

## 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, Liberty City Lesbian and Gay Democratic Club, and David Feldman, the former Treasurer of Liberty City Lesbian and Gay Democratic Club, 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 § 4-1100 of the Home Rule Charter, the Board is charged with administering and enforcing the City’s Campaign Finance Law.
- B. Liberty City Lesbian and Gay Democratic Club (“Liberty City”) is a registered political committee based in Philadelphia. From 2015 until January of 2019, David Feldman was the Treasurer of Liberty City. Minh Nguyen-Rivera is the current Treasurer of Liberty City.
- C. Pursuant to Philadelphia Code § 20-1006(1)(a)(.2) and Regulation No. 1 Paragraph any time any person or political committee is required by the Pennsylvania Election Code to file a campaign finance report with the City Commissioners or the Secretary of State and that report discloses, or is required to disclose, any expenditures or any debt incurred to influence the outcome of a covered election, the person or political committee shall file a copy of the report with the Board of Ethics in a digital electronic format prescribed by the Board no later than the state law due date.
- D. Pursuant to Philadelphia Code §§ 20-1006(4) and 20-1301(2) and Regulation No. 1 Paragraph 1.53, 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.
- E. Beginning in 2011, Liberty City regularly filed campaign finance reports with the Ethics Board.
- F. In 2015, Liberty City spent approximately \$11,000 in combined expenditures for the Primary and General Elections to support candidates for City elective office, including advertising, printing, and get-out-the-vote payments. Liberty City did not file any campaign finance reports with the Board in 2015.
- G. In 2017, Liberty City spent approximately \$1,300 in expenditures to support candidates for City elective office in the Primary Election, including printing and advertising payments. Liberty City again did not file any campaign finance reports with the Board in 2017.
- H. For several years, going to back to at least 2018, Liberty City and its officers knew that Liberty City had failed to file required campaign finance reports in 2015 and 2017.

- I. In March of 2019, Board Enforcement Staff received information alleging that Liberty City had failed to file its required 2015 and 2017 campaign finance reports with the Board in potential violation of the City's Campaign Finance Law. Accordingly, the Executive Director opened an investigation in which Enforcement Staff interviewed witnesses, took statements under oath, subpoenaed documents, and reviewed bank records.
- J. After contact from Enforcement Staff, Liberty City on October 8, 2019 filed 2015 second-Friday pre-primary (cycle 2), 2015 thirty-day post-primary (cycle 3), 2015 second-Friday pre-general election (cycle 5), and 2017 sixth-Tuesday pre-general election (cycle 4) reports with the Board.
- K. Liberty City, Mr. Feldman, and Mr. Nguyen-Rivera cooperated with the Board's investigation.
- L. The Parties desire to enter into this Agreement in order to resolve the issues described herein.

## **AGREEMENT**

The Parties agree that:

- 1. Liberty City's late filing of the 2015 campaign finance reports described above violated the City's Campaign Finance Law. These violations are subject to a civil monetary penalty of \$8,000.
- 2. Liberty City's late filing of the 2017 campaign finance report described above violated the City's Campaign Finance Law. This violation is subject to a civil monetary penalty of \$2,000.
- 3. Liberty City shall pay \$7,000 of the \$10,000 aggregate civil monetary penalty on behalf of itself and Mr. Feldman. As of December 31, 2019, Liberty City had approximately \$6,300 in its bank account. Therefore, payment shall be made on the following schedule:
  - 3.1. The majority of Liberty City's current funding, in the amount of \$5,000, within 30 days of the effective date of the Agreement;
  - 3.2. At least \$500 every 90 days thereafter until the full amount is paid, provided that the full amount shall be paid by December 31, 2020.Payment shall be made by check or money order made payable to the City of Philadelphia and delivered to the offices of the Board.
- 4. Mr. Feldman shall pay \$3,000 of the aggregate \$10,000 civil monetary penalty on behalf of himself and Liberty City. Payment shall be made within 45 days of the effective date of the Agreement. Payment shall be made by check or money order made payable to the City of Philadelphia and delivered to the offices of the Board.
- 5. Liberty City agrees by December 1, 2020 to hire a compliance professional to regularly review the committee's bank and transactional records and electronically file campaign finance reports with the Board.

6. From the effective date of the agreement through December 31, 2021, Mr. Feldman shall notify the Board's Executive Director within 14 days if he becomes a treasurer or chair of a political committee registered with the City Commissioners or Department of State. If he fails to comply, he shall pay a \$500 penalty, which shall be due within 14 days of receiving notice from the Board's Executive Director of the failure.
7. From the effective date of the agreement until December 31, 2023, each campaign finance report filed with the Board by Liberty City will have a separately provided attestation that the individual filing the report has reviewed Liberty City's bank records for the relevant time period and the report comports to Liberty City's bank records. The attestation will be sent to the Board's Executive Director.
8. All current officers of Liberty City will attend campaign finance training at the next date offered by the Board. From the effective date of the agreement until December 31, 2023, any future officers of Liberty City will attend campaign finance training at least once.
9. Liberty City and Mr. Feldman 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.
10. In consideration of the above and in exchange for the compliance of Liberty City and Mr. Feldman with the terms of the Agreement, the Board waives any further penalties or fines against them for the violations described in the Agreement.
11. The Parties will not make any public statements that are inconsistent with the terms of the Agreement.
12. If the Ethics Board is forced to seek judicial enforcement of the Agreement, and prevails, Liberty City and Mr. Feldman 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.
13. The Agreement contains the entire agreement between the Parties.
14. The Executive Director 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.
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 this paragraph, nothing in the Agreement shall be effective.

By the Executive Director of the Board of Ethics:

Dated: 2/14/20

J. Shane Creamer, Jr.  
J. Shane Creamer, Jr.

By Liberty City Lesbian and Gay Democratic Club:

Dated: 2/14/2020

Minh Nguyen-Rivera  
Minh Nguyen-Rivera, Treasurer

By David Feldman:

Dated: 02/14/2020

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David Feldman  
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Approved by the Board of Ethics on 2/20/2020

Michael H. Reed  
Michael H. Reed  
Chair