

## **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, and Rich Lazer, 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 Charter’s restrictions on the political activity of City employees.
- B. Beginning in January of 2016, Rich Lazer served as Philadelphia’s Deputy Mayor for Labor. He resigned from that position on February 16, 2018 in order to run for Congress. In June of 2018, Mr. Lazer was rehired to his prior position.
- C. Home Rule Charter Subsection 10-107(3) provides that a City officer or employee shall not directly or indirectly demand, solicit, collect or receive, or be in any manner concerned in demanding, soliciting, collecting or receiving, any contribution intended for any political purpose.
- D. As explained in Ethics Board Regulation No. 8, Subpart D, an appointed City officer or employee shall not authorize a political committee to collect, receive, or solicit contributions intended for a political purpose on his or her behalf. Nor may an appointed officer permit, authorize, or direct others to collect, receive, or solicit contributions intended for a political purpose for his or her benefit or on his or her behalf. Regulation No. 8 also notes that a City employee may not use a political committee to raise money for a potential candidacy.
- E. Pursuant to Philadelphia Code Section 20-606(1)(h) and Regulation No. 8, Paragraph 8.26, if the Board finds a violation of Subsection 10-107(3) of the Home Rule Charter, it may impose a maximum civil monetary penalty of \$300.
- F. In early February of 2018, Board Enforcement Staff learned from news reports that Mr. Lazer, the Deputy Mayor for Labor, was considering running for one of Philadelphia’s Congressional seats and that he and his associates had registered a political committee, Friends of Rich Lazer, with the Federal Election Commission. After conducting additional preliminary inquiry, the Executive Director opened an investigation into potential violations of the political activity restrictions of the Home Rule Charter. In the course of the investigation, Board Enforcement Staff obtained documents and bank records and took statements from witnesses and Mr. Lazer.

- G. In early 2018, when he first began to seriously consider running for Congress, Mr. Lazer sought guidance from the City's Chief Integrity Officer who advised him on the restrictions of Home Rule Charter Subsection 10-107(5), which requires a City officer such as Mr. Lazer to resign his position prior to becoming a candidate for elective office. The Chief Integrity Officer did not advise him about Charter Subsection 10-107(3) although she did suggest that Mr. Lazer contact the Board for further guidance. Mr. Lazer also sought the guidance of an attorney who advised him, incorrectly, that so long as he did not directly ask anyone for a campaign contribution, he would not violate the Charter's political activity restrictions. Mr. Lazer did not seek guidance from the Board.
- H. In early February of 2018, relying on the advice he had received, Mr. Lazer and his associates established Friends of Rich Lazer and hired a finance director to lead fundraising efforts for his potential campaign. While still employed by the City, Mr. Lazer met with the finance director to discuss her work for the committee. Friends of Rich Lazer rented a post office box and established an account with ActBlue so that supporters could make online campaign contributions.
- I. In early February of 2018, while still employed by the City, Mr. Lazer and his finance director made telephone calls to multiple individuals they identified as potential supporters. For each of these individuals, Mr. Lazer made an initial telephone call, in some instances in the presence of the finance director. During his calls, Mr. Lazer explained that he was considering a run for Congress and asked if the individual would be willing to support him. Mr. Lazer did not explicitly ask for a campaign contribution. The finance director followed up with individuals Mr. Lazer had called to ask them for campaign contributions to Friends of Rich Lazer. Some of the individuals subsequently made campaign contributions.
- J. In mid-February of 2018, after opening an investigation, Board Enforcement Staff contacted Mr. Lazer and individuals associated with Friends of Rich Lazer. After discussion with Board staff, Friends of Rich Lazer immediately ceased all fundraising operations until Mr. Lazer resigned from City employment.
- K. At all times, Mr. Lazer and Friends of Rich Lazer fully cooperated with the Board's investigation.
- L. The Parties desire to enter into this Agreement in order to resolve the matters described herein.

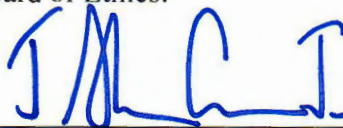
## AGREEMENT

The Parties agree that:

1. Mr. Lazer's involvement in the solicitation of contributions for Friends of Rich Lazer while employed by the City violated Home Rule Charter Subsection 10-107(3), for which he is subject to a civil monetary penalty of \$300, which Mr. Lazer shall pay within two weeks of the effective date of the Agreement. Payment shall be by check or money order made payable to the City of Philadelphia and delivered to the offices of the Board of Ethics.
2. Mr. Lazer 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 matters described in the Agreement.
3. In consideration of the above and in exchange for Mr. Lazer's compliance with all of the terms of the Agreement, the Board waives any further penalties or fines against him for the violations described in the Agreement.
4. The Parties will not make any public statements that are inconsistent with the terms of the Agreement.
5. If the Board or the City is forced to seek judicial enforcement of the Agreement, and prevails, Mr. Lazer shall be liable for attorneys' fees and costs reasonably expended in enforcing compliance with the Agreement. Fees for time spent by Board or other City attorneys shall be calculated based upon standard and customary billing rates in Philadelphia for attorneys with similar experience.
6. The Agreement contains the entire agreement between the Parties.
7. 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.
8. 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.

Dated: 9/6/18

By the Executive Director of the  
Board of Ethics:

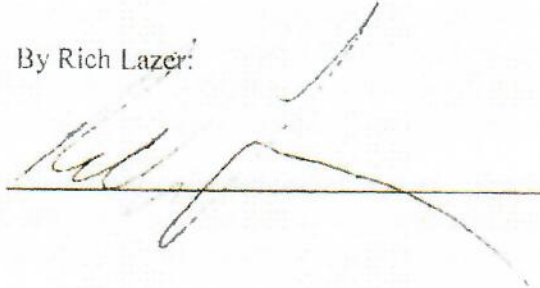


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J. Shane Creamer, Jr.  
Executive Director

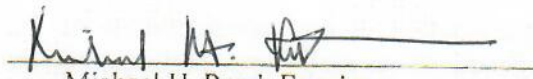
Dated: 9/6/18

By Rich Lazer:



A handwritten signature in black ink, appearing to read 'Rich Lazer', written over a horizontal line.

Approved by the Board of Ethics on 9/12/2018:



A handwritten signature in black ink, appearing to read 'Michael H. Reed', written over a horizontal line.

Michael H. Reed, Esquire  
Chair