

SETTLEMENT AGREEMENT

This Settlement Agreement is made and entered into by the Board of Ethics of the City of Philadelphia, Mastery Charter High School, Cecilia Schickel, and J. Shane Creamer, Jr., the Executive Director of the Board of Ethics, 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 20-1200 of The Philadelphia Code, the Board is charged with administering and enforcing Philadelphia’s Lobbying Law.
- B. Mastery Charter High School (“MCHS”) is a public charter school in Philadelphia.
- C. Cecilia Schickel was one of several individuals paid by MCHS in 2016 to organize parents of current or potential students at Mastery charter schools.
- D. Philadelphia’s Lobbying Law is found at Philadelphia Code Chapter 20-1200 and Board Regulation No. 9, which provides a detailed interpretation of Chapter 20-1200. The City’s Lobbying Law regulates lobbying of both City and School District officials, including members of the School Reform Commission (“SRC”).
- E. Under the City’s Lobbying Law, a principal is a person who engages in lobbying on its own behalf or that pays someone else (a lobbyist) to engage in lobbying. Lobbying is an effort to influence government administrative or legislative action through direct communication, indirect communication, incurring office expenses, or by providing gifts, transportation, lobbying, or hospitality to government officials. If a principal spends more than \$2,500 on lobbying expenses in a quarter, the principal must register with the Board. An individual who lobbies on behalf of a principal must register as a lobbyist if, in a quarter, he or she is paid more than \$2,500 to lobby from all principals represented.
- F. Under the City’s Lobbying Law, indirect communication is

An effort, whether written, oral or by any other medium, to encourage others, including the general public, to take action, the purpose or foreseeable effect of which is to directly influence legislative action or administrative action, including, but not limited to, letter-writing campaigns, mailings, telephone banks, print and electronic media advertising, billboards, publications and educational campaigns on public issues, but not including regularly published periodic newsletters primarily designed for and distributed to members of a bona fide association or charitable or fraternal nonprofit corporation.

- G. A principal must file an expense report with the Board for each quarter in which the principal spends more than \$2,500 on lobbying expenses. In an expense report, the principal must disclose the amount of money it spent that quarter on direct communications, indirect communications, and gifts, transportation, hospitality and lodging to government officials. For direct communications, the principal must disclose which officials it lobbied and the issues on which it lobbied and the positions it took with regard to those issues. For indirect communications, the principal must disclose the issues on which it lobbied, the positions it took with regard to those issues, its methods of communication, and the groups that were the recipients of its communications. For gifts, transportation, hospitality and lodging, the principal must disclose the government official recipients, what was provided, and the value of what was provided, if the cumulative value of such gifts, transportation, hospitality and lodging is \$200 or more in a calendar year.
- H. Pursuant to Code Section 20-1207(1)(b) and Regulation No. 9 Paragraph 9.32(B), the failure to register as a lobbyist or principal or to file an expense report is subject to a civil penalty of \$250 for each late day up to a maximum of \$2,000 for any one violation.
- I. In March of 2016, Board enforcement staff received a complaint alleging that MCHS or related entities had violated the City's Lobbying Law by failing to register as a principal and report lobbying activity in 2016. Because the complaint stated potential violations of the Lobbying Law, enforcement staff accepted the complaint and opened an investigation. At all times, MCHS and Ms. Schickel cooperated with the investigation.
- J. Under Pennsylvania law, a charter school such as MCHS is considered a local government agency. Regulation No. 9, at Paragraph 9.24(G), exempts from the reporting requirements of the lobbying law "employees of the following jurisdictions, when acting in an official capacity: the Commonwealth, political subdivisions thereof, other States or political subdivisions thereof, and the federal government." Therefore, time spent on lobbying by paid employees of MCHS does not count toward the City Lobbying Law's registration and reporting thresholds. However, if MCHS pays individuals who are not employees to lobby the School District, through direct or indirect communications, then its expenditures to those individuals count towards the City Lobbying Law's registration and reporting thresholds.
- K. In October of 2015, the School District issued a Request for Qualifications (RFQ) for a proposed conversion of John Wister Elementary to a charter school. On November 18, 2015, in response to the RFQ, MCHS submitted an application for the contract matching MCHS as the "turnaround agent" for the conversion of Wister Elementary to a charter school. That RFQ required that applicants "Provide a detailed plan for how the organization will plan, build capacity and engage stakeholders (parents, students, community members, partner organizations) during the 2015-16 school year if the organization is matched with a school by Winter 2015." In addition, Pennsylvania's Charter School Law sets out four criteria for the grant of a charter, one of which is "the demonstrated, sustainable support for the charter school plan by teachers, parents, other community members and students."

- L. On January 21, 2016, the SRC voted to go forward with the conversion of Wister Elementary to a charter school and selected Mastery as the potential future operator. On May 19, 2016, the SRC voted to give final approval of the charter for Wister Elementary to Mastery.
- M. In 2016, MCHS retained several individuals to organize parents of students at Wister Elementary. These individuals were not employees of MCHS. The work done for MCHS by these individuals included encouraging parents to fill out “pre-enrollment” forms for a Wister Elementary charter school; staffing information sessions with parents to encourage them to support the Wister conversion; encouraging parents to contact SRC officials by email and telephone in support of the Wister conversion, and organizing parents to meet with SRC officials in support of the Wister conversion.
- N. Prior to 2016, MCHS retained Ceisler Media to provide general communications and media relations services. However, in early 2016, Ceisler Media did work for MCHS that included producing videos and using social media to encourage parents to support the Wister Elementary conversion. This work also included organizing press conferences, attending SRC meetings, and designing mailers sent out by MCHS about the Wister Elementary conversion.
- O. The activities described in paragraphs M and N occurred, in part, prior to the SRC’s final approval of the charter for Wister Elementary. Because these activities encouraged members of the public to take action to directly influence the administrative action of the SRC regarding the potential conversion of Wister Elementary to a charter school, they constituted reportable indirect communications under the City’s Lobbying Law.
- P. In the 1st quarter of 2016, MCHS spent more than \$2,500 on the activity described in paragraphs M and N. As such, MCHS should have registered as a principal for 2016. MCHS also should have filed a 2016 1st quarter expense report disclosing those expenditures. However, MCHS did not timely register as a principal or file a 1st quarter expense report.
- Q. In the 2nd quarter of 2016, MCHS spent more than \$2,500 on the activity described in paragraphs M and N. As such, MCHS should have filed a 2016 2nd quarter expense report disclosing those expenditures. However, MCHS did not timely file a 2nd quarter expense report.
- R. In the first quarter of 2016, because she was compensated more than \$2,500 for the activity described in Paragraph M, Ms. Schickel should have registered as a lobbyist. However, Ms. Schickel did not timely register as a lobbyist.
- S. The Parties desire to enter into this Agreement in order to resolve the issues described herein.

AGREEMENT

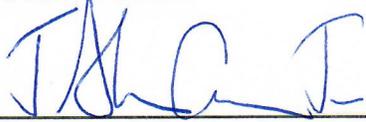
The Parties agree that:

1. The failure of Mastery Charter High School to timely register as a principal in 2016 violated Code Section 20-1207(1)(b) and is subject to a civil monetary penalty of \$2,000. However, in light of the cooperation of MCHS, the Board waives the penalty for this violation.
2. The failure of Mastery Charter High School to timely file an expense report for the 1st quarter of 2016 violated Code Section 20-1207(1)(b) and is subject to a civil monetary penalty of \$2,000. However, the Board reduces the penalty for this violation to \$1,000 in light of the cooperation of MCHS.
3. The failure of Mastery Charter High School to timely file an expense report for the 2nd quarter of 2016 violated Code Section 20-1207(1)(b) and is subject to a civil monetary penalty of \$2,000. However, the Board reduces the penalty for this violation to \$1,000 in light of the cooperation of MCHS.
4. The failure by Cecilia Schickel to timely register as a lobbyist in 2016 violated Code Section 20-1207(1)(b). However, the Board waives the monetary penalties for this violation in light of Ms. Schickel's cooperation.
5. MCHS 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 out to the City of Philadelphia and delivered to the offices of the Board.
6. Within 14 days of the effective date of the agreement, MCHS shall file a registration statement for 2016 and shall file expense reports for the 1st and 2nd quarters of 2016. When it files its 2016 registration statement, MCHS shall pay the registration fee of \$100.
7. Within 14 days of the effective date of the agreement, Ms. Schickel shall file a 2016 registration statement and pay the registration fee of \$100.
8. MCHS and Ms. Schickel 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 this Agreement.
9. In consideration of the above and in exchange for the compliance of MCHS and Ms. Schickel with all of the terms of the Agreement, the Board waives any further penalties or fines against them for the violations described in this Agreement.
10. The Parties will not make any public statements that are inconsistent with the terms of the Agreement.

11. If the Board or the City is forced to seek judicial enforcement of this Agreement, and prevails, MCHS and Ms. Schickel 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.
12. The Agreement contains the entire agreement between the Parties.
13. The Executive Director will submit a signed copy of the Agreement to the Board for approval.
14. The Agreement shall become effective upon approval by the Board. The effective date of the Agreement shall be the date the Board Chair signs 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 for this paragraph, nothing in the Agreement shall be effective.

By the Executive Director of
the Board of Ethics:

Dated: 11/10/16



J. Shane Creamer, Jr.

By Mastery Charter High School:

Dated: Nov 16, 2016



-Scott Gordon, CEO
Robert Victor

By Cecilia Schickel:



Dated: 11/10/16

Approved by the Board of Ethics:

Dated: 11/16/2016



Michael H. Reed
Chair