

SETTLEMENT AGREEMENT

This Settlement Agreement (the “Agreement”) is made and entered into by and among the City of Philadelphia Board of Ethics (the “Board”); J. Shane Creamer, Jr., the Executive Director of the Board; and the International Brotherhood of Electrical Workers Local 98 (“Local 98”), jointly referred to as “the Parties,” each a “Party.”

RECITALS

A. The Board is an independent, five-member board of the City of Philadelphia established in 2006 by voter approval of an amendment to the Philadelphia Home Rule Charter (the “Charter”). Pursuant to Section 4-1100 of the Charter and Chapter 20-1200 of the Philadelphia Code (the “Code”), the Board is charged with administering and enforcing the standards of governmental conduct and ethics for City, including the reporting of lobbying activity.

B. Local 98 is a labor union representing workers and retirees in the electrical industry.

The City’s Lobbying Law: City Code Chapter 20-1200 & Board Regulation No. 9

C. Philadelphia’s lobbying law is found at Chapter 20-1200 of the Code and Board Regulation No. 9, which provides a detailed interpretation of Chapter 20-1200 (the “Lobbying Law”). The Lobbying Law requires public disclosure of certain paid efforts to influence legislative and administrative action. The Lobbying Law provides the following definitions:

1. Under Code Section 20-1201(18) and Regulation 9.1(s), lobbying is any effort to influence governmental administrative or legislative action through direct communication, indirect communication, or by providing gifts, transportation, hospitality, or lodging to City officers or employees.
2. Under Code Section 20-1201(1) and Regulation 9.1(a), administrative action includes actions by City officers or employees related to the approval or veto of legislation; nominations or appointments of City officials; executive orders; regulations; policies; procurement mechanisms; adjudications; expenditures of public funds; contracts; licenses; permits; and zoning.
3. Under Code Section 20-1201(17) and Regulation 9.1(r), legislative action includes actions by a City officers or employees involving legislation; legislative motions; vetoes and veto overrides; and nomination, appointment, or confirmation to City boards or commissions.
4. Under Code Section 20-1201(23) and Regulation 9.1(z), a principal is a person who engages in lobbying on its own behalf or who pays someone else (a lobbyist) to engage in lobbying.
5. Under Code Section 20-1201(20) and Regulation 9.1(u), a lobbyist is anyone who engages in lobbying on behalf of a principal for economic consideration.
6. Under Code Section 20-1201(9) and Regulation 9.1(i), direct communication is an effort, whether written, oral or by any other medium, made by a lobbyist or principal, directed to a City official or employee, the purpose or foreseeable effect of which is to influence legislative action or administrative action. The term may include personnel expenses and office expenses.

7. Under code Section 20-1201(13) and Regulation 9.1(n), hospitality is “[m]eals, beverages and recreation and entertainment, but not gifts, transportation or lodging.”

D. Registration.

1. Under Code Sections 20-1202(1), 20-1204(6) and Regulation 9.2(a), if a principal incurs expenditures of more than \$2,500 for lobbying expenses in a quarter, the principal must register with the Board within ten days.
2. Under Code Sections 20-1202(1) and 20-1204(4) and Regulation 9.2(b), if a lobbyist engages in lobbying for which they have or will receive more than \$2,500 in economic consideration, the lobbyist must register with the Board within ten days, except that someone who engages in lobbying on behalf of their employer if they engaged in 20 hours or more of lobbying activity in that quarter.
3. Board Regulation 9.3 currently provides that each registrant (principal, lobbyist, lobbying firm) must pay a registration fee of \$200, plus a nominal processing charge, for each year in which they register. In the years 2014, 2015, and 2016 this registration fee was \$100.

E. Reporting.

1. Under Code Sections 20-1203(1) and 20-1204(6) and Regulation 9.9, a principal must file an expense report for each quarter in which the principal incurs lobbying expenditures of more than \$2,500.
2. Under Code Sections 20-1203(2)(a) and Regulation 9.13, in an expense report, the principal must disclose its expenditures incurred that quarter for direct communications, indirect communications, and gifts, transportation, hospitality and lodging to City officers and employees as well as detailed information about the nature of those expenditures.
3. Under Regulation 9.9, for any quarter in which a registered principal’s lobbying expenses did not exceed \$2,500, a registered principal must file a statement certifying lobbying expenses did not exceed \$2,500.
4. Under Code Section 20-1203(6) and Regulation 9.21, registrants must retain records necessary to substantiate each required report for four years. Regulation 9.21(b) further requires that they must also prepare a written voucher, journal entry or written or electronic form of record to document expenditures if an original source document is not available to support a reportable expenditure.
5. The failure of a principal, lobbyist, or lobbying firm to create or retain records does not insulate them from violations of the Lobbying Law. In the absence of the required records, the burden is on the principal, lobbyist, or lobbying firm to establish that they were not required to register or file expense reports.

- F. Penalties.** Pursuant to Code Section 20-1207(1)(b) and Regulation 9.26, the failure to register as a principal or lobbyist to file an expense report is subject to a civil penalty not exceeding \$250 for each late day up to a maximum of \$2,000 for any one registration or report.

Background

- G. In January 2019, a federal grand jury indicted multiple individuals who were then employed by Local 98 (the “Indictment”), including its former business manager John Dougherty (“Dougherty”) and its former political director, former City Councilmember Robert Henon (“Henon”).
- H. After Dougherty and Henon were found guilty on November 15, 2021 of some of the charges described by the Indictment, the Executive Director opened an investigation in which the Board’s enforcement staff reviewed local and federal filings; subpoenaed bank records; and conducted interviews. The last of the three criminal trials related to the Indictment concluded on December 7, 2023, and the last of the defendants to be sentenced, Dougherty, was sentenced on July 11, 2024, with judgment against him entered on July 15, 2024, as amended on September 13, 2024. Federal prosecutors moved to dismiss charges against Dougherty from a separate indictment on August 15, 2024, which motion was granted on August 21, 2024.
- I. The federal prosecutions of Dougherty and Henon revealed that in his capacity as Business Manager of Local 98, Dougherty made and directed various efforts to influence legislative and administrative actions during 2014, 2015, and 2016 as described below. Local 98 did not register as a lobbying principal, nor did Dougherty register as a lobbyist, at any time during 2014, 2015, or 2016. In addition, Local 98 did not file any quarterly lobbying expense reports with the Board for these years.
- J. At all relevant times during 2014, 2015, and 2016, Dougherty and Henon were salaried employees of Local 98. Henon served as a City Councilmember while also being paid a salary by Local 98. Following his federal conviction, Dougherty resigned his position of Business Manager from Local 98 on November 16, 2021.
- K. Neither Dougherty nor Local 98 kept records of the activities described below, or related expenditures. As a result, Local 98 does not have the detailed information necessary to file expense reports for 2014, 2015, or 2016 with the Board disclosing the activities described below.
- L. Local 98 registered as a lobbying principal with the Board on July 22, 2024, and on July 23, 2024 filed a 2nd quarter expense report through the Philadelphia Lobbying Information System.
- M. Local 98 fully cooperated with the Board’s investigation and resolution of the matter described in this Agreement.

Unreported Lobbying

- N. The investigation found that through the activities of Dougherty and Henon, Local 98 took part in the following unreported lobbying activities at Dougherty’s direction as Business Manager from 2014 to 2016 (the “Unreported Lobbying”):
 - 1. **Goldtex Apartments**
 - a. In or around July 2014, Dougherty met with then-Commissioner of the City’s Department of Licenses & Inspections (“L&I”) Carlton Williams (“Williams”) to persuade him to take administrative action with respect to alleged safety violations at the non-union construction site of the

Goldtex apartments at 11th and Wood streets in Philadelphia.

- b. Dougherty's meeting with Williams was a direct communication to influence administrative action under Code Section 20-1201(9).

2. Lincoln Financial Field Scoreboard

- a. In or around 2014, Local 98 officials met with Williams and L&I staff. The purpose of this direct communication was to persuade L&I to take administrative action to prevent the Sheet Metal Workers union from installing a scoreboard at Lincoln Financial Field.
- b. Local 98's meeting with Williams and L&I staff was a direct communication to influence administrative action under Code Section 20-1201(9).

3. CHOP MRI Machines

- a. On or around July 19, 2015, Dougherty directed Local 98 staff to ask Henon to use his position as a City Councilmember to compel L&I to take administrative action by (1) conducting an inspection of the installation of an MRI machine at the Children's Hospital of Philadelphia and (2) issuing a preliminary stop work order.
- b. On or around July 22, 2015, Dougherty called Henon, again asking him to compel L&I to take administrative action by reinstating the preliminary stop work order after learning L&I had reversed its prior stop work order.
- c. On or around August 19, 2015, Dougherty directed Local 98 staff to ask Henon to use his position as a City Councilmember to influence L&I to take additional administrative action by (1) inspecting the installation of a second MRI machine at the Children's Hospital of Philadelphia and (2) issuing a preliminary stop work order.
- d. These efforts by Dougherty and Local 98 to influence Henon were direct communications to influence administrative action under Code Section 20-1201(9).

4. Comcast Franchise Agreement Renewal

- a. On or around November 19, 2015, Dougherty contacted Henon to discuss strategies for the City's franchise agreement renewal negotiations with Comcast. These negotiations were the precursor to legislative action granting Comcast rights-of-way to provide and maintain telecommunications services.
- b. In or around November 2015, Dougherty provided Henon hospitality in the form of luxury box tickets to a Philadelphia Eagles game. Dougherty intended that Henon share the box with other Councilmembers to support Henon's ability to influence them to accommodate Local 98's interests in the franchise agreement renewal with Comcast.
- c. On or around December 2, 2015, Dougherty held a meeting in City

Council chambers with Henon and Comcast representatives to further influence legislative action concerning the City's franchise agreement renewal.

- d. On or around December 3, 2015, Dougherty held another meeting at a hotel with Henon and Comcast representatives to influence the legislative action related to the City's franchise agreement renewal.
- e. Dougherty's discussions and meetings with Henon concerning the Comcast franchise agreement renewal were direct communications to influence legislative action under Code Section 20-1201(9).
- f. The Eagles luxury box tickets given by Dougherty to Henon were hospitality under Code Section 20-1201(13) and were given for the purpose of advancing the interests of Dougherty and Local 98.

5. Towing Legislation

- a. On or around September 22, 2015, Dougherty called Henon asking him to draft legislation requiring training for drivers in the towing industry in Philadelphia.
- b. Dougherty's call with Henon was a direct communication to influence legislative action under Code Section 20-1201(9).

6. Beverage Tax Legislation

- a. On or around February 11, 2016, Dougherty contacted Henon to strategize how best to introduce legislation for the Philadelphia Beverage Tax. Dougherty contacted Henon again later that day to further discuss the legislation for the Philadelphia Beverage Tax. These direct communications with an elected official were made by Dougherty for the purpose of influencing legislative action.
- b. On or around February 16, 2016, Dougherty again contacted Henon to suggest ways to successfully complete legislative action for the Philadelphia Beverage Tax. This direct communication with an elected official was made by Dougherty for the purpose of influencing legislative action.
- c. On or around March 1, 2016, Dougherty contacted Henon to encourage him to continue pursuing legislative action for the Philadelphia Beverage Tax.
- d. On or around May 7, 2016, Dougherty contacted Henon to ask him to take additional legislative action by promoting the legislation for the Philadelphia Beverage Tax with other City Councilmembers.
- e. Dougherty's interactions with Henon about the Beverage Tax were direct communications to influence legislative action under Code Section 20-1201(9).

7. Parking Authority Resolution.

- a. On or around June 16, 2016, Dougherty caused Local 98 agents to contact Henon to ask him to take legislative action by blocking a City Council resolution concerning the Philadelphia Parking Authority.
 - b. This effort by Dougherty and Local 98 to influence Henon was a direct communication to influence legislative action under Code Section 20-1201(9).
- O. Based on the Indictment, the subsequent trials, the Unreported Lobbying described above, and the lack of records, the Parties stipulate that Local 98 exceeded the \$2,500 lobbying expenditure threshold for annual registration and reporting in the following quarters:
 - 1. 2014: Quarters 3 and 4
 - 2. 2015: Quarters 3 and 4
 - 3. 2016: Quarters 1 through 4
- P. From 2014 to 2016, Local 98 never registered as a lobbying principal, nor did Dougherty register as a lobbyist.
- Q. From 2014 to 2016, neither Local 98 nor Dougherty filed any expense reports or certifications.
- R. The Parties desire to enter into this Agreement to resolve the issues described herein.

AGREEMENT

The Parties hereby agree to the following:

- 1. **Recitals.** The Recitals above are made part of this Agreement as if fully set forth herein.
- 2. **Stipulation.** The Parties acknowledge that from 2014 to 2016, Local 98 was under the leadership of Dougherty, who directed the Unreported Lobbying in his capacity as Business Manager, which he resigned from on November 16, 2021.
- 3. **Civil Monetary Penalties.** A table itemizing the civil monetary penalties described below is attached hereto as “Exhibit A” and is incorporated into this Agreement.
 - a. **Requirement to Register as Principal.** Local 98 failed to register as a lobbying principal in 2014, 2015, and 2016 as required by Section 20-1207(1)(b) and Board regulation 9.26. The total civil monetary penalty for these three (3) violations is \$6,000.
 - b. **Principal Registration Fees.** Local 98 shall pay the City \$300 for the total annual lobbying registration fees for principals 2014, 2015, and 2016.
 - c. **Lobbyist Registration Fees.** Local 98 shall pay the City \$300 for the total annual lobbying registration fees for lobbyists in 2014, 2015, and 2016.
 - d. **2014 Expense Reports.** Local 98 failed to timely file quarterly expense reports with the Board for the 3rd quarter of 2014 and the one (1) remaining quarter for that year as required by Code Section 20-1203(1) and Board Regulation 9.9. The total civil monetary penalty for these two (2) violations is \$4,000.
 - e. **2015 Expense Reports.** Local 98 failed to timely file quarterly expense reports with the Board for the 3rd quarter of 2015 and the one (1) remaining quarter for that year as required by Code Section 20-1203(1) and Board Regulation 9.9. The total civil

monetary penalty for these two (2) violations is \$4,000.

- f. **2016 Expense Reports.** Local 98 failed to timely file quarterly expense reports with the Board for the 1st quarter of 2016 and the three (3) remaining quarters for that year as required by Code Section 20-1203(1) and Board Regulation 9.9. The total civil monetary penalty for these four (4) violations is \$8,000.
- g. **Record Keeping.** Local 98 failed to keep records supporting its reportable lobbying expenses as required by Regulation 9.21(b). The civil monetary penalty for this violation is \$2,000.
- h. **Payment.** Within fourteen (14) days following the effective date of this Agreement, Local 98 agrees to pay the sum of \$24,600 by check or money order made payable to the City of Philadelphia and delivered to the Board's office at the following address:

City of Philadelphia Board of Ethics
One Parkway Building
1515 Arch Street 18th Floor
Philadelphia, PA 19102

4. **Additional Remedies.**

- a. **Training.** Local 98 commits to ensuring that its agents are familiar with the requirements of the City's Lobbying Law, including completion of lobbying training as follows:
 - i. Within sixty (60) calendar days following the effective date of this Agreement, Local 98 shall cause its political director to schedule and attend a lobbying training provided by the Board.
 - ii. Until December 31, 2028, should Local 98 appoint a new political director, Local 98 shall cause that person to attend a lobbying training provided by the Board within sixty (60) calendar days of their appointment.
 - b. **Future Compliance.** Local 98 understands its lobbying reporting obligations and will make all necessary efforts in the future to comply with the Board's lobbying requirements.
5. **Local 98 Release.** Local 98 releases and holds harmless the City, the Board and the Board's staff from any potential claims, liabilities, and causes of action by Local 98 arising from the Board's investigation, enforcement, and settlement of the matters described in the Agreement.
6. **Board Release.** In consideration of the above and in exchange for Local 98's compliance with the terms of the Agreement, the Board waives any further penalties or fines against Local 98 for the violations described in the Agreement.
7. **Public Statements.** The Parties shall not make any public statements that are inconsistent with the terms of the Agreement.
8. **Attorneys' Fees.** If the Board or the City is forced to seek judicial enforcement of this Agreement, and prevails, Local 98 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

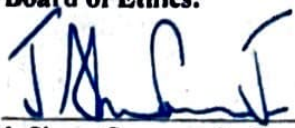
Philadelphia for attorneys with similar experience.

9. **Integration.** The Agreement contains the entire agreement between the Parties.
10. **Severability.** The Agreement is severable. If any court of competent jurisdiction determines that any paragraph or part set forth in the Agreement is unenforceable, the remaining terms and conditions of the Agreement will remain in full force and effect as if the unenforceable paragraphs or parts were omitted.
11. **Board Approval.** Upon execution of the Agreement by Local 98, the Executive Director shall submit a signed copy of the Agreement to the Board for approval.
12. **Effective Date.** The Agreement shall become effective only upon approval by the members of the Board. The effective date of the Agreement is the date the Board Chair signs the Agreement.
13. **Board Rejection.** 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.
14. **Publication.** If the Board approves the proposed Agreement, the Board shall make the Agreement available to the public as required by Board Regulation 2.27 by posting the Agreement to the Board's website.

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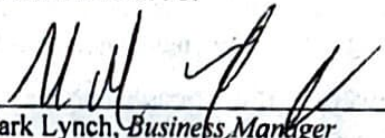
In witness of the foregoing, the Parties hereto have caused their duly authorized representatives to execute this Agreement on the dates set forth below:

2/13/25
Date

**City of Philadelphia
Board of Ethics:**


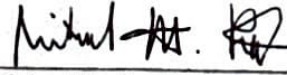
J. Shane Creamer, Jr. *Executive Director*

2/11/25
Date

**International Brotherhood of Electrical
Workers Local 98:**


Mark Lynch, *Business Manager*

2/19/25
Date

**Approved by the Members
of the Board of Ethics:**


Michael H. Reed, *Chair*

EXHIBIT A
Violations Table

Agreement Reference	Recitals Reference	Violation	Rule	Penalty
2	N(1), P	Failure to Register as principal in 2014	Code 20-1207(1)(b), Regulation 9.26	\$2,000
2	N(3), P	Failure to Register as principal in 2015	Code 20-1207(1)(b), Regulation 9.26	\$2,000
2	N(6), P	Failure to Register as principal in 2016	Code 20-1207(1)(b), Regulation 9.26	\$2,000
3	N(1), P	Principal registration fee in 2014	Regulation 9.3	\$100
3	N(3), P	Principal registration fee in 2015	Regulation 9.3	\$100
3	N(6), P	Principal registration fee in 2016	Regulation 9.3	\$100
4	N(1), P	Lobbyist registration fee in 2014	Regulation 9.3	\$100
4	N(3), P	Lobbyist registration fee in 2015	Regulation 9.3	\$100
4	N(6), P	Lobbyist registration fee in 2016	Regulation 9.3	\$100
5	N(1)	Failure to timely file quarterly expense report for Q3 2014	Code 20-1203(1), Board Regulation 9.9	\$2,000
5	EN(1), N(2)	Failure to timely file quarterly expense report for Q4 2014	Code 20-1203(1), Board Regulation 9.9	\$2,000
6	N(3), N(5)	Failure to timely file quarterly expense report for Q3 2015	Code 20-1203(1), Board Regulation 9.9	\$2,000
6	N(4)	Failure to timely file quarterly expense report for Q4 2015	Code 20-1203(1), Board Regulation 9.9	\$2,000
7	N(6)	Failure to timely file quarterly expense report for Q1 2016	Code 20-1203(1), Board Regulation 9.9	\$2,000
7	N(6), N(7)	Failure to timely file quarterly expense report for Q2 2016	Code 20-1203(1), Board Regulation 9.9	\$2,000
7	N(6), N(7)	Failure to timely file quarterly expense report for Q3 2016	Code 20-1203(1), Board Regulation 9.9	\$2,000
7	N(6), N(7)	Failure to timely file quarterly expense report for Q4 2016	Code 20-1203(1), Board Regulation 9.9	\$2,000
8	K	Failure to keep records supporting reportable lobbying expenses	Regulation 9.21(b)	\$2,000
			Total Penalties	\$24,600