

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, Real Justice PAC, and Rebecca Bond, the Treasurer of Real Justice PAC, 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. 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. Rebecca Bond is the Treasurer of Real Justice PAC. Real Justice PAC is a national committee that engages in state and local elections across the country.
- C. Lawrence Krasner is the Philadelphia District Attorney. On February 21, 2021, Mr. Krasner announced his candidacy for reelection for that office and used Lawrence Krasner for District Attorney as the candidate political committee for his campaign (the “Krasner Campaign”).
- D. On January 20, 2021, the Krasner Campaign and Real Justice PAC entered into an agreement whereby Real Justice PAC staff would perform work for the Krasner Campaign, paid for in advance by the Krasner Campaign.
- E. Pursuant to the City’s Campaign Finance Law, if a political committee makes expenditures or incurs debt to influence a covered City election, it is required to electronically file with the Board a campaign finance report that discloses the committee’s financial transactions during the relevant reporting period. Pursuant to Philadelphia Code § 20-1006(4) and Regulation No. 1, Paragraph 1.22, 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.
- F. Real Justice PAC filed campaign finance reports with the Board in 2021, as required by the City’s Campaign Finance Law. It filed its Cycle 1 report on April 6, 2021 and its Cycle 2 report on May 6, 2021. Real Justice PAC relied on counsel experienced in campaign finance laws in filing its reports, who advised that the PAC’s spending using funds pre-paid by the Candidate in its role acting as a vendor were not reportable “expenditures” as defined under the Code and Regulations.
- G. After conducting a thorough investigation which included obtaining bank records, timesheets and other documents, Board enforcement staff determined that Real Justice PAC did not disclose as expenditures disbursements related to its role as a service provider to the Krasner Campaign under the Consulting Agreement.

- H. Board enforcement staff also determined that Real Justice PAC did not disclose certain contributions.
- I. Board enforcement staff also determined that Real Justice PAC did not disclose several “other receipts” from two related entities in its Cycle 1 and 2 reports that were unrelated to Philadelphia elections, and had disclosed others as a single lump sum amount in each report.
- J. On June 15, 2021, Board enforcement staff requested Real Justice PAC to amend its Cycle 1 and 2 reports, which it subsequently agreed to do on June 16, 2021. Following the Board enforcement staff’s instructions, Real Justice PAC filed an amended Cycle 1 report on August 20, 2021 and an amended Cycle 2 report on August 25, 2021.
- K. The amended Cycle 1 report filed by Real Justice PAC on August 20, 2021 disclosed the following expenditures in the table below that were omitted from its original Cycle 1 report:

Entity Name	Date	Amount	Description
Brandon Evans	2/28/2021	\$2,764.60	Campaign management services provided to Krasner for District Attorney paid by campaign
Brandon Evans	2/28/2021	\$1,742.90	Staff Time - In-Kind to Krasner for DA campaign
Other Staff Time Person #1	3/15/2021	\$57.69	Social media services provided to Krasner for District Attorney paid by campaign

- L. These previously undisclosed expenditures were made pursuant to the agreement between the Krasner Campaign and Real Justice PAC and were made to influence a covered election while providing pre-paid services to the Candidate.
- M. Real Justice PAC’s amended Cycle 1 report also disclosed 2,199 contributions that were not previously disclosed. Real Justice PAC’s Cycle 1 report did not disclose any non-Pennsylvania expenditures, however, its amended Cycle 1 report disclosed \$145,190.80 in non-Pennsylvania expenditures as a lump sum, as it is permitted to do under Pennsylvania law.
- N. The amended Cycle 2 report filed by Real Justice PAC on August 25, 2021 disclosed the following expenditures in the table below that were omitted from its original Cycle 2 report:

Entity Name	Date	Amount	Description
Brandon Evans	3/31/2021	\$6,130.20	Campaign management services provided to Krasner for District Attorney paid by campaign
Brandon Evans	4/15/2021	\$4,808.00	Campaign management services provided to Krasner for District Attorney paid by campaign
Brandon Evans	4/30/2021	\$5,769.60	Campaign management services provided to Krasner for District Attorney paid by campaign

Other Staff Time Person #2	4/15/2021	\$144.24	Field organizing services provided to Krasner for District Attorney paid by campaign
Other Staff Time Person #2	4/30/2021	\$90.15	Field organizing services provided to Krasner for District Attorney paid by campaign
Other Staff Time Person #3	3/31/2021	\$37.50	Field organizing services provided to Krasner for District Attorney paid by campaign
Other Staff Time Person #3	4/15/2021	\$218.75	Field organizing services provided to Krasner for District Attorney paid by campaign
Other Staff Time Person #3	4/30/2021	\$262.50	Field organizing services provided to Krasner for District Attorney paid by campaign
Other Staff Time Person #4	4/30/2021	\$55.29	Field organizing services provided to Krasner for District Attorney paid by campaign
Other Staff Time Person #1	4/30/2021	\$57.69	Social media services provided to Krasner for District Attorney paid by campaign

- O. Each of the above previously undisclosed expenditures were made pursuant to the agreement between the Candidate and Real Justice PAC and were made to influence a covered election while providing pre-paid services to the Candidate.
- P. Real Justice PAC's amended Cycle 2 report also disclosed 419 contributions that were not previously disclosed. Real Justice PAC's Cycle 2 report did not disclose any non-Pennsylvania expenditures however, its amended Cycle 2 report disclosed \$192,262.60 in non-Pennsylvania expenditures as a lump sum, as it is permitted to do under Pennsylvania law.
- Q. While Real Justice PAC disclosed additional receipts and expenses not related to a covered Philadelphia election in its amended Cycle 1 and Cycle 2 reports, the Board will not pursue penalties with regards to these receipts and expenses.
- R. Real Justice PAC and Ms. Bond cooperated with the Board's investigation.
- S. The Parties desire to enter into this Agreement in order to resolve the issues described herein.

AGREEMENT

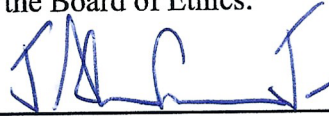
The Parties agree that:

1. Because the 2021 Cycle 1 campaign finance report they filed with the Board failed to disclose the three expenditures described in in paragraphs K and L, Real Justice PAC and Ms. Bond are jointly and severally liable for a civil monetary penalty of \$6,000.
2. Because the 2021 Cycle 1 campaign finance report they filed with the Board failed to disclose contributions and non-Pennsylvania expenditures as explained in paragraph M, Real Justice PAC and Ms. Bond violated Philadelphia Code § 20-1006(4) and are jointly and severally liable for a civil monetary penalty of \$2,000.

3. Because the 2021 Cycle 2 campaign finance report they filed with the Board failed to disclose the ten expenditures described in paragraphs N and O, in violation of Philadelphia Code § 20-1006(4), Real Justice PAC and Ms. Bond are jointly and severally liable for a civil monetary penalty of \$20,000.
4. Because the 2021 Cycle 2 campaign finance report they filed with the Board failed to disclose contributions and non-Pennsylvania expenditures as explained in paragraph P, Real Justice PAC and Ms. Bond violated Philadelphia Code § 20-1006(4) and are jointly and severally liable for a civil monetary penalty of \$2,000.
5. The civil monetary penalties set forth in Paragraphs 1 through 4 are due within 30 days 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.
6. Real Justice PAC and Ms. Bond 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.
7. In consideration of the above and in exchange for the compliance of Real Justice PAC and Ms. Bond 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.
8. The Parties will not make any public statements that are inconsistent with the terms of the Agreement.
9. If the Board or the City is forced to seek judicial enforcement of the payment of civil monetary penalties as required by the Agreement, and prevails, the party responsible under the terms of the Agreement for the payment 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.
10. This Agreement contains the entire agreement between the Parties.
11. The Executive Director, or his designee, will submit a signed copy of the Agreement to the Board for approval.
12. The Agreement shall become effective upon approval by the Board. The effective date of the Agreement shall be the date the Board Vice Chair signs the Agreement.
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 this paragraph, nothing in the Agreement shall be effective.

By the Executive Director of
the Board of Ethics:

Dated: 12/4/21



J. Shane Creamer, Jr.
Executive Director

By Real Justice PAC:


Dated: 12.3.2021



Rebecca Bond, Treasurer

By Rebecca Bond:

Dated: 12.3.2021



Approved by the Board of Ethics on 12/8/2021.

/s/ Phyllis W. Beck

Judge Phyllis W. Beck (Ret.)
Vice Chair

Chair Michael H. Reed did not participate in the Board's consideration or approval of this agreement.