

## **SETTLEMENT AGREEMENT**

This Settlement Agreement (“Agreement”) is made and entered into between the Board of Ethics of the City of Philadelphia, Stephanie Singer, Ellen Chapman, and Friends of Stephanie Singer, 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 Friends of Stephanie Singer is the authorized candidate political committee of Stephanie Singer, a candidate for Philadelphia City Commissioner in 2011.
- C. Ellen Chapman was the treasurer of Friends of Stephanie Singer during 2011. Charles P. Goodwin is the current treasurer of the committee.
- D. On March 8, 2011, Stephanie Singer filed a nomination petition to be placed on the ballot as a candidate for a Democratic nomination for City Commissioner.
- E. Because Singer was a candidate for City of Philadelphia elective office, both she and her authorized candidate committee were subject to Philadelphia’s campaign finance law during the 2011 primary election.
- F. Pursuant to Philadelphia Code § 20-1002(1), in 2011, a person could not contribute more than \$2,600 to a City candidate’s candidate committee in a calendar year.
- G. Pursuant to Philadelphia Code § 20-1002(2), in 2011, a political committee could not contribute more than \$10,600 to a City candidate’s candidate committee in a calendar year.
- H. Pursuant to Code § 20-1002(12), no candidate for City elective office, and no political committee, may accept any contribution which exceeds the contribution limits set forth in Chapter 20-1000.

I. Pursuant to Regulation No. 1, Paragraph 1.24:

A contribution made by a check that reflects a joint checking account of two or more individuals shall be attributed to the joint account holder who signs the check. If more than one account holder signs a contribution check, the contribution shall be apportioned evenly between the signers. If an individual other than an account holder signs a contribution check, the contribution shall be attributed evenly among the joint account holders.

J. Pursuant to Philadelphia Code § 20-1006(4):

The failure to file information as required by this Section, or the making of material misstatements or omissions in any filing required by this Section, shall be deemed to be a violation of Chapter 20-1300 (Penalties for Campaign Finance-Related and Ethics-Related Violations) and subject to enforcement and the imposition of penalties under that Chapter.

K. In order to ensure that the public has access to information about large contributions received by candidates before the primary, but after the close of the pre-primary reporting period, the Pennsylvania Election Code (25 P.S. § 3248) requires that candidates' committees disclose any contributions of \$500 or more received in that time period within 24 hours of receipt. Therefore, in 2011, a City candidate's authorized committee should have filed reports with the City Commissioners disclosing all contributions of \$500 or more received from May 3<sup>rd</sup> through May 17<sup>th</sup>. Pursuant to the City's campaign finance law, the committee should also have disclosed such contributions in reports electronically filed with the Ethics Board.

L. In addition, all candidates for Philadelphia municipal office, and their authorized candidate committees, were required to file post-primary campaign finance reports (cycle 3) with the City Commissioners by June 16, 2011. Pursuant to the City's campaign finance law, authorized candidate committees were therefore required to electronically file those reports with the Ethics Board. In such a post-primary report, a candidate committee should have disclosed all of its receipts and expenditures for the time period May 3<sup>rd</sup> – June 6<sup>th</sup>, 2011, 2011, including all contributions received by the committee.

M. In late September of 2011, while conducting an internal review of its accounting records and procedures, the Singer campaign discovered that several donors made excess contributions to the campaign. The campaign refunded the excess portions of the contributions and contacted the Board to self-report the apparent violations.

N. In response to the information the Singer campaign provided, Board staff initiated an investigation of potential violations of the City's campaign finance law by Singer and the Friends of Stephanie Singer.

- O. At all times, Singer, Chapman, and the Friends of Stephanie Singer fully cooperated with the Board's investigation of the violations described in this Agreement.
- P. In addition, the Singer campaign, through outside counsel, retained an accounting firm to conduct an audit of the campaign's records as follows:

A four column proof of cash was performed for the period 1/1/2011 to 6/6/2011. This review involved the examination of all bank statements and related documentation provided to ensure that the data to be included in amended reports reflected fairly and accurately the activity per the bank. As a result, cash on hand at 1/1/2011, total monetary contributions and receipts, total expenditures, and ending cash at 6/6/2011 were reconciled to activity per bank, as adjusted. In developing correct reportable figures per bank, certain transactions not reflected on the bank statements, such as the loan in-kind from the Candidate were considered.

Based on the reconciled figures developed, the data proposed to be included in the Cycle 2 and Cycle 3 reports as presented, represent fairly the financial activity relative to Friends of Stephanie Singer, in all material respects.

Based on the audit, the campaign filed an amended cycle 2 and cycle 3 campaign finance report on November 15, 2011.

- Q. The excess contributions discovered by the Singer campaign and reported to the Ethics Board arose from the following transactions:
1. On January 10, 2011 Daniel Singer made a contribution of \$2,600. However, a campaign staffer incorrectly entered the contribution as \$500. Later, relying on the incorrect entry, Stephanie Singer asked Daniel Singer for a second contribution in the amount of \$2,100. Daniel Singer responded that he believed he had given more than \$500. Stephanie Singer checked the campaign's records and assured him that the amount of his contribution had been only \$500. Accordingly, on April 18, 2011, Daniel Singer made a contribution of \$2,100. Because the January 10 contribution was \$2,600, not \$500, the April 18 contribution exceeded the limits by \$2,100.
  2. On April 21, 2011, David Singer made a contribution of \$5,200. The contribution was in the form of a check drawn on the joint account of Singer and his wife Diana Kapp. Because only David Singer signed the check, pursuant to Regulation No. 1, Paragraph 1.24, the entire \$5,200 should have been attributed to him, resulting in an excess contribution of \$2,600. However, the campaign initially, and incorrectly, attributed half of the contribution to Diana Kapp.

3. On January 19, 2011, Liz Kaplan made a contribution of \$2,600. In early May, Stephanie Singer contacted Kaplan by telephone seeking additional contributions. At the time, Singer incorrectly believed Kaplan could arrange for additional contributions that would be attributable to her husband and son. Based on their conversation, on May 4, 2011, Kaplan made a contribution of \$2,600 (attributed to her husband, Federico Minoli) and a contribution of \$2,599 (attributed to her son, David Minoli). Both of the May 4, 2011 contribution checks were drawn on Kaplan's account and should have been attributed only to Kaplan.
  4. On April 14, 2011, Gregory Harvey made a contribution of \$1,000. On May 9, he made a second contribution of \$1,000. On May 31, he paid \$50 to attend a seminar presented by Singer in which she discussed the successful primary campaign. The staffer who collected the attendance fees did not realize that the fees should have been recorded as contributions to the campaign. Thus, believing he had only donated \$2,000 (as opposed to \$2,050), the campaign asked Harvey for an additional contribution of \$600 which he made on July 26, 2011, which resulted in an excess contribution of \$50.
- R. The Singer campaign received the two checks from Kaplan dated May 4, 2011 on May 7, 2011. The campaign should have disclosed the contributions from Kaplan in a 24 hour report and in the campaign's post- primary (cycle 3) campaign finance report. However, the campaign did not disclose the contributions in either a 24 hour report prior to the May 2011 primary election or in the post-primary (cycle 3) report it filed in June of 2011.
- S. In its amended post-election (cycle 3) report filed on November 15, 2011, the campaign disclosed a May 7, 2011 contribution of \$2,600 from Federico Minoli and a May 7, 2011 contribution of \$2,599 from David Minoli. However, these contributions were actually from Liz Kaplan.
- T. The Parties desire to enter into this Agreement in order to resolve the issues described herein.

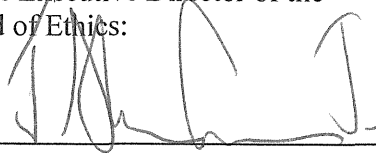
## AGREEMENT

The Parties agree that:

1. Singer's and the Friends of Stephanie Singer's acceptance of an excess contribution of \$2,100 from Daniel Singer violated § 20-1002(12) of the Philadelphia Code and shall be subject to a civil penalty of \$500.
2. Singer's and the Friends of Stephanie Singer's acceptance of an excess contribution of \$2,600 from David Singer violated § 20-1002(12) of the Philadelphia Code and shall be subject to a civil penalty of \$500.
3. Singer's and the Friends of Stephanie Singer's acceptance of an excess contribution of \$2,600 from Liz Kaplan violated § 20-1002(12) of the Philadelphia Code and shall be subject to a civil penalty of \$500.
4. Singer's and the Friends of Stephanie Singer's acceptance of an excess contribution of \$2,599 from Liz Kaplan violated § 20-1002(12) of the Philadelphia Code and shall be subject to a civil penalty of \$500.
5. Singer's and the Friends of Stephanie Singer's acceptance of an excess contribution of \$50 from Gregory Harvey violated § 20-1002(12) of the Philadelphia Code.
6. Chapman's and the Friends of Stephanie Singer's failure to disclose two May 7, 2011 contributions from Liz Kaplan in a 24 hour campaign finance report violated 20-1006(4) of the Philadelphia Code and shall be subject to a civil penalty of \$1,000.
7. Chapman's and the Friends of Stephanie Singer's failure to disclose two May 7, 2011 contributions from Liz Kaplan in the committee's initial post-primary (cycle 3) campaign finance report violated 20-1006(4) of the Philadelphia Code and shall be subject to a civil penalty of \$1,000.
8. Chapman's and the Friends of Stephanie Singer's disclosures in the amended post-primary (cycle 3) campaign finance report of contributions from Federico Minoli and David Minoli were material misstatements that violated 20-1006(4) of the Philadelphia Code and shall be subject to a civil penalty of \$1,000.
9. Singer and the Friends of Stephanie Singer shall jointly pay the aggregate civil penalty of \$5,000 on the following schedule:
  - 9.1. \$1,500 within 14 days of the effective date of the Agreement;
  - 9.2. \$1,500 by March 31, 2012; and
  - 9.3. \$2,000 by July 31, 2012.
10. Payment shall be made by check made out to the City of Philadelphia and delivered to the offices of the Board.

11. Within two weeks of the effective date of the Agreement, Chapman and the Friends of Stephanie Singer shall file an amended 2011 post-primary (cycle 3) campaign finance report that corrects the material misstatements regarding the May 7, 2011 contributions from Liz Kaplan.
12. Within two weeks of the effective date of the Agreement, Chapman and the Friends of Stephanie Singer shall file a 24 hour report (cycle 8) that discloses the May 7, 2011 contributions from Liz Kaplan.
13. Friends of Stephanie Singer, Singer, and Chapman 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 violations described in the Agreement.
14. In consideration of the above and in exchange for Friends of Stephanie Singer's, Singer's, and Chapman's compliance with all of the terms of the Agreement, the Board waives any further penalties or fines against them for the violations described in the Agreement.
15. The Parties will not make any public statements that are inconsistent with the terms of the Agreement.
16. If the Ethics Board is forced to seek judicial enforcement of the Agreement, and prevails, Friends of Stephanie Singer, Singer, and Chapman shall be jointly and severally liable for attorneys' fees and costs reasonably expended in enforcing compliance with this Agreement. Fees for time spent by Board staff attorneys shall be calculated based upon standard and customary billing rates in Philadelphia for attorneys with similar experience.
17. The Agreement contains the entire agreement between the Parties.
18. The Parties will submit a signed copy of the Agreement to the Board for approval.
19. 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.
20. 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 or considering or resolving of an administrative adjudication of the matters described in the Agreement.

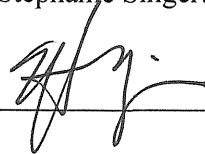
By the Executive Director of the  
Board of Ethics:



J. Shane Creamer, Jr., Esquire

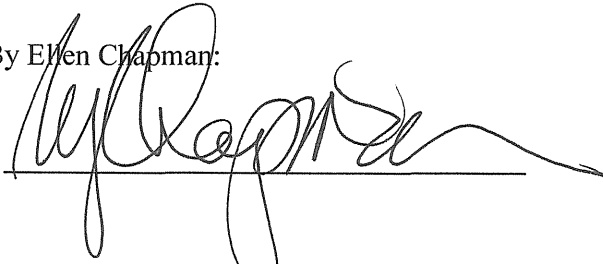
Dated: 1/31/12

By Stephanie Singer:



Dated: 1/27/12

By Ellen Chapman:



Dated: 1/29/2012

By Friends of Stephanie Singer:



Charles P. Goodwin, Treasurer

Dated: Jan 27, 2012

Approved by the Board of Ethics:



Richard Glazer, Esquire  
Chair

Effective Date: 12/22/12