

## **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., Executive Director of the City of Philadelphia Board of Ethics; Protect Our Police PAC; and Nicholas Gerace, Treasurer to Protect Our Police PAC; jointly referred to as “the Parties.”

### **RECITALS**

- A. The Board of Ethics of the City of Philadelphia (“the Board”) is an independent, five-member City board established in 2006 by 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, Philadelphia Code 20-1000.
- B. Protect Our Police PAC is a political committee based in Philadelphia, Pennsylvania.
- C. Nicholas Gerace is the Treasurer of Protect Our Police PAC.
- D. The Philadelphia 2021 Primary Election was held on May 18, 2021.
- E. Pursuant to Philadelphia Code § 20-1006(1)(a) and Regulation No. 1 Paragraph 1.20(a):

Any time a political committee or person is required to file a campaign finance report with the City Commissioners or the Secretary of State, as required by the Pennsylvania Election Code, the committee or person shall file electronically a copy of that report with the Board if the report filed with the City Commissioners or Secretary of State discloses, or should disclose, any expenditures made or debt incurred to influence the outcome of a covered election, including expenditures to a candidate for City elective office.

- F. Pursuant to Philadelphia Code § 20-1006(c) and Regulation No. 1 Paragraph 1.20(c), any person must file a report with the Board on or before a specified due date, if that person, whether directly or through another person, makes or promises to make expenditures of \$5,000 or more in the aggregate for one or more “electioneering communications” that are published or to be published within 50 days of a covered election.
- G. Pursuant to Philadelphia Code §§ 20-1006(4) and 20-1301(2) and Regulation No. 1 Paragraph 1.54, the late filing of a campaign finance report violates the City’s campaign finance law and is subject to a civil monetary penalty of \$250 for each day the report is late with maximum total penalties of \$2,000 for the first 30 days the report remains unfiled plus \$1,000 for each additional 30 day period, or part thereof, the report remains unfiled.
- H. In late February 2021, Protect Our Police PAC contacted Board Enforcement Staff for information on filing their 2020 Annual Campaign Finance Report (Cycle 7). The 2020 Cycle 7 report was due February 1, 2021. Board Enforcement Staff assisted with the filing of this report, which was filed on February 23, 2021. Because Protect Our Police PAC did not make any expenditures to influence a Philadelphia City election, no late penalty was imposed.

However, Board Enforcement Staff provided information for future filing dates, penalties, and added Protect Our Police PAC to the Board's Campaign Finance Mailing List.

- I. In April 2021, Board Enforcement Staff reviewed public information indicating that Protect Our Police PAC had spent an excess of \$5,000 on electioneering communications. At that time, Protect Our Police PAC had not filed a 4<sup>th</sup> Tuesday Pre-Primary (Cycle 101) Campaign Finance Report.
- J. On April 21, 2021, Board Enforcement Staff notified Protect Our Police PAC of the Cycle 101 and 6<sup>th</sup> Tuesday Pre-Primary (Cycle 1) campaign finance report filing requirements and inquired if their reports were outstanding.
- K. On April 26, 2021, Board Enforcement Staff received a Complaint alleging that Protect Our Police PAC had failed to file a Cycle 101 report with the Board of Ethics. The Board accepted this Complaint pursuant to Phila. Code §§ 20-606(1)(f)-(k), and as interpreted by Board Reg. 2, Subpart C.
- L. On May 22, 2021, Protect Our Police PAC filed several late reports as described in Paragraphs M, N, and O below.
- M. Protect Our Police PAC made expenditures to influence a City election during the 2021 Cycle 1 reporting period. This report was not filed by the April 6, 2021 deadline; it was filed on May 22, 2021.
- N. Protect Our Police PAC made expenditures valued over \$5,000 on electioneering communications during the 2021 Cycle 101 reporting period. This report was not filed by the April 20, 2021 deadline; a complete report was filed on May 22, 2021.
- O. Protect Our Police PAC made expenditures to influence a City election during the reporting period for the 2021 2<sup>nd</sup> Friday Pre-Primary (Cycle 2) campaign finance report. This report was not filed by the May 7, 2021 deadline; it was filed on May 22, 2021.
- P. Protect Our Police PAC made expenditures on three separate days during the 24-Hour Pre-Primary Reporting Period: on May 12, 2021, May 14, 2021, and May 15, 2021. These reports were not filed within 24 hours of making each expenditure; they were all filed on May 24, 2021, 6 days after the May 18, 2021 Primary election.
- Q. Protect Our Police PAC made expenditures valued over \$5,000 on electioneering communications during the 2021 Cycle 202 reporting period. This report was not filed by its May 14, 2021 deadline; it was filed on May 28, 2021, 10 days after the May 18 2021 Primary election.
- R. The Parties desire to enter into this Agreement to resolve the issues described herein.

## **AGREEMENT**

The Parties agree that:

1. Protect Our Police PAC's late filing of its 2021 Cycle 1 Campaign Finance Report with the Board, as described in Paragraph M, violated the City's Campaign Finance Law and is subject to a civil monetary penalty of \$3,000. For purposes of this settlement, the penalty is reduced to \$2,000.
2. Protect Our Police PAC's late filing of its 2021 Cycle 101 Campaign Finance Report with the Board, as described in Paragraph N, violated the City's Campaign Finance Law and is subject to a civil monetary penalty of \$3,000. For purposes of this settlement, the penalty is reduced to \$2,500.
3. Protect Our Police PAC's late filing of its 2021 Cycle 2 Campaign Finance Report with the Board, as described in Paragraph O, violated the City's Campaign Finance Law and is subject to a civil monetary penalty of \$2,000.
4. Protect Our Police PAC's late filing of its three 2021 24-Hour Campaign Finance Reports with the Board, as described in Paragraph P, violated the City's Campaign Finance Law and is subject to a civil monetary penalty of \$1,250 per late report, totaling \$3,750.
5. Protect Our Police PAC's late filing of its 2021 Cycle 202 Campaign Finance Report, as described in Paragraph Q, violated the City's Campaign Finance Law and is subject to a civil monetary penalty of \$1,750.
6. Protect Our Police PAC and Nicholas Gerace are jointly and severally liable for the cumulative civil monetary penalty of \$12,000. Payment of this penalty shall be by check or money order made payable to the City of Philadelphia and delivered to the Board of Ethics' office within 30 days of the effective date of the Agreement.
7. Protect Our Police PAC and Nicholas Gerace 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.
8. In consideration of the above and in exchange for Protect Our Police PAC's and Nicholas Gerace's compliance with the terms of the Agreement, the Board waives any further penalties or fines against Protect Our Police PAC and Nicholas Gerace for the violations 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 this Agreement, and prevails, Protect Our Police PAC and Nicholas Gerace shall be liable for attorneys' fees and costs reasonably expended in enforcing compliance with the Agreement. Fees for time spent by

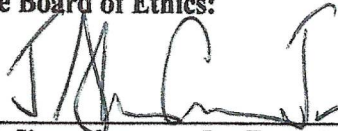
Board or City attorneys shall be calculated based upon standard and customary billing rates in Philadelphia for attorneys with similar experience.

11. The Agreement contains the entire agreement between the Parties.
12. The Executive Director 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 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 for this paragraph, nothing in the Agreement shall be effective.

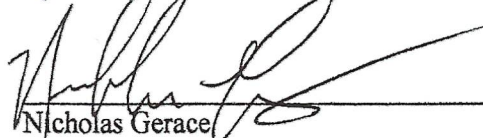
**By the Executive Director of  
the Board of Ethics:**

Dated: 6/10/21

  
J. Shane Creamer, Jr., *Executive Director*

**By Protect Our Police PAC:**

Dated: 6/10/2021

  
Nicholas Gerace

**By Nicholas Gerace:**

Dated: 6/10/2021

  
Nicholas Gerace, *Treasurer*

**Approved by the Board of Ethics:**

Dated: 6/16/2021

  
Michael H. Reed, *Chair*