



**CITY OF PHILADELPHIA
BOARD OF ETHICS**

MEMORANDUM

TO: Department of Records
Attn: James Leonard
Kattie Anderson
Anthony Tann, Jr.
FROM: Tom Klemm, Staff Attorney
DATE: March 18, 2021
SUBJECT: Board of Ethics Regulation 3 (Statement of Financial Interest)
CC: Lewis Rosman, Law Department
Reynelle Brown Staley, Law Department (Senior Attorney)

At a public meeting on March 17, 2021, the Board of Ethics voted to approve for public comment the attached amendments to Regulation No. 3 (Statement of Financial Interest). The Law Department has approved these amendments to Regulation 3. In accordance with Section 8-407 of the Home Rule Charter, I am forwarding the amendments to Regulation 3 to you for advertising and public inspection.

Please note that the Board has not scheduled a hearing regarding these proposed amendments. If anyone contacts you to request one, we ask that you please contact us.

Please let me know if you have any questions. Thank you for your assistance with this matter.

Enclosures: March 18, 2021 Law Department Approval Memorandum
Regulation 3 amendments approved for public comment

Memorandum

TO: J. Shane Creamer, Executive Director, Board of Ethics

FROM: Reynelle Brown Staley, Senior Attorney//rbs

DATE: March 18, 2021

SUBJECT: Amendment to Philadelphia Board of Ethics Regulation No. 3 (“Statement of Financial Interest”)

I have reviewed the enclosed “**Amendment to Philadelphia Board of Ethics Regulation No. 3 (“Statement of Financial Interest”)**” that were submitted to the Law Department and find them to be legal and in proper form. In accordance with Section 8-407(a) of The Philadelphia Home Rule Charter, you may forward these Amended Regulations to the Department of Records where they will be made available for public inspection.

**Proposed Regulation approved by Board at March 17, 2021 meeting
for public comment posting**

**PHILADELPHIA BOARD OF ETHICS
REGULATION NO. 3
STATEMENT OF FINANCIAL INTERESTS**

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SUBPART A. SCOPE; DEFINITIONS

3.0 Scope. This Regulation, promulgated by the Board pursuant to its authority under Sections 4-1100 and 8-407 of the Philadelphia Home Rule Charter and Chapter 20-600 of The Philadelphia Code, interprets the requirements and prohibitions of Philadelphia Code Section 20-610 (Statement of Financial Interests). The examples provided in this Regulation are for illustration and are not exhaustive.

3.1 Definitions. As used herein, the following words and phrases shall have the meanings indicated.

- a. Board.** Board of Ethics.
- b. Business.** Any corporation, partnership, sole proprietorship, firm, enterprise, franchise, association, organization, self-employed individual, holding company, joint stock company, receivership, trust, or legal entity organized for profit.
- c. City.** City of Philadelphia.
- d. City-related agency.** Any governmental entity, such as SEPTA or the Philadelphia Redevelopment Authority, or other body established by federal, state, or City law that receives appropriations from the City or has board members or directors who are appointed by the Mayor or City Council or are City officers or employees serving *ex officio*.
- e. City-related non-profit.** Any not-for-profit entity established by the City, such as the Delaware River Waterfront Corporation, Community Behavioral Health, the Philadelphia Housing Development Corporation, and the Philadelphia Industrial Development Corporation.
- f. Employee.** An employee of the City, including those serving full-time, part-time, or seasonally, and those on leaves of absence with or without pay, but not including:
 - i. Elected officials; or
 - ii. An employee on unpaid leave to be a full-time elected officer or appointed staff representative of a City employee union.
- g. Family member.** A parent, spouse, life partner, child, brother, sister, or like relative-in-law.
- h. Filer.** An individual required to file a statement of financial interests pursuant to this Regulation.
- i. Financial Interest.** An interest involving money or its equivalent or an interest involving any right, power or privilege that has economic value.

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- j. Gift.** A payment, subscription, advance, forbearance, rendering or deposit of money, services or anything of value given to, or for the benefit of, an officer or employee, unless consideration of equal or greater value is received. "Gift" shall not include a political contribution otherwise reportable as required by law, a commercially reasonable loan made in the ordinary course of business, or a gift received from a family member of the individual or from a relative within the third degree of consanguinity of the individual or of the individual's spouse or Life Partner, or from the spouse or Life Partner of any such relative.
 - k. Government entity.** Any agency, office, department, board, commission, authority, or other entity that is part of the United States or a State, local, or foreign government.
 - l. Honorarium.** Payment made in recognition of published works, appearances, speeches, or presentations and which is not intended as consideration for the value of such services. The term does not include tokens presented or provided which are of de minimis economic impact.
 - m. Immediate family member.** A parent, spouse, life partner, child, or sibling.
 - n. Income.** Any money or thing or value received, or to be received as a claim on future services, whether in the form of a fee, salary, expense, allowance, forbearance, forgiveness, interest, dividend, royalty, rent, capital gain or any other form of recompense or any combination thereof.
 - o. Life partner.** An individual who has a long-term committed relationship with another individual of any gender.
 - p. Officer.** An individual who is elected or appointed to any position under the Charter or in a City department, agency, office, board, or commission, whether paid or unpaid.
 - q. Person.** A business, individual, corporation, non-profit, union, association, firm, partnership, committee, political committee, club, or other organization or group of persons.
- 3.2 Applicability.** Except where expressly indicated otherwise, the provisions of this Regulation apply to all officers and employees who are required to file a statement of financial interests.

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SUBPART B. WHO MUST FILE A STATEMENT OF FINANCIAL INTERESTS

3.3 Elected Officers. Mayor, City Councilmember, City Controller, District Attorney, City Commissioner, and Sheriff.

3.4 Executive Branch Officers and Employees.

- a. The Managing Director, City Solicitor, Mayor's Chief of Staff, Finance Director, Chief Administrative Officer, Commerce Director, Director of Planning and Development, Director of Labor, City Representative, Chief Integrity Officer, Chief Diversity, Equity, and Inclusion Officer, Chief Education Officer, Inspector General, City Treasurer, and any other deputy mayor or member of the Mayor's cabinet not specifically listed herein.
- b. The Police Commissioner, Health Commissioner, Fire Commissioner, Streets Commissioner, Parks and Recreation Commissioner, Commissioner for the Department of Human Services, Water Commissioner, Commissioner of Public Property, Commissioner of Licenses and Inspections, Commissioner of Records, Revenue Commissioner, Procurement Commissioner, Prisons Commissioner, and Director of the Free Library.
- c. The heads of the following offices: Office of Policy; Office of Communications; Office of LGBT Affairs; Office of People with Disabilities; Office of Public Engagement; Mayor's Office of Black Male Engagement; Mayor's Office of Civic Engagement and Volunteer Services; Mayor's Office of Engagement for Women; Mayor's Office of Youth Engagement; Office of Faith-based and Interfaith Affairs; Office of Worker Protections; Office of Labor Standards; Office of Labor Relations; Office of Violence Prevention; Office of Homeless Services; Office of Emergency Management ; Office of Community Empowerment & Opportunity; Office of Arts, Culture, and the Creative Economy; Office of Special Events; Office of Immigrant Affairs; Office of Transportation, Infrastructure and Sustainability; Office of Complete Streets; Office of Sustainability; Office of Fleet Management; Office of Homeless Services; Office of Economic Opportunity; Office of Administrative Review; Office of Innovation and Technology; Office of Human Resources; Office of Grants and Recovery; Office of Budget and Program Evaluation; Office of Risk Management; Office of Property Assessment; Finance Program Management Office; and Office of Children and Families.
- d. Any executive branch employee whose position is designated by the Mayor in writing to the Board's Executive Director via email or letter. The Board shall maintain a list of all such designated positions.

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3.5 Boards and Commissions. Members and executive directors of the following boards and commissions:

- a. Air Pollution Control Board
- b. Art Commission
- c. Board of Building Standards
- d. Board of Ethics
- e. Board of Health
- f. Board of Labor Standards
- g. Board of Pensions and Retirement
- h. Board of Revision of Taxes
- i. Board of Safety and Fire Prevention
- j. Board of Surveyors
- k. City Planning Commission
- l. Civil Service Commission
- m. Commission on Human Relations
- n. Fair Housing Commission
- o. Free Library of Philadelphia, Board of Trustees
- p. Historical Commission
- q. Historical Commission Architectural Committee
- r. Historical Commission Committee on Historic Designation
- s. Licenses & Inspections Review Board
- t. Living Wage and Benefits Review Committee
- u. Philadelphia Gas Commission
- v. Police Advisory Commission
- w. Sinking Fund Commission
- x. Tax Review Board
- y. Water, Sewer and Storm Water Rate Board
- z. Zoning Board of Adjustment

3.6 Nominating Panels. A member of the Educational Nominating Panel, Civil Service Panel, or Finance Panel, but only when the panel is convened.

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SUBPART C. WHEN STATEMENT OF FINANCIAL INTERESTS IS DUE

3.7 Filing Deadline

- a. An individual who is required to file a Statement of Financial Interests must do so by the first day of May in any year in which they hold office and by the first day of May of the year after they leave such office.
- b. An individual who takes office after the first day of April shall file within 30 days of taking office.
- c. An employee that the Mayor designates to file a Statement pursuant to Paragraph 3.4(e), shall do so either by May 1st or within 30 days of the designation.

Examples for Paragraph 3.7

- 1) An individual accepts a position as the head of a City Department on April 28, 2021. They must file a Statement of Financial Interests with the Board by May 28, 2021. The information in the Statement will relate to calendar year 2020.
- 2) An individual is appointed to a board listed in 3.5 on August 3, 2021. They must file a Statement of Financial Interests with the Board by September 2, 2021. The information in the Statement will relate to calendar year 2020.
- 3) An individual steps down as a member of a board listed in Paragraph 3.5 on January 2, 2021. They must file a Statement of Financial Interest with the Board by May 1, 2021 disclosing information related to calendar year 2020. They must also file a Statement of Financial Interest with the Board by May 1, 2022 disclosing information related to calendar year 2021.
- 4) A nominating panel listed in Paragraph 3.6 convenes on September 15, 2021 and concludes its work on November 1, 2021. The panel's members must each file a Statement of Financial Interest with the Board by October 15, 2021 disclosing information related to calendar year 2020. They must also each file a Statement of Financial Interest with the Board by May 1, 2022 disclosing information related to calendar year 2021.

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SUBPART D. CONTENT OF STATEMENT OF FINANCIAL INTERESTS

3.8 Any information required to be disclosed in a Statement of Financial Interests shall be for the calendar year preceding the year in which it is filed.

3.9 A Statement of Financial Interests filed with the Board shall be signed under penalty of perjury.

3.10 A Statement of Financial Interests shall include the following information:

- a. The filer's name and City position.
- b. The filer's occupation or profession.
- c. Any real estate directly or indirectly owned in whole or in part by the filer that was sold or leased to, purchased or leased from, or subject to any condemnation proceeding by the City of Philadelphia or any other government entity or any City-related non-profit or agency.
- d. The name and address of each creditor to whom the filer owes more than \$5,000 and the interest rate thereon. Loans or credit extended between members of the immediate family and mortgages securing real property which is the principal residence of the individual filing shall not be included.
- e. The name of any person who is the direct or indirect source for the filer of income totaling in the aggregate \$500 or more for the calendar year.*
A filer need not divulge any confidential information protected by statute or existing professional codes of ethics.
- f. The name of any person who gave the filer any gifts worth \$200 or more in the aggregate in the calendar year, and the value and the circumstances of each gift.
A filer need not disclose any tickets received from the City.
A filer who is an elected official must disclose tickets for public events received from a third party if the filer sells the tickets, attends the event themselves, or gives the tickets to a family member or a member of their campaign staff, but need not disclose such tickets when distributed to constituents or others for free. Records of receipt and distribution of tickets not subject to disclosure must be maintained.
- g. The source of any honorarium of more than \$100.†
- h. The name of any business or not-for-profit entity in which the filer holds any office, directorship, or employment of any nature whatsoever.
- i. The legal name of any business engaged in business for profit in which the filer holds a financial interest of more than 5%.

* As of January 1, 2022, filers will also be required to disclose the amount of any income of more than \$5,000 from a single source.

† As of January 1, 2022, filers will also be required to disclose the amount of any honorarium of more than \$100.

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SUBPART E. PENALTIES

3.11 An appointed officer or employee who violates any of the restrictions set forth in this Regulation shall be subject to a civil penalty of up to \$2,000 for each such violation.

In determining the appropriate amount of monetary penalty, the Board may consider both mitigating and aggravating factors.

Mitigating factors that the Board may consider include: (i) a good faith effort to comply with the law; (ii) prompt corrective action; and (iii) prompt self-reporting to the Board of Ethics.

Aggravating factors that the Board may consider include whether the violator: (i) acted knowingly; (ii) is a repeat offender; or (iii) obstructed the investigation of the Board of Ethics.

Approved for public comment by Board: March 17, 2021
Effective: