



THE NUTTER PLAN FOR
ETHICS AND
GOVERNMENT REFORM
NOW

INTRODUCTION

My Vision for Philadelphia is a place where people are inspired by City government, not embarrassed by it.

--Michael Nutter

Philadelphians are fed up with their reputation for being a “corrupted and contented” place where contributions and connections are the key to City contracts and jobs. For many of us, the 2003 federal corruption probe into City Hall was the last straw. A new spirit of reform is challenging Philadelphia's culture of "pay to play." We will no longer tolerate the corrosive “corruption tax” that drives away people and businesses unwilling to pay-to-play. By driving away needed investment, the “corruption tax” means fewer jobs are created and the City pays more for goods and services, resulting in less opportunity and higher taxes for all Philadelphians.

In an effort to restore integrity to City Hall and renew the public's confidence in their government, I have been the leader in Philadelphia for comprehensive ethics reform. The initiatives that I championed and supported while in City Council have placed serious tools in the hands of Philadelphians working to end corruption in our City. New leadership and new rules that open up contracting opportunities and reward hard work and performance can make Philadelphia a model for ethics reform and improved government performance.

Public Integrity Compact

My Ethics and Government Reform Plan is a Public Integrity Compact with the citizens of Philadelphia. The Plan has five elements that work together to reinforce my work in City Council, supports ideas that others have put forward, and proposes new initiatives in order to accomplish one goal – to restore Philadelphians’ trust in their government.

- A Board of Ethics that becomes a powerful and independent enforcer of the ethics agenda
- Campaign Finance reform that reduces the amount of money circulating in our elections
- Financial Disclosure that exposes the “pay-to-play” activities that can corrupt our government
- Contracting Reforms that bring efficiency and fairness to the City’s business
- Open Government procedures that involve citizens and makes integrity the new high standard in City Government

I want to acknowledge the work of others in forming a common ethics agenda, including the Committee of Seventy, Philadelphia Forward, and the Reformers Roundtable. In a collegial spirit, I have incorporated the language of many of their proposals directly into this document. Many of these proposals have become law because of my work, and are important next steps on the path to comprehensive reform. I also offer some new proposals that strengthen or complement the ideas of other reformers.

This election is a watershed moment in the reform movement in Philadelphia. I want to carry that standard into the Mayor’s Office after fifteen years of demonstrating it personally in City Council.

GOVERNMENT ETHICS AND CAMPAIGN FINANCE REFORM

Promises are easy to make in an election. I am the only candidate for Mayor who has actually achieved ethics reform anywhere - in Philadelphia, Harrisburg, or Washington D.C.

--Michael Nutter

Board of Ethics

As Councilman, I introduced and successfully passed legislation providing for a new City Charter-created Board of Ethics.

To insure the integrity of this Board, I pushed for a strong, independent entity with adjudicatory and enforcement powers, and sufficient funding and staff to carry out its mission. In addition, I made changes to the City's Ethics Code which now mandates routine ethics training and education for all City officers and employees, the issuance of advisory opinions, the adjudication of ethics violations, and the imposition of civil fines. These measures were adopted by City Council at the end of 2005. In addition, the ballot question establishing the Ethics Board was overwhelmingly approved by the voters in May 2006. In the fall of 2006, the Mayor submitted his nominees to Council for confirmation, thereby establishing the City's first independent Ethics Board, which was convened in November, 2006.

As Mayor, I will support the work of the new Board of Ethics and I will:

Require all City officials, employees and appointees, paid and unpaid, to abide by all Board of Ethics advisory opinions, rules and enforcement decisions and will cooperate fully with the Board in carrying out its investigative responsibilities and implementing its rules and decisions.

Propose in my budgets and work with City Council to ensure that the funding necessary to support the operations of the Board of Ethics is available. I will also call on the Board of Ethics to promptly select an independent General Counsel who is unaffiliated with my administration.

Appoint new members to the Board of Ethics who have great personal integrity and proven ability and fill vacancies immediately.

Elevate and clarify the role of the Inspector General, who is charged with investigating individual cases of ethical abuses, by having him or her report directly to me (unless proposed Charter change legislation makes the Inspector General completely independent of my administration).

Encourage the Board to publish their enforcement decisions on the City's website, in order to inform and educate all City employees on the requirements for behavior and procedure.¹

Campaign Finance Reform

As Councilman, I introduced and successfully passed historic campaign finance legislation that limits donations to candidates for Mayor and other City offices. This legislation is considered some of the toughest in the nation.²

These limitations (and other city campaign finance laws) have already reduced the impact of money in political campaigns.³ In April 2006, I filed a lawsuit to force the other candidates and prospective candidates for Mayor to follow these rules. Some of the other candidates in the Mayor's race have sought to circumvent or throw out these laws.⁴ In sharp contrast with other candidates, I have followed these new rules at every stage of the campaign.

As a Mayoral Candidate, I have called on the Board of Ethics to develop strong mechanisms to enforce these campaign finance laws, and made inquiries of the Board. The Board of Ethics agreed with my proposals and has issued an advisory opinion.⁵

- "Excess pre-candidacy contributions" which are contributions above the legal limits, must be kept separate from the "non-excess pre-candidacy contributions" in order to prevent the spending of these funds in violation of Section 20-1002(4). The Board must decide, for example, whether a website developed with excess pre-candidacy contributions is a violation of the law?
- The Board must ensure compliance with Section 20-1003, which requires each candidate to have only one political committee and one checking account for the city office being sought. The Board should require candidates to identify their sole political committee in an affidavit, subject to the penalties of Section 20-612.

I have made several other inquiries and recommendations to the Board, which may be read in full at the www.NutterforMayor.com website.

As Mayor, I will convene an independent panel to review all current laws on campaign contributions and spending.

This panel will consider national best practices in regulating campaign finance, including the possibility of public financing and will make reform recommendations to the Mayor, City Council and the Board of Ethics. I believe that the limits on contributions are the most feasible way to reduce the influence of money in our local elections. However, I am committed to continuous improvement in this important area and, as conditions warrant, such as the emergence of statewide reform, I will always be prepared to consider additional measures.

Financial Disclosure

As Councilman, I introduced and successfully passed legislation to help expose the money at the core of the "pay to play" system.

Pay-to-play corruption scandals have led to the indictment of more than 30 individuals connected with City Hall over the past four years. Exposing the contributions that constitute pay-to-play is a powerful means of ending the practice. Transparency on both the giving and the receiving end of the contribution was one of my key goals for 2005. I secured passage of the legislation listed below, which exemplifies my commitment to transparency in government:

Bill No. 050014, approved December 2005, requires candidates for City offices to file their campaign reports with the City's Board of Ethics. The Board of Ethics has implemented this new law and campaign reports are now available on-line at "Campaign Finance Reports" at www.phila.gov.

Bills No. 040772-AA and 050613, approved in 2005, prohibit persons and businesses from receiving no-bid contracts or City financial assistance if they have made campaign contributions in excess of the prescribed limits – \$2500 for individuals and \$10,000 for businesses. (These limits have been doubled due to subsequent legislation.) Individuals and businesses seeking no-bid contracts or City financial assistance of \$50,000 or more must disclose any campaign contributions made to any candidate or incumbent within the Commonwealth of Pennsylvania during the prior two years. If any consultants were used to help secure the financial assistance, or if any subcontractors will be used, the campaign contributions of these consultants and subcontractors must also be disclosed. In addition, individuals or businesses awarded City financial assistance must agree to not make any campaign contributions which exceed the local limits for five years after receipt of the financial assistance. These ordinances took effect on February 1, 2006 and July 1, 2006, respectively.

As Mayor, I will extend the culture of disclosure and transparency that these legislative efforts began, and will:

Require all City employees to file online financial disclosure information every year, and post that information on the City's website. The City of Atlanta requires employees and elected officials to file income and conflict of interest information every year they work for the City and the year following their departure.⁶

Require that candidates, including incumbents, publicly disclose their tax returns for the four most recent years prior to the election year, and have the Board of Ethics make the past tax returns available for public inspection.

Conduct random financial audits of elected and senior appointed officials every year and post a comparison of the disclosed and audited results on the City's website.

Require that all neighborhood organization or civic group agreements that provide for any monetary payment, valuable consideration, or other commitment to the organization or group from an individual, business or other entity seeking any approval or administrative decision by the City, City Council or a City Council member, or any City Department or Agency, must be (1) disclosed in writing, (2) a complete copy of the signed agreement must be made part of the official record, and (3) published on the City's website. In the absence of a modern comprehensive zoning code (the subject of another policy paper), many development activities are negotiated secretly on a case-by-case basis between developers and neighborhood organizations. These agreements should be transparent and readily available for public scrutiny.

Propose, and work with City Council to enact, legislation requiring all lobbyists, and individuals acting as lobbyists who are engaged in business with the City, City-related departments, agencies and commissions and quasi-City agencies and authorities, to register as lobbyists and to identify their clients. I will make this information publicly available.

Propose, and work with City Council to enact, legislation that makes permanent the current ban on gifts, gratuities and favors and extends it to all City officials and employees, including City Council and other elected officials and their employees.

Ban the use of any City-owned facilities, including the Mayor's box at the City's sports stadiums, or the dispensing of complimentary tickets, for any past, current or future political fundraising purposes.

Propose campaign contribution limits and no-bid contract reforms for individuals and companies doing business with the School District of Philadelphia. These reforms would be similar to the provisions in place for the City of Philadelphia, such as requiring campaign contribution disclosure, eligibility criteria and posting all such information of the City and School District websites.

Publish a list of all persons using the Mayor's box or receiving complimentary City tickets from any member of my administration.

Propose legislation that places reasonable and well articulated restrictions on the outside employment of all City personnel, including members of City Council.

Review and, if necessary, tighten regulations governing the future employment of City officials and employees by companies doing business with the City.

Contract Reform

As Councilman, I introduced and successfully passed new legislation to reform the City's contracting process.

To insure that the public's business is conducted in public, I pushed for reforms to restore integrity to the City's contracting process. New legislation was approved in June 2005 which provides for an open and transparent process for no-bid contracts, limits campaign contributions, and requires mandatory disclosure of campaign contributions before the award of a no-bid contract and during the contract period. These reforms were Charter amendments and required voter approval before taking effect. In November 2005, 87 percent of the voters said "yes" to the ballot question calling for these reforms. This was the largest winning margin ever recorded for a ballot question in Philadelphia.

The new no-bid contract procedures took effect on February 1, 2006. A new link on the City's website has totally transformed the old way of doing business in this City. Contracting opportunities are now online and anyone who is eligible may apply. Contract award decisions must be explained online as well. (These are available at "eContracts Philly" at www.phila.gov.)

As Mayor, I will continue these efforts and will:

Establish and enforce objective, published criteria for awarding all City contracts.

Grant no-bid contracts as infrequently as possible – and only when there are compelling reasons to do so.

Award no-bid contracts only to pre-qualified vendors based on factors such as relevant experience and superior past performance.

Publish annually a list of firms and companies that have met eligibility requirements for City business, bid and no-bid.

Publish an annual report that contains a list of all firms and companies receiving City business, bid and no-bid, the nature of services provided, the amount paid, the names of the principals in the firms, their lawyers, lobbyists and other key representatives.

Publish annually a list of all recipients of grants, loans, tax incentives, bond financing subsidies, enterprise zone designations and other economic development tools.

Increase the participation of bona fide minority firms receiving City business based upon objective, published criteria and undertake a thorough review of the Minority Business Enterprise Council (or any new entity created to replace the MBEC) in order to help accomplish this goal.

Open Government

As Councilman, I instituted televised coverage of City Council meetings to increase public awareness and access to the workings of City government.

As Mayor, I will:

Televise the meetings of the Zoning Board of Adjustment and other major government agency meetings and post these video recordings on the City website.⁷

Publish weekly notices of all major departmental meetings, including the agenda and all votes and decisions made at the preceding meeting, on the City's website.

Promote greater public access to meetings and hearings convened by City departments, agencies and commissions including holding more sessions during evening hours and providing transcripts on the City's web site, including all City Council votes.

Hire, promote, and appoint individuals who meet the highest standards for ethics, integrity and character, as well as published, objective qualifications to perform the jobs to which they are assigned, without regard to past or future political support.

Work with the Philadelphia District Attorney to increase funding for City corruption investigations, and develop a new partnership of cooperation among the Mayor's Office, the Philadelphia District Attorney, the state Attorney General, and the local U.S. Attorney to root out corruption in every part of Philadelphia's government and its agencies.

Prohibit all officials and employees who fall under the Mayor's control from approving the hiring of a relative, or recommending the hiring of a relative, for a job, contract, or sub-contract in any City or City-related office, department, board, commission, agency or authority.

Propose, and work with City Council to enact, legislation that forbids nepotism in City Council and in other elected City offices I do not directly control.

Require a user-friendly customer service environment in all City and City-related departments and agencies, eliminating the need for "expeditors" to help transact City business.

Require all quasi-City agencies and authorities to conduct the public's business in the open and to make documents accessible.

Work with City Council to establish a new and reasonable set of ground rules that will reduce the control that District City Council members have over development and other activities within their districts.

Make City documents public consistent with the best practices in the nation, unless there is a compelling reason to restrict access to those documents.

Permit and encourage key officials throughout my administration to talk frankly to the news media without requiring clearance from the Office of the Mayor.

Convene a nonpartisan and independent citizen's commission to devise a fair redistricting reform plan that will benefit the citizens of Philadelphia and reduce the conflicts of interest inherent when political Council district lines are drawn by incumbent elected officials. The commission will report to me and City Council, which has the authority to implement a redistricting plan.

Publish an annual "Campaign Accountability Report" reporting on the status of campaign promises. New York City Mayor Michael R. Bloomberg has produced such a report since he took office in 2002.⁸ This kind of report would allow Philadelphians to examine every proposal put forward during the 2007 campaign and see what progress has been made on each issue.

ENDNOTES

¹ Both New York and Los Angeles publish their enforcement decisions. For more information and examples, see <http://www.nyc.gov/html/conflicts/html/home/home.shtml> and <http://ethics.lacity.org/enforcement/enforcement.cfm>.

² Angela Coulombis, "Proposed donation limits doubled", *Philadelphia Inquirer*, 3/11/2005 which quotes a representative of Public Citizen in Washington DC as saying the Nutter rules are "one of the best in the nation" and "clearly the best for any city in the country."

³ Marcia Gelbart, "Taking the fun out of funding: Confusing, complex new rules may make the mayoral campaign one of the cheapest in years" *Philadelphia Inquirer*, 12/11/2006; Marcia Gelbart, "Nutter, 2 Rivals Disclose Mayoral Campaign Chests," *Philadelphia Inquirer*, 1/11/2007

⁴ "Judge Deems Philly Campaign Finance Law Unconstitutional," *Associated Press*, 12/14/2006, Edward M. Dunham, Jr., "Fiddling With Campaign Finance Reform," *Philadelphia Daily News*, 10/26/2006

⁵ These opinions are available at the Board's website: <http://www.phila.gov/ethicsboard/opinions.html>

⁶ See <https://apps.atlantaga.gov/efile/> There are fines for filing late and all filers must indicate when a parent, sibling, or child is city employee. In addition to disclosing their sources of income, employees must also disclose interest in any matter pending before the individual or his/her agency, must disclose all reimbursements or travel/meal/lodging expenses paid by sources other than the city, and must disclose when a city employee or elected official receives a gift on behalf of the city.

⁷ The City of Atlanta does this. See <http://www.atlantaga.gov/CityChannel26/Programs.aspx>

⁸ Office of the Mayor, City of New York, "Mayor Michael R. Bloomberg Releases 2nd Campaign Accountability Report Listing the Status of Campaign Promises" (July 20, 2004) Press Release.