

# In Philly, a feeding frenzy for candidates' money

by Tom Ferrick Jr., *The Next Mayor* (Philly.com)

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U.S. Rep. Robert Brady, who is leader of the Philadelphia Democratic City Committee, has set a poor standard for the ward leaders of the DCC. The ward that Brady leads is one of the 26 wards that didn't file a campaign finance report. (AP Photo/Matt Rourke)

In Philadelphia, the May Democratic primary officially was an election to nominate the candidates for Mayor, City Council, row offices and local courts.

Unofficially, it was a feeding frenzy.

With so many candidates on the ballot (102), spending so much money -- \$27 million and counting -- it was the best of times for the apparatchiks of the city's Democratic party.

The candidates for mayor pretty much ignored the party organization. They spent most of their millions on buying TV ads. But lesser-known candidates for Council seats and judgeships had to fork over millions to win support at the ward level.

Wards were pulling in two to three times the normal amount of money. Some consultants were making six figures in fees. People no one has ever heard of were offering their expert services, though it was sometimes tough to tell exactly what those services were.

Here is a summary of what we found:

— **Untraceable spending:** A wad of money -- probably in excess of \$750,000 -- simply disappeared from view. There is no record of how it was raised or spent because so many wards and Political Action Committees (PACs) ignored the state's campaign finance law and failed to file any reports. The law, which requires the regular filing of campaign finance disclosure reports, has been in effect since 1978. Yet 26 of the city's 69 Democratic wards failed to file a single scrap of paper about their finances. That should be a cause of concern for U.S. Rep. Bob Brady, the Democratic party chair, but it obviously does not. The 34th Ward, which Brady leads, did not file.

— **Missing cash:** This was money that slipped between the cup and the lip. It was recorded as being given by a candidate to a ward or a PAC, but it never appeared in the recipient's filings. It remains missing in action. The amounts were fairly large — in one case \$9,500 — but these donations remain missing in action.

— **Stealth PACs:** A number of mystery PACs emerged, with a mélange of names and acronyms, that also raised and spent money but failed to register with the state -- again, as required by law. They also did not disclose their finances. One PAC in this category was the appropriately named Enigma PAC, which truly was an enigma.

— **Consultants, Inc.** Consultants have always been part of the political landscape. This year, it was hard to read through a candidate's spending report without coming across a half-dozen names with the word "consultant" next to them. Everyone got into the act. One large PAC hired a dozen ward leaders as "election consultants" and paid them fees ranging from \$2,000 to \$10,000.

Former ward leaders have served as consultants for years, mostly acting as Sherpa guides to candidates new to the system, to help them navigate the treacherous terrain of the wards. One slip, and you are likely to fall.

Former U.S. Rep. Michael "Ozzie" Myers falls into this category. Myers lost his House seat and went to jail in the early 1980's for his role in the Abscam scandal. (Recall the recent movie "American Hustle"?) He has offered political advice and guidance to clients for the last 15 years — and is highly regarded as a consultant with a deep knowledge of the wards.

It was a very good year for Myers. He had eight clients, most of them judicial candidates, who paid him \$124,000 in fees -- though Myers said he refunded the fee paid by one judicial candidate because Myers felt the candidate could not win. (To understate it, refunds are rare in politics.)

Even Myers, 72, who has seen a lot in his time, is unhappy with the current state of affairs. "The whole political system gets worse and gets weaker," he said. He also scoffs at the profusion of consultants.

"Consultants?," he said. "All you need to do these days is have one person write you a check and you call yourself a 'consultant.'"

### Ed Nesmith's Consulting Fees

Ed Nesmith, the Democratic leader of South Philadelphia's Second Ward, received \$35,000 in consulting fees this year. Most came from Ori Feibush, the Point Breeze developer who lost to Second District Councilman Kenyatta Johnson in May's primary.

Candidate	Office sought	Amount
Ori Feibush	Second Council District	\$30,000
Rainy Papademetriou	Common Pleas Court	\$5,000

### Contributors to Nesmith's PAC

Nesmith also was behind a PAC called C.O.P.S., which stands for Citizens Organizing for Pennsylvania Securities. The PAC registered with the state in 2007 but hasn't filed a campaign-finance report for years.

Contributor	Office sought	Amount
Ori Feibush	Second Council District	\$86,000
Helen Gym	Council-at-large	\$3,200
Alan Domb	Council-at-large	\$3,000
Mark Squilla	First Council District	\$3,000
Kai Scott	Common Pleas Court	\$200
Dan Sulman	Common Pleas Court	\$100
Derrick Green	Council-at-large	\$100
Ed Neilson	Council-at-large	\$100
Lisa Deeley	City Commissioner	\$100
Sherri Cohen	Council-at-large	\$100
Vincent Melchiorre	Common Pleas Court	\$100

SOURCE: Candidates' campaign spending reports The Philadelphia Inquirer

Speaking of which, there is Ed Nesmith, Democratic leader of South Philadelphia's Second Ward. Nesmith is an old-time pol who decided to become a new-age consultant. "I never charged people for advice before," he said. "But I woke up and realized that everyone else was doing it, so I decided to do it, too."

Nesmith got \$35,000 as a consultant, with most of it coming from Ori Feibush, the Point Breeze developer who ran against Second District incumbent Councilman Kenyatta Johnson. Feibush spent more than \$700,000 but got his clock cleaned, getting only 38 percent of the vote.

A chunk of that money went to Nesmith, though not directly.

Nesmith also was the man behind one of the mystery PACs called C.O.P.S., which stands for Citizens Organizing for Pennsylvania Securities, though no one is sure what that means.

The PAC did register with the state in 2007 but hasn't filed a campaign finance report for years, including this election cycle. C.O.P.S. took in \$96,000 with \$86,000 of

that coming from Feibush.

(Note: Though there are no official records about C.O.P.S., the Next Mayor obtained information on this PAC and others who failed to file by examining the 400-plus campaign finance reports filed by candidates in the primary.)

Feibush said he had an agreement that Nesmith would field 500-plus street workers on Election Day to roust out voters in the 36th and 48th Wards. Vans were to be rented to shuttle the workers, supervisors were to be hired. There was even \$7,000 set aside for food to feed the workers.

Feibush said Nesmith failed to live up to their agreement and, among other things, failed to field the number of street workers he promised.

The candidate was not amused. After Nesmith spurned his repeated requests for receipts to verify what was spent, Feibush said he decided to take the ward leader to court and file a civil suit alleging theft of services. That suit is due to be filed later this week.

"I still would have lost, so no one is crying over spilt milk," Feibush said. "But in this case there were very specific things that did not happen. Did it contribute to the loss? Yes."

Nesmith said he had receipts for every dollar spent, though he was initially vague about C.O.P.S., saying knew little about it. "It is a mystery to me," he said when asked about C.O.P.S. and its filing status.

In a second conversation, he said he did know about C.O.P.S. but said it filed disclosure reports with the city and the state. In fact, it did not.

Just to complete the circle, Nesmith also failed to file any campaign disclosure reports for the Second Ward, saying it did not take in any money from candidates. When it was pointed out that the ward got \$5,400 from Democratic City Committee to pay street workers to support the endorsed ticket, Nesmith replied: "That money's not for the ward. That's for the committee people."

Then he added: "Do you mean to tell me that we are supposed to file a report on getting that money?"

The state's campaign finance law offers a simple answer to that question: Yes.

Though C.O.P.S. took in just under \$100,000 during the primary, it was small potatoes compared to larger, above-ground political action committees.

A PAC called Genesis IV spent \$325,000 in the primary and Liberty Square PAC spent \$409,000, with most of it going to a coterie of wards and ward leaders. Who was behind these PACs?

To paraphrase Abraham Lincoln, these were committees of ward leaders, by ward leaders and for ward leaders.

To quote a less august politician, the maxim that applied to these PACs and others in the primary was first uttered by Tammany Hall boss George Washington Plunkitt 100 years ago: "I seen my opportunities and it took 'em."

# Election Day? A big payday for Philly political bosses

by Tom Ferrick Jr., *The Next Mayor* (Philly.com)

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Councilwoman Jannie Blackwell. (MICHAEL BRYANT / Staff Photographer)

Asked what he did to earn a \$10,000 consulting fee before the Democratic primary, Ronald Couser, leader of Germantown's 22nd Ward, had a succinct answer: "Give advice."

There was a lot of advice available for candidates running in the May 19 primary, but it didn't come cheap.

Couser was one of a dozen ward leaders and politicos who got paid for what was listed as "election consulting" in the campaign filings of Liberty Square PAC.

The list includes Councilwoman Marion Tasco, who is leader of the 50th Ward (\$10,000) and state Rep. Steve Kinsey, whose district is in Northwest Philadelphia (\$3,000).

In all, Liberty Square gave \$90,000 to these ward leader/consultants in checks written two weeks before the primary.

These fees were separate and distinct from the money Liberty Square handed out to the ward organizations, which totaled \$260,000. For instance, 10th Ward leader Isabella Fitzgerald got a \$10,000 fee, and her ward got another \$32,000 to finance its election operations.

Most ward leaders did not return phone calls and emails to answers questions about the fees. Couser, asked to elaborate in his duties, said he gave advice "on what was going on in the communities. This was an exceptional election."

Asked if he signed a contract that outlined his relationship and duties with Liberty Square, Couser said he had not. Asked if he filled out an IRS W-9 form, which independent contractors routinely submit, he replied: "I don't recall doing that."

While it may be tacky for ward leaders to get paid for doing what ward leaders are supposed to do, there is no law against it. The only requirement is that they report the income to the IRS and other taxing authorities and pay taxes on it.

Liberty Square PAC is a political action committee headed by Charles Finney, a political consultant with close ties to Tasco. It takes money from candidates -- this year nine of them gave the PAC \$410,000 -- and hands it out mostly to a cluster of wards in the city's Northwest section.

Finney is well known in political circles and a "must-have" consultant, especially if you want to do well in the Northwest, which has a number of well-organized power wards. His firm, Square Group Inc., was paid \$135,000 during the primary season. He did not return phone calls.

If you are a candidate, you end up paying a consultant (Finney) to earn the right to write a big check to the Liberty Square PAC which, in turn, gives some of the money to ward leader/consultants.

It does add up, even for those who are endorsed by Democratic City Committee. It used to be that if you got the endorsement from the City Committee, you paid it an "assessment" (today it is \$35,000) to cover the cost of printing the party's official ballot and giving out street money to election workers. The rest of the costs were minimal — unless you decided to bolster your chances by giving money to individual wards.

This year, the city committee fee was just a starter. Most endorsed candidates also wrote checks to Liberty Square and to another ward PAC called Genesis IV, which cover about a dozen wards centered in West Philadelphia.

For instance, Chris Mallios, a party-endorsed candidate for Common Pleas Court, wrote a \$35,000 check for Democratic City Committee, a \$25,000 check to Genesis IV, a \$20,000 check to Liberty Square PAC, a \$10,000 check to Finney to work as a consultant, and an \$8,000 check to Friends of the Northeast, another consortium of ward leaders.

No wonder candidates call the experience of running for judge as "writing check, after check, after check," not sure whether the money will yield results.

"In the last couple of weeks, people are hitting you up for money right and left," said one judicial candidate, who asked not to be named. "But by then, you're in it to win."

So, you write another check.

The West Philadelphia wards involved in Genesis IV did well in taking in contributions and gave \$300,000 to 16 wards or their leaders. Genesis IV did not have any ward leader/consultants.

The PAC was founded by the late Councilwoman Carol Campbell, also leader of the Fourth Ward, and is headed today by her brother, Edgar "Sonny" Campbell Jr. Genesis IV is Campbell's PAC and, in a sense, his business. This year, he paid himself a \$20,000 commission from PAC funds. When asked why, he replied: "Because I raised the money."

The group also is listed as paying \$5,000 in rent for a campaign headquarters on North 59th Street in a building owned by Campbell.

"So, you are paying yourself rent?" Campbell was asked.

"Of course," he replied.

The hard-to-understand part is that Genesis IV only supported judicial candidates already endorsed by the party. The party gives these wards money for Election Day expenses. Why give them more since they support you already? One political consultant was asked if the money was given offensively -- to assure

enthusiastic support from the wards -- or defensively -- to stop the wards from "cutting" a candidate from the sample ballot. "A little bit of both," he replied.

With so much money flowing back and forth perhaps it was inevitable some of it ended up in the couch cushions.

For instance, Genesis IV reported giving \$9,500 to the 46th Ward, which is headed by Councilwoman Jannie Blackwell. The PAC report said it was sent to her home address.

The \$9,500 does not show up in either Blackwell's ward PAC account or her Friends of Jannie Blackwell council PAC. Blackwell did not return a call seeking comment.

Pete Wilson, leader of West Philadelphia's Sixth Ward, got \$5,000 in contributions that have yet to show up in the ward's campaign finance report. We were unable to reach Wilson to comment.

The Friends of the Northeast PAC reported giving a total of \$5,700 to Harry Engasser, leader of Bridesburg's 45th Ward. It was not listed in the ward's PAC, which is called PAC45. When contacted, Engasser said he had no recollection of getting that money from the PAC and said he would look into the matter.

Same case with Robert Dellavella, whose 55th Ward is listed as getting a \$1,000 contribution from the Northeast Democrats Club. But it was not reported in either the 55th Ward report, nor the report filed by Philly United PAC, which is run by Dellavella.

Pete Lyde, leader of the East Oak Lane's 61st Ward, said he had no memory of the \$2,000 in consulting fees listed as paid to him by Liberty Square PAC. Not only that, he added, he had never heard of the PAC, even though Lyde's ward got \$13,000 from Liberty Square. In addition, Lyde made \$31,000 serving as a consultant for six judicial candidates.

In all, the 51 judicial candidates spent \$4 million in the primary. Only one party-endorsed candidate lost.

Chris McCabe was among the Common Pleas Court candidates who were not endorsed by the party. He spent \$73,000 on what he called a "grassroots campaign" where he tried to reach voters through Facebook, a website and direct contact. He ran 32nd out of a field of 43 candidates.

In hindsight, he realizes it was a mistake to run that kind of campaign.

"The path to victory," McCabe said, "is the party endorsement and a good ballot position and a lot of money to spread around to ward leaders and consultants who can get you on as many ballots throughout the city as possible."

As long as that is the only path to election, the feeding frenzy will continue.

*Staff reporters Ryan Briggs and Brian X. McCrone contributed reporting to this column.*