

SETTLEMENT AGREEMENT

This Settlement Agreement (“Agreement”) is made and entered into by the Board of Ethics of the City of Philadelphia (the “Board”), J. Shane Creamer, Jr., the Executive Director of the Board (together, the Board Parties”) and Lawrence Krasner for District Attorney (the “Krasner Campaign”), Lawrence Krasner, and Vernon Anastasio, the Treasurer of Lawrence Krasner for District Attorney (together, the “Krasner Parties”) (the Board Parties and Krasner Parties will be 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. 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. Vernon Anastasio is the Treasurer of Lawrence Krasner for District Attorney.
- C. Real Justice PAC (the “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.
- D. 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.
- E. Pursuant to paragraph 1.44 (a) of Board Regulation No. 1, “[a] candidate or candidate political committee shall not spend any excess pre-candidacy contributions for the purposes of: influencing the outcome of a covered election in which he or she is a candidate....”
- F. Paragraph 1.45 (a) of Regulation No. 1 requires candidates to exclude all excess pre-candidacy contributions from their candidate account by either transferring the excess portions into a separate account or returning the excess amounts to their contributors.
- G. 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. Pursuant to the agreement, between March and May of 2021, Real Justice PAC sent the Krasner Campaign the following invoices, which Real Justice PAC’s amended reports disclose a total of \$48,165.59 in staff time (\$31,492.40 of which was for the embedded campaign manager for the Krasner Campaign who is employed by the PAC), \$7,299.76 in travel expenses and \$1,000 for a VAN committee expense:

Invoice Number	Invoice Amount	Invoice Date	Invoice Description
Invoice 1052	\$13,000	3/8/2021	Campaign Management Services (\$3,000 for February, \$10,000 for March)
Invoice 1053	\$13,000	3/31/2021	Campaign Management Services for April
Invoice 1054	\$1,750	3/16/2021	VAN Committee (\$1,000), Additional Staff Time for March (\$750)
Invoice 1058	\$13,000	4/30/2021	Campaign Management Services for May
Invoice 1060	\$17,000	5/11/2021	Estimated organizer travel, lodging, and staff time for GOTV

H. The Krasner Campaign made the following expenditures in response to the invoices, as disclosed in campaign finance reports they filed for reporting cycles 1, 2, and 3:

Cycle	Amount Paid	Date Paid	Description
Cycle 1	\$14,750	3/24/2021	Political Consulting
Cycle 2	\$13,000	4/5/2021	Political Consulting
Cycle 2	\$13,000	4/30/2021	Political Consulting
Cycle 3	\$17,000	5/14/2021	Political Consulting

- I. The Krasner Campaign’s description of the expenditures listed in Paragraph H was insufficient to identify what the expenditures were for.
- J. Prior to declaring his candidacy for reelection on February 21, 2021, Mr. Krasner received excess pre-candidacy contributions.
- K. After declaring his candidacy, Mr. Krasner transferred the excess pre-candidacy contributions into a segregated account (“SPEC account”). Under applicable law, no funds from that account could be used to influence a covered election, including his own.
- L. On March 12, 2021, the Krasner Campaign used \$1,000 from the SPEC account to pay “Data Driven Democrats” for digital marketing services. This expenditure was disclosed in the Krasner Campaign’s cycle 1 report. After Board enforcement staff notified the Krasner Campaign through its counsel about this expenditure, the Krasner Campaign voluntarily disgorged \$1,000 to the City of Philadelphia via check dated November 4, 2021, that was delivered to the Board’s office.

- M. On October 23, 2021, Lawrence Krasner for District Attorney voluntarily filed amended cycle 3 and 4 reports, which disclosed an unpaid debt that was omitted from its original cycle 3 report. The previously undisclosed debt was in the amount of \$10,000 owed to Apollo Collaborative for “media buy.”
- N. On March 4, 2021, the Krasner Campaign was invoiced \$66,876 by Basebuilder for “canvas services,” including “[c]anvassing; signature gathering for ballot access, signature validation.” The Krasner Campaign disclosed a payment to Basebuilder in the amount of \$36,876 on March 9, 2021 in its cycle 1 campaign finance report, but omitted reporting the \$30,000 unpaid debt owed to Basebuilder in its cycle 1, 2 and 3 campaign finance reports. The Krasner Campaign subsequently disclosed a payment of \$11,000 to Basebuilder in its cycle 4 campaign finance report but omitted reporting the \$19,000 unpaid debt owed to Basebuilder in its cycle 4 and 5 campaign finance reports.
- O. Mr. Krasner and Mr. Anastasio fully cooperated with the Board’s investigation and resolution of this matter.
- P. The Parties desire to enter into this Agreement in order to resolve the issues described herein.

AGREEMENT

The Parties agree that:

1. Because the cycle 1, 2 and 3 campaign finance reports filed with the Board contained material misstatements as described in paragraphs G-I, Krasner for District Attorney and Mr. Anastasio violated Philadelphia Code § 20-1006(4), for which they are jointly and severally liable for a civil monetary penalty of \$6,000, which they shall pay within 30 days of the effective date of the Agreement.
2. Because the cycle 1, 2, 3, 4 and 5 campaign finance reports filed with the Board failed to disclose unpaid debts as described in paragraphs M and N, Krasner for District Attorney and Mr. Anastasio violated Philadelphia Code § 20-1006(4), for which they are jointly and severally liable for a civil monetary penalty of \$2,000, which they shall pay within 30 days of the effective date of the Agreement.
3. Because Krasner for District Attorney spent excess pre-candidacy contributions to influence a covered election in violation of Philadelphia Code § 20-1002(3), Krasner for District Attorney and Mr. Krasner are jointly and severally liable for a civil monetary penalty of \$2,000, which they shall pay within 30 days of the effective date of the Agreement.
4. All payments required by this Agreement shall be by check or money order made payable to the City of Philadelphia and delivered to the offices of the Board of Ethics.

5. Within 30 days of the effective date of the Agreement, the Krasner Campaign will electronically file with the Board amended campaign finance reports correcting the reporting failures described in this Agreement.
6. The Krasner Campaign shall not use funds received from Real Justice PAC, its officers, or affiliates to pay the penalties required by this Agreement.
7. The Krasner Campaign, Mr. Krasner, and Mr. Anastasio 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.
8. In consideration of the above and in exchange for the compliance of the Krasner Campaign, Mr. Krasner, and Mr. Anastasio 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.
9. The Parties will not make any public statements that are inconsistent with the terms of the Agreement.
10. If the Board or the City is forced to seek judicial enforcement of the payment of civil monetary penalties or the filing of amended report as required by the Agreement, and prevails, the party responsible under the terms of the Agreement for the payment or filing 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.
11. This Agreement contains the entire agreement between the Parties.
12. The Executive Director, or his designee, will submit a signed copy of the Agreement to the Board for approval.
13. 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.
14. 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: 12/6/21

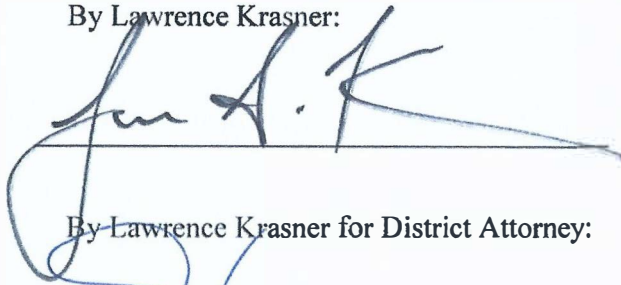
By the Executive Director of
the Board of Ethics:



J. Shane Creamer, Jr.
Executive Director

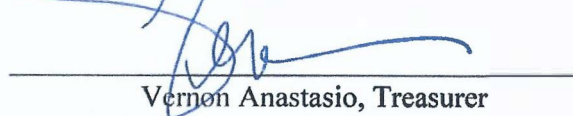
Dated: 12/6/21

By Lawrence Krasner:



By Lawrence Krasner for District Attorney:

Dated: 12/6/21



Vernon Anastasio, Treasurer

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.