campaign Finance Law but failed to disclose in any of those reports the in-kind contributions the campaign received from Real Justice PAC.
- P. Lawrence Krasner for District Attorney, Mr. Krasner, and Mr. Anastasio fully cooperated with the Board's investigation.

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

AGREEMENT

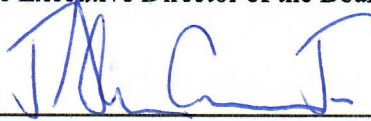
The Parties agree that:

1. By accepting in-kind contributions from Real Justice PAC in excess of the City's contribution limits, Lawrence Krasner for District Attorney and Mr. Krasner violated Philadelphia Code § 20-1002(12), for which they shall be jointly and severally liable for a civil monetary penalty of \$2,000, which shall be due within 60 days of the effective date of the Agreement.
2. Lawrence Krasner for District Attorney shall disgorge to the City \$11,020.08, which is the excess portion of the in-kind contribution it received from Real Justice PAC. Payment shall be made on the following schedule:
 - 2.1. \$2,000 within 90 days of the effective date of the Agreement; and
 - 2.2. At least \$500 every 60 days thereafter until the full amount is paid, provided that the full amount shall be paid by December 31, 2019.
3. By failing to disclose in-kind contributions from Real Justice PAC in campaign finance reports that they filed with the Board, Lawrence Krasner for District Attorney and Mr. Anastasio violated Philadelphia Code § 20-1006(4), for which they are jointly and severally liable for a civil monetary penalty of \$2,000, which shall be due within 60 days of the effective date of the Agreement.
4. All payments required by this Agreement shall be by check or money order made payable to the City of Philadelphia and delivered to the offices of the Board of Ethics.
5. Within 30 days of the effective date of the Agreement, Lawrence Krasner for District Attorney will electronically file with the Board amended campaign finance reports correcting the reporting failures described in this Agreement.
6. Lawrence Krasner for District Attorney shall not use funds received from Real Justice PAC, its officers, or affiliates to pay the penalties or disgorgement required by this Agreement.
7. Lawrence Krasner for District Attorney, Mr. Krasner, and Mr. Anastasio 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.
8. In consideration of the above and in exchange for the compliance of Lawrence Krasner for District Attorney, Mr. Krasner, and Mr. Anastasio with all of the terms of the Agreement, the Board waives any further penalties or fines against them for the conduct described in the Agreement.
9. The Parties will not make any public statements that are inconsistent with the terms of the Agreement.

10. If the City is forced to seek judicial enforcement of this Agreement, and prevails, Lawrence Krasner for District Attorney, Mr. Krasner, and Mr. Anastasio 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.
11. The Agreement contains the entire agreement between the Parties.
12. 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.
13. 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:

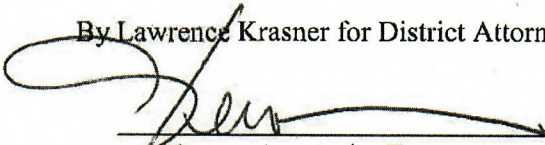
Dated: 2/22/19



J. Shane Creamer, Jr.
Executive Director

By Lawrence Krasner for District Attorney:

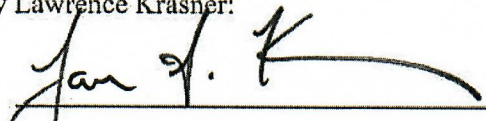
Dated: 2/21/19



Vernon Anastasio, Treasurer

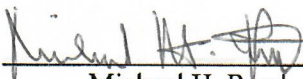
By Lawrence Krasner:

Dated: 2-21-19



2/27/19

Approved by the Board of Ethics on



Michael H. Reed
Chair