

2004 ANNUAL REPORT

New Jersey Election Law Enforcement
Commission



May, 2005



MISSION STATEMENT

Commission's Office

New Jersey Election Law Enforcement Commission
28 West State Street, 13th Floor
Trenton, New Jersey

(609) 292-8700 or
Toll Free Within NJ 1-888-313-ELEC (3532)

The Election Law Enforcement Commission is dedicated to **administering “The New Jersey Campaign Contributions and Expenditures Reporting Act,” “The Gubernatorial, Legislative Disclosure Statement Act,”** various portions of the **“Legislative Activities Disclosure Act,”** and various portions of the **“Uniform Recall Election Law.”**



Clockwise: Chair Jerry Fitzgerald English, Vice Chair Peter J. Tober, Executive Director Frederick M. Herrmann, Deputy Director Jeffrey M. Brindle, Legal Director Nedda G. Massar, Counsel James P. Wyse, Commissioner Theodore Z. Davis, and Commissioner Albert Burstein.



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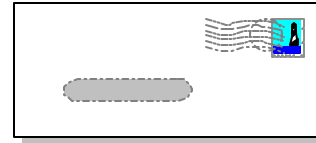
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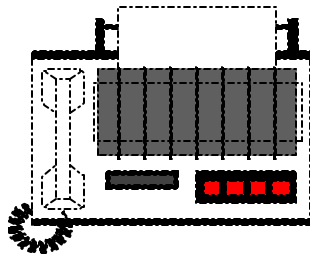
HOW TO CONTACT ELEC



By visiting our offices located at:
28 West State Street, 13th Floor
Trenton, NJ



By mail at:
N.J. Election Law Enforcement Commission
P.O. Box 185
Trenton, NJ 08625-0185



By telephone at:
(609) 292-8700 or
Toll Free Within NJ 1-888-313-ELEC (3532)

By Fax at:
48-hour notice: (609) 292-7662
Requests: (609) 633-9854
Administration: (609) 777-1448
Legal: (609) 777-1457



Via the Internet at:
<http://www.elec.state.nj.us/>



THE COMMISSION

Jerry Fitzgerald English, Chair

Jerry Fitzgerald English, former Commissioner of the Department of Environmental Protection and Legislative Counsel to Governor Brendan T. Byrne, was appointed to the Commission in January, 2004, and named Chair by then Governor James E. McGreevey in July.

Long involved in service to the people of New Jersey, Mrs. English is a past Commissioner of the Port Authority of New York and New Jersey and a former State Senator.

Chair English, in addition to being a member of the New Jersey, American, and International Bar Associations, was a founding member of the Women's Political Caucus, a former member of the Democratic National Committee, and an honorary trustee of the Passaic River Coalition.

Currently a partner in the law firm of Cooper, Rose and English, Mrs. English is: a former member of the Board of Directors of the Regional Plan Association, Co-chair of the American Bar Association Litigation Subcommittee on CERCLA and Hazardous Waste, on the Board of Visitors for the School of Liberal Arts and Science at New Jersey Institute of Technology (NJIT), a member of the Leadership Council of Harvard Law School, and a trustee of the New Jersey Federal Bar Association.

Mrs. English is an attorney specializing in environmental law. She has been an expert witness for the New Jersey courts for private clients in environmental cases and has published extensively in a variety of journals regarding environmental issues

of great importance. Mrs. English currently is on the editorial board of the New Jersey Law Journal.



Jerry Fitzgerald English, Chair

A former candidate for the U.S. House of Representatives, Chair English shares her knowledge of government and environmental problem solving with students at NJIT as an adjunct instructor.

Mrs. English holds a BA in International Relations from Stanford University and a JD from Boston College Law School combined with studies at Harvard University Law School. Her husband, Dr. Alan English, and she reside in Summit, New Jersey.



THE COMMISSION continued

Peter J. Tober, Vice Chair

Peter J. Tober, initially appointed to the Commission in January 2002, and reappointed in 2004, served as Senior Assistant Counsel to former Governor Christine Todd Whitman and former Acting Governor Donald T. DiFrancesco. He was elected Vice Chair in October, 2004.

An advisor to the former governors on election, ethics, banking, and insurance issues, Vice Chair Tober served as the liaison to the New Jersey State Senate.

Vice Chair Tober is a graduate of Cornell University, where he majored in economics and government, and of Hofstra University School of Law, where he was Associate Editor of the Hofstra Law Review and a Moot Court Judge.

Admitted to the Bar in New Jersey and New York, Vice Chair Tober began working for Wilentz, Goldman and Spitzer, P.C. in 1992.

An associate on the complex commercial litigation team, he served as lead counsel on jury and non-jury trials and specialized in partnership disputes, restrictive covenants, antitrust, and intellectual property law.

Vice Chair Tober is now affiliated with Shain, Schaffer and Rafanello in Bernardsville.



Peter J. Tober, Vice Chair



THE COMMISSION continued

Albert Burstein, Commissioner

Albert Burstein, a former Majority Leader of the New Jersey General Assembly, was appointed to the Commission in June, 2004.



Albert Burstein, Commissioner

A member of the American, New Jersey, and Bergen County Bar Associations, Commissioner Burstein is a partner in the Hackensack law firm of Herten, Burstein, Sheridan, Cevasco, Bottinelli, Litt, Toskos & Harz, L.L.C.

While in the Assembly, Commissioner Burstein was the Chairman of the Assembly Education Committee from 1974-75 and again from 1980-81. He also served on numerous other committees and commissions, including the Election Law Revision Committee, the Capital Budgeting and Planning Commission, and the Public Employees Relations Study Commission. The Commissioner is noted for sponsoring Title 19A, a total revision of the State's election laws, and the Gubernatorial Public Financing Law of 1974.

A former Chairman of the State Commission of Investigation Review Committee, Commissioner Burstein is Chairman of the New Jersey Law

Revision Commission, former Chairman of the Bergen County IIB South District Ethics Committee, and former member of the New Jersey Law Journal editorial board.

Commissioner Burstein is a graduate of Columbia College and Columbia University Law School. In addition to practicing law, he continues to be involved in many civic and charitable causes. In past years, he was President of the Occupational Center of Hudson County and a Trustee of the Jewish Hospital and Rehabilitation Center of Jersey City.

Married to Ruth Burstein, the couple reside in Tenafly and have three children and three grandchildren.



THE COMMISSION continued

Theodore Z. Davis, Commissioner

Judge Theodore Z. Davis, a retired Superior Court Judge and current member of the law firm of Cozen O'Connor, was appointed to the Commission in June, 2004. A member of the Business and Commercial Litigation Department, Judge Davis is affiliated with this international firm with offices in the United States; Toronto, Canada; and London, England.

Appointed to the Superior Court by Governor Brendan T. Byrne, Commissioner Davis sat on the bench for 22 years until his retirement in 2003. As a Judge, Commissioner Davis was a frequent lecturer at judiciary seminars and seminars held by the State Bar Association. He also has served as Chairman of the New Jersey Supreme Court's Task Force on Minority Concerns with the judiciary. Prior to his appointment to the Superior Court, Commissioner Davis had practiced corporate law and estate law and spent time as an Assistant City Attorney and Assistant County Prosecutor.

Commissioner Davis is a graduate of the Temple University School of Business and Temple University School of Law. He also was a member of the United States Army Finance Corps and is a veteran of the Korean War. Currently, the Commissioner is a member of the Board of Trustees of Temple University and is also a Trustee of the Temple University Health System.

Judge Davis resides in Camden, New Jersey with his wife Joan. They have one child, Theodore Z. Davis, Jr.



Theodore Z. Davis, Commissioner



THE COMMISSION continued

Frederick M. Herrmann, Ph.D., Executive Director

Frederick M. Herrmann, Ph.D., has been the executive director of the New Jersey Election Law Enforcement Commission for over two decades. He received an A.B. (1969) from the University of



Frederick M. Herrmann, Executive Director

Pennsylvania and an M.A. (1970) and a Ph.D. (1976) from Rutgers, The State University of New Jersey. Dr. Herrmann is also an honor graduate of the United States Army Quartermaster School at Fort Lee, Virginia.

The author of many publications about history and government, he is a frequent speaker at various forums inside and outside of New Jersey. Dr. Herrmann has also appeared as a campaign financing and lobbying law expert on radio and television. Currently, he is the book review editor of the Guardian and on the editorial board of Public Integrity. He is also on the Board of Trustees for the Friends of the State House.

Once a teacher at Rutgers and Kean Universities as well as a staff member of the New Jersey Legislature, he has also served on the Organizational Planning and Coordinating Committee of the Council of State Governments and has been the President of the Council on Governmental Ethics Laws (COGEL), an international organization, and the President of the Northeastern Regional Conference on Lobbying (NORCOL). Executive Director Herrmann currently serves on the COGEL Awards and Publications Committees.

At its regional meeting in 2001, NORCOL presented Dr. Herrmann with its 20th Anniversary Service Award for his outstanding efforts on behalf of and contributions to the organization. In 1993, he was the recipient of the Annual COGEL Award for his continued efforts to promote the highest level of ethical conduct among governmental officials and candidates for public office in the international arena. Dr. Herrmann has met often with dignitaries from various jurisdictions throughout the world to assist in the developing and drafting of statutes and regulations.



THE COMMISSION continued

James P. Wyse, Counsel

James P. Wyse was selected to be the Commission's Counsel in 1994 and began serving in that capacity in January, 1995.

Mr. Wyse is an attorney with the firm of Herold and Haines, P.A. in Warren, New Jersey. He specializes in the areas of corporate and commercial law, real estate, environmental law, and estate planning.

Mr. Wyse, admitted to practice in New Jersey and before the United States Court of Appeals for the Third Circuit, has argued cases in that Court and before the New Jersey Supreme Court.

As Counsel for a number of national, State, and local land trust organizations, Mr. Wyse has developed special expertise regarding conservation and agricultural easements and innovative land preservation techniques.

Mr. Wyse received a B.A. degree from Bucknell University and J.D. degree with honors from the Rutgers University School of Law.



James P. Wyse, Counsel



COMMISSION STAFF

EXECUTIVE

Frederick M. Herrmann, Ph.D., Executive Director
Jeffrey M. Brindle, M.A., Deputy Director
Nedda G. Massar, Esq., Legal Director
Evelyn Ford, Esq., Compliance Director
Brian Robbins, Executive Software Engineer
Steven Kimmelman, M.A., Research Associate
Elbia L. Zeppetelli, Administrative Assistant
Maureen Tilbury, Executive Secretary

COMPLIANCE DIVISION Compliance and Information

Linda White, Director
Kimberly Key, Associate Compliance Officer
Titus Kamal, Assistant Compliance Officer
Nancy Fitzpatrick, Assistant Compliance Officer
Todd J. Wojcik, Assistant Compliance Officer
Desiree DeVito, Senior Clerk
Monica Triplin-Nelson, Technical Assistant
Elizabeth A. Michael, Technical Assistant
Samira Wood, Sr. Clerk
Michelle Donato-Suares, Clerk

LAW DIVISION Legal

Gail Shanker, Esq., Associate Legal Director
Michelle Levy, Esq., Assistant Legal Director
Ruth Ford, Legal Secretary

Review and Investigation

Carol Hoekje, Esq., Director
Shreve E. Marshall, Jr., Associate Director
Brett Mead, Associate Review Officer
Christopher Guear, M.A., Assistant Review Officer
Renee Cardelucci, Legal Secretary

Public Financing

Amy F. Davis, Esq., Director
Brian Tripp, Computer Assistant
Christine Aquilante, Public Finance Analyst
Laura Jurkiewicz, Public Finance Analyst
Scott M. Fagerty, Public Finance Analyst
Felice Fava, Public Finance Analyst

OPERATIONS DIVISION Administration

Gary T. Alpert, M.P.A., Director
Donna D. Margetts, M.A., Personnel Officer
Elaine J. Salit, Fiscal Officer
Anita Vaingankar, M.S., Fiscal Assistant
Debra A. Kostival, Principal Receptionist
Irene Comiso, Senior Receptionist
Aracelis Ocasio, Clerk

Systems Administration

Carolyn Neiman, Director
Kim Vandegrift, Associate Systems Administrator
Anthony Giancarli, Assistant Systems Administrator
Kiet Nguyen, Associate Software Engineer
Aydan A. Altan, Assistant Software Engineer
Peter Palaitis, Help Desk Technician
Louis Solimeo, Computer Assistant
Maryanne Garcia, Webmaster
Brenda A. Brickhouse, Data Entry Supervisor
Shirley R. Bryant, Senior Data Entry Technician
Nelly R. Rosario, Associate Data Entry Technician
Barbara Counts, Associate Data Entry Technician
Pamela Kinsey, Associate Data Entry Technician
Darlene Kozlowski, Associate Data Entry Technician
Helen Kelly, Associate Data Entry Technician
Tamika McCoy, Assistant Data Entry Technician
Susan Danley, Assistant Data Entry Technician
Michelle Hackett, Assistant Data Entry Technician



MESSAGE FROM THE CHAIR

The year 2004 ranks among the most significant in the Commission's history. Not only was a major campaign financing and lobbying reform package enacted, but also the Commission's budget was increased by \$2 million.

Included in the landmark package of bills was important pay-to-play legislation. Also, among the bills enacted was one that establishes a "Fair and Clean Elections Project," which will provide public money to participating legislative candidates in two selected districts. In addition, the reforms included a measure that expands the definition of a lobbyist to include individuals who lobby on such governmental processes as contracts, grants, rate setting, and permits, etc.

Importantly, the Legislature tied an increase of \$2 million in the Commission's annual budget to the reform package. Sponsored by Assembly Speaker Albio Sires and Assembly Majority Leader Joseph J. Roberts, and ushered through the State Senate by Senate President Richard J. Codey, this bill will enable the Commission to nearly double its staff and assume the task of administering the provisions of the new laws. These measures will insure stronger rules with stronger enforcement.

With this mandate, the staff of the Commission immediately began the process of implementing the new laws. Fact sheets describing the provisions of the new laws were disseminated to campaign entities and to lobbyists. Information meetings were held with the interested public, and information was posted on the Commission's web site. Moreover, the process of designing new forms, modifying features of computer software, and proposing and adopting regulations was initiated.

In addition, the Commission undertook the necessary administrative processes of establishing 36 new positions, hiring new staff, and acquiring additional office space. While these processes have taken months to complete, staff has worked diligently to accomplish these tasks.



Jerry Fitzgerald English, Chair

Much activity in 2004 centered around dealing with the added responsibilities placed upon the Commission by the new laws. Beyond this effort, however, the Commission can point to many more accomplishments in 2004 that were not related to the reforms.

For example, preparations were made for administering the gubernatorial primary and general election program. With the new director in place, hiring and training of key staff was accomplished. The gubernatorial election cycle is expected to be filled with interesting but complex issues. Therefore, it was important to lay the foundation for carrying out one of New Jersey's proudest and most respected programs.

In another critical area, the Commission made great progress in upgrading its computer operations in 2004. An integral part of ELEC's mission of disclosure, the Commission unveiled a new web site that is both user friendly, graphically pleasing, and comprehensive. Designed to allow the most inexperienced computer user to navigate the web site with ease, the system provides clear images of disclosure reports. Moreover, copies of analytical reports, regulations, and advisory opinions are also available. Finally, significant advances were made toward the goal of providing an Internet electronic filing component that will eventually be available to all filers.



MESSAGE FROM THE CHAIR continued

The advances in automation have improved the ability of the Commission to carry out its mission of disclosure. Yet, blended with these advances is a continuing attention to serving the public in a friendly and personal way. The Compliance Division, for instance, assisted treasurers, candidates, and lobbyists through seminars, outreach, and telephone assistance. During 2004, approximately 24,000 reports were scanned and processed by the Division and 20,645 copies of reports reproduced. Moreover, the staff's efforts resulted in a compliance rate of more than 90 percent. Finally, the Division went beyond the requirements of the Open Public Records Act (OPRA) in providing information in a timely fashion to the public.

In keeping with its national reputation for tracking trends in campaign financing and lobbying, Deputy Director Jeffrey M. Brindle wrote White Paper Number 17, Legislative Election 2003: The Rise of Party-Oriented Campaigning. Other reports, such as the legislatively mandated computer report entitled Road to the Future: Improving the Convenience and Usefulness of ELEC's Internet Site, which recommended a continuing annual appropriation of one million dollars for ongoing computer initiatives, and the 2005 Cost Index Report were also published by the Commission.

The Law Division accomplished a great deal in 2004. In addition to researching and writing advisory opinions and proposed regulatory guidelines, its Legal Section issued a total of 80 complaints and 76 final decisions against violators of campaign and lobbyist statutes. The Section adopted regulatory proposals, many of which involved the new laws.

Working in tandem with staff attorneys, the Review and Investigation Section undertook 26 investigations that resulted in penalty actions. This activity contributed to the effort to assure compliance with disclosure rules and regulations. Moreover,

significant penalties were exacted against serious violators of the campaign and lobbying laws.

The Commission's veteran Executive Director, Frederick M. Herrmann, Ph.D., continued his fine work on behalf of ethical government in New Jersey and the nation. A highly respected national leader in the field of governmental ethics, the Executive Director did an outstanding job last year in working with the Legislature to bring about important reforms in the areas of campaign financing and lobbying.

The advances in automation have improved the ability of the Commission to carry out its mission of disclosure.

In usual fashion, 2004 witnessed Dr. Herrmann enthusiastically address many organizations and media outlets, author several articles in national and State publications, serve on the editorial board of Public Integrity, work as book review editor of COGEL's Guardian, write Lobbying in New Jersey 2004, and prepare the NORCOL Lobbying Handbook. Without question, Executive Director Herrmann is one of the truly significant governmental ethics leaders in the nation.

Finally, I would like to note that the Commission saw the retirement of three outstanding commissioners this year: Judge Ralph V. Martin, Professor Paula A. Franzese, and Dr. Susan S. Lederman. All will be deeply missed by both ELEC and the public. After leaving ELEC, former Vice Chair Franzese along with retired Associate Justice of the State Supreme Court, Daniel J. O'Hern, Sr., produced a seminal report recommending ethics reform for the Executive Branch of New Jersey Government.

Therefore, it is with great pride and satisfaction that on behalf of my colleagues on the Commission, and the staff, that I submit this report to the Legislature.



EXECUTIVE DIRECTOR'S REMARKS

Early in 2004, Assembly Speaker Albio Sires and Assembly Majority Leader Joseph J. Roberts announced to the citizens of New Jersey a sweeping ethics reform package. This comprehensive initiative included many reforms that impacted upon the work of the New Jersey Election Law Enforcement Commission (ELEC) in the areas of campaign financing and lobbying. In a trailblazing move, Assemblyman Roberts told the Star-Ledger (Newark) that the Legislature would provide ELEC with the resources needed to administer and enforce the bills being considered. According to the Assemblyman, "if we are committed to having a regulatory structure that enforces these new laws we are developing, we have to be honest enough to fund it." He added that "I believe if you say to the people of New Jersey 'we will carefully spend a little more of your tax money to ensure that the process is as clean as it can be,' they'll be prepared to make that bargain." Surely, something momentous not only for New Jersey but also the nation at large was occurring.

After a series of Statewide hearings during the spring, the package passed both houses of the Legislature and was signed into law in June and August by former Governor James E. McGreevey. It makes numerous fundamental changes to the State's ethics statutes especially in the campaign and lobbying acts. Very importantly, the last bill signed by the former Governor increases ELEC's annual operating budget from \$3 million to \$5 million. An overview of these highly significant developments should be of importance to New Jerseyans interested in meaningful campaign financing and lobbying reform.

The most publicized piece of legislation in the package was the "Pay-to-Play" fundraising bill. It prohibits no-bid governmental contractors with contracts in excess of \$17,500 from making campaign contributions in the year before and during a contract. The ban applies separately at four governmental access points: the executive branch, the legislative branch, the county level, and the municipal level. Contractors may not give to candidates and political party committees at the same access point as the contract. In addition, an "anti-wheeling" provision bans a county political party committee from contributing to other county political party committees during the first half of each calendar year when the primary election is being held. An executive order late in the year further expanded pay-to-play restrictions.

Another major initiative is the Clean Elections program. A pilot project for the 2005 general elections is planned to take place in two pre-selected legislative districts. Candidates for the General Assembly will qualify for public dollars in these districts after raising a large number of small contributions. The project is based on programs established in Arizona and Maine. A nine-member commission is created to review the program with respect to the 2005 general election as well as make suggestions for an expanded program in the 2007 primary and general elections. After the 2007 elections, this Commission will determine the feasibility of making the program permanent.



Frederick M. Herrmann, Executive Director



EXECUTIVE DIRECTOR'S REMARKS *continued*

There are numerous other important changes to the Campaign Act. All contributions of over \$300 (instead of the scheduled increase to \$500 for 2005) and all cash contributions must be reported showing a contributor's name, mailing address, occupation, and employer. A new category of filers, professional campaign fundraisers, will now have to report. Recorded campaign telephone calls need to contain political identification, and the solicitation of campaign contributions on State property is prohibited. ELEC is charged to study and recommend further improvements to its highly regarded web site and to train campaign and organizational treasurers not only in person but also through the Internet. Penalties for violating the law are increased, and the 48-hour expenditure reporting requirement now covers all committees not just PAC's. Another change coming from a law enacted in late 2004 after the reform package was signed freezes campaign contribution limits for all committees except those of candidates.

Important changes also occur in the Lobbying Act. Expenditures for grassroots lobbying are reportable, and the definition of lobbying is expanded to cover "administrative determinations" in such areas as: contracting, rate setting, permitting, and penalizing as well as legislation and regulations. Former governors, department heads, and legislators are banned from lobbying for one year after leaving office. Moreover, ELEC is required to perform random audits of lobbying records, contingency lobbying is prohibited, and lobbying fees are increased from \$325 to \$425 per year with a onetime \$50 assessment to help fund an Internet upgrade. It should be noted that another recently enacted law not in the reform package capped benefit passing at \$250 with a 90-day reimbursement provision.

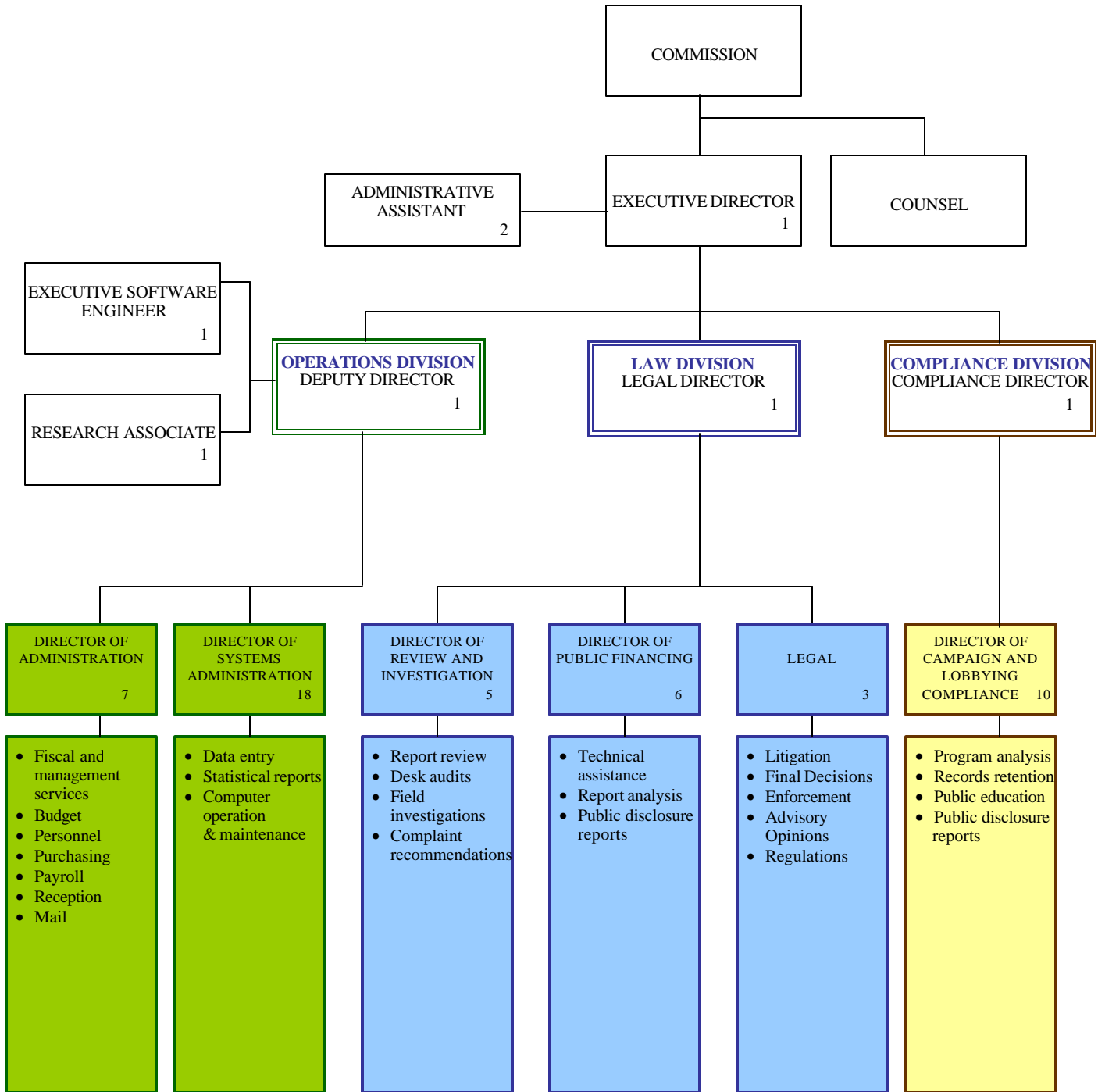
Perhaps, the most important lesson that other jurisdictions can learn from New Jersey's bold ethics initiative is that "true reform" needs to be funded adequately.

A summary of the various funding mechanisms in the reform package should prove useful. Most importantly, ELEC's annual operating budget increases from \$3 million to \$5 million allowing for the hiring of 36 additional staff members beyond the 54 staffers at the end of 2004. The annual \$100 increase in lobbying fees should bring in another \$56,000 per year, and the onetime \$50 website assessment could bring in \$28,000 more. Professional fundraisers will be paying an annual fee, and review of the Clean Elections Pilot Project will provide for the possibility of additional revenues. The Commission's study of its web site, conducted pursuant to a key bill in the package, resulted in ELEC recommending at the end of the year that an additional one million dollars added to its annual operating budget would result in important ongoing improvements in the convenience and usefulness of the Commission's already highly-regarded homepage.

Perhaps, the most important lesson that other jurisdictions can learn from New Jersey's bold ethics initiative is that "true reform" needs to be funded adequately. It is not uncommon for a state to improve its campaign financing and lobbying laws, but sadly it is very unusual for such an improvement to be funded properly. In New Jersey, thanks to the former Governor, now Acting Governor and Senate President Richard J. Codey, Assemblymen Sires and Roberts, and the members of the Legislature from both parties, empowering the ethics agency was the keystone of reform. Hopefully, their action will be a model for the rest of the nation because as Dr. Ronald D. Michaelson and I wrote in the Book of the States a decade ago, reform without agency empowerment is "the same as no reform at all."



TABLE OF ORGANIZATION





ELEC OVERVIEW

1973

Frank P. Reiche, Chair
Judge Sidney Goldmann, Vice Chair
Judge Bartholomew Sheehan, Commissioner
Florence P. Dwyer, Commissioner

1974-1979

Frank P. Reiche, Chair
Judge Sidney Goldmann, Vice Chair
Josephine Margetts, Commissioner
Archibald S. Alexander, Commissioner

1980-1981

Judge Sidney Goldmann, Chair
Josephine Margetts, Vice Chair
Andrew C. Axtell, Commissioner
M. Robert DeCotiis, Commissioner

1982-1983

Andrew C. Axtell, Chair
M. Robert DeCotiis, Vice Chair
Justice Haydn Proctor, Commissioner
Alexander P. Waugh, Jr., Commissioner

1984-1986

Andrew C. Axtell, Chair
Alexander P. Waugh, Jr., Vice Chair
Justice Haydn Proctor, Commissioner
Owen V. McNanny III, Commissioner

1987-1988

Judge Stanley G. Bedford, Chair
Owen V. McNanny, III, Vice Chair
Andrew C. Axtell, Commissioner
David Linett, Commissioner

1989-1990

Judge Stanley G. Bedford, Chair
Owen V. McNanny, III, Vice Chair
David Linett, Commissioner
S. Elliott Mayo, Commissioner

1991-1992

Owen V. McNanny, III, Chair
Judge Stanley G. Bedford, Commissioner
David Linett, Commissioner

1993-1994

Owen V. McNanny, III, Chair
William H. Eldridge, Vice Chair
David Linett, Commissioner

1995

William H. Eldridge, Chair
Owen V. McNanny, III, Vice Chair
David Linett, Commissioner
Michael Chertoff, Commissioner

1996

Judge Ralph V. Martin, Chair
David Linett, Vice Chair
Paula A. Franzese, Commissioner

1997-2000

Judge Ralph V. Martin, Chair
David Linett, Vice Chair
Paula A. Franzese, Commissioner
Lynnan B. Ware, Commissioner

2001

Judge Ralph V. Martin, Chair
Paula A. Franzese, Vice Chair
Lynnan B. Ware, Commissioner
Susan S. Lederman, Commissioner

2002-2003

Judge Ralph V. Martin, Chair
Paula A. Franzese, Vice Chair
Susan S. Lederman, Commissioner
Peter J. Tober, Commissioner

2004

Jerry Fitzgerald English, Chair
Peter J. Tober, Vice Chair
Albert Burstein, Commissioner
Theodore Z. Davis, Commissioner

EXECUTIVE DIRECTORS

1973-1976	David F. Norcross
1976-1981	Lewis B. Thurston, III
1981-1984	Scott A. Weiner
1984-present	Frederick M. Herrmann

COUNSELS

1973-1994	Edward J. Farrell
1994-present	James P. Wyse

CONSULTANT

1973-1978, 1982, 1986-1988	Herbert E. Alexander
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LEGISLATIVE REVIEW & RECOMMENDATIONS

The Commission is proud that significant legislation enacted during 2004, as part of the comprehensive legislative ethics reform initiative, reflected recommendations offered in prior Annual Reports. The following major changes made to the Campaign Reporting and Lobbying laws in 2004 had been championed by the Commission in prior years:



Jeffrey M. Brindle, Deputy Director

- Reporting of "grassroots" lobbying was mandated.
 - Contract lobbying was made subject to lobbying disclosure requirements.
- The Commission looks forward to working with the Governor and the Legislature in the future to assist in further meaningful reforms to the law. In that vein, the Commission offers the following recommendations for new or amended legislation based in part on its past experience with the Campaign Reporting Act, other laws it administers, and its experience in administration of the gubernatorial public financing program.
- ### Campaign Reporting Act
- Strengthen Pay-to-Play reform.
 - Ban contributions made directly from corporate and labor union treasuries.
 - Ban the use of partnership funds for the purpose of making contributions.
 - Expand the regulation of "Wheeling" to include contributions by county political party committees to other county political party committees during the entire year.
 - Make illegal in the private sector, as well as the public sector, the use of force, threats, a condition of employment, or financial reprisal to obtain a contribution.
 - Reduce the annual contribution limit to county political party committees to conform to the limit for State political party committees.
- Pay-to-Play reform was enacted.
 - The Commission's operational budget was increased.
 - Contributions made by county political party committees to other county political party committees, known as "Wheeling," was restricted.
 - Contribution limits to parties and other committees were frozen at current levels.
 - A pilot legislative public financing program was created for the 2005 general election.



LEGISLATIVE REVIEW & RECOMMENDATIONS continued

- Include in the definition of “candidate” all appointees to fill vacancies for elected offices.
- Amend the 48-hour notice requirement for continuing political committee expenditures to require that notices be filed for expenditures made in municipal, school, and special elections, as well as primary and general elections.
- Prohibit a political committee or continuing political committee from containing in its name the name of a candidate or officeholder.
- Modify the rounding provisions of the quadrennial campaign cost adjustment process.

Gubernatorial Public Financing

- Eliminate the expenditure limit of a publicly-financed gubernatorial candidate who faces a non-publicly financed candidate spending in excess of the expenditure limit.
- Include funds in the Commission’s public financing budget specifically for the purpose of advertising the mandatory gubernatorial debates in New Jersey newspapers.
- Eliminate the gubernatorial spending qualification threshold.
- Conform the penalties for gubernatorial violations to equal the penalties for campaign reporting violations.
- Increase the number of required debates for publicly-financed candidates from two to three in the primary and general elections.
- Require disclosure of occupation and employer information for contributions from individuals in the aggregate in excess of the \$300 disclosure

threshold on reports filed by an Inaugural event committee.

- Study the effectiveness of the gubernatorial ballot statement program to determine whether or not it is an effective means of communicating the candidates' messages to New Jersey voters and to recommend alternatives to the ballot statement program.

Lobbying Disclosure Act

- Require lobbyists to file quarterly rather than annual reports.
- Change the terminology of the lobbying law so that an organization or business that employs an individual to conduct lobbying activity on its behalf is referred to as a “client,” and the individual conducting the lobbying activity is referred to as a “lobbyist.”
- Conform the penalty provisions of the Lobbying Disclosure Act to those of the Campaign Reporting Act.

Personal Financial Disclosure Act

- Provide for uniform disclosure of gifts, reimbursements, and honoraria of over \$250 in a calendar year and require disclosure of their value and a description of the article if other than cash.
- Require reporting of the occupation and employer of individuals providing reportable benefits.
- Conform the penalty provisions of the Personal Financial Disclosure Act to the Campaign Reporting Act.



COMPLIANCE DIVISION

Despite there not being legislative elections in 2004, the year, nevertheless, turned into an exceedingly busy and successful one for the Compliance Division.

Implementing New Laws

As the year reached its midpoint, the Compliance staff was confronted with the daunting task of preparing for the implementation of the package of reform bills enacted in June. Needless to say, this development added an enormous amount of



Clockwise: Michel Donate-Suarez, Todd J. Wojcik, Nancy Fitzpatrick, Evelyn Ford, Linda White, Kim Key, and Titus Kamal

additional duties to a staff already encumbered with weighty responsibilities. Yet, the Compliance staff responded to the challenge, beginning the planning process for carrying out the requirements of the new laws, while simultaneously fulfilling existing functions in a meritorious fashion.

Planning for the implementation of the new laws was multi-faceted. First, a series of fact sheets were prepared and disseminated to candidates, treasurers, and lobbyists. These fact sheets, which were also posted on the Commission's web site, contained basic information about the new laws and the Commission's plans for implementing them. In turn, the fact sheets generated much interest, resulting

in telephone and in-person discussions with affected interests and individuals.

Part and parcel of the effort to incorporate the requirements of the reforms into the day-to-day activities of the Compliance Division, a new campaign reporting manual for candidates was prepared. This manual, freshly designed and newly organized, also contained forms created to accommodate the provisions of the new laws.

In addition, staff of the Compliance Division provided valuable input into preparations being made by the Systems Administration Section for the introduction of the Commission's new web site. The input provided by Compliance staff largely involved considerations stemming from the requirements of the reforms. In the same way, the Compliance Division participated in the formulation of regulatory proposals designed to effectuate the new laws.

Information

Finally, in an effort to make the transition toward implementing the newly enacted statutes as smooth as possible, the Compliance Division staff undertook educational outreach through seminars that provided treasurers with valuable information about the changes about to take place.

While the increased disclosure activity associated with rugged legislative campaigns was absent last year, county and municipal elections were held. In the context of these elections, almost 5,300 candidates and committees filed thousands of reports last year. As always, these reports were scanned into the web site, providing prompt campaign finance data to home page visitors. In addition to campaign reports, political party committees, legislative leadership committees, and continuing political committees filed reports with the Commission. In total there were 1,604 of these entities in 2004, whose



COMPLIANCE DIVISION *continued*

reports were scanned quarterly and quickly made available for viewing.

Finally, the number of Governmental Affairs Agents (lobbyists) registered with ELEC increased again in 2004, as did the amount of money spent on lobbying. All information pertinent to lobbying registration and spending were made available on the web site.

In total, approximately 24,000 reports filed by candidates, committees, and lobbyists were processed in 2004.

Compliance

As always, the Compliance Division did an outstanding job of promoting compliance with the disclosure laws. Through providing a support system consisting of direct mail, daily telephone assistance,

Planning for the implementation of the new laws was multi-faceted.

seminars, consultations, and a home page containing much information, the Compliance Division was able to assure over 90 percent compliance with disclosure laws.

A very important component of the compliance effort was the informational seminars conducted last year. In all, the Compliance staff participated in ten seminars last year. Compliance staff served as panelists at some of these seminars while others were sponsored by the Division itself. In the coming year, the Compliance Division plans to provide even greater opportunities for informational seminars designed to educate candidates, treasurers, and the public as to the requirements of the disclosure laws.

Telephone assistance continued as a valuable means of assisting filers. Staff was made available to answer complex reporting questions over the phone and to walk filers through the process on a

one-on-one basis. Staff also provided assistance in person to individuals visiting the Commission.

New Activities

In addition to the day-to-day activities of the Compliance Division, staff undertook numerous tasks in 2004 that fell outside of the realm of daily functions. For example, the Records Retention Project was undertaken. After reviewing and revising the retention schedule for records unique to the Commission, a proposal was submitted to and approved by the State Records Committee. This effort allows the Commission to destroy certain classes of records and brought the retention schedule more in line with State standards.

Other firsts for the Division included the implementation of the new gift ban law impacting lobbyists, as well as the introduction of the treasurer training program. In terms of treasurer training, staff trained the treasurers of the two State party committees and the four legislative leadership committees. Moreover, treasurers for legislative candidates were contacted and training scheduled. Importantly, a database was developed to maintain treasurer training records.

The Commission's mission is to provide public disclosure. Certainly, the Compliance Division is pivotal to this effort. In this regard, the Division last year prepared annual lobbyist financial data, as well as lobbyist quarterly summary data, both of which were of great interest to the press and public.

Conclusion

In true fashion the Compliance Division carried out its responsibilities in an exemplary manner in 2004, and maintained its reputation as one of the most constituent friendly Divisions in State Government, in turn, helping the Commission maintain its international reputation for excellence.



LAW DIVISION

LEGAL SECTION



Left to right: Nedda G. Massar, Ruth Ford, Michelle Levy, and Gail Shanker

During 2004, the Law Division was integral to the process of implementing 17 new laws enacted last year. These laws, amending the Lobbying and Campaign Reporting Acts, became the focus of much activity by the Law Division as the year wore on.

New Laws

To say the least, the implementation of these laws, which, from the perspective of the Legal Section, required existing rules and procedures to be reconciled with the new laws, was, and continues to be, a daunting task. The scope of the legislative reforms proved to be enormous. It includes expanding lobbying activity to include “governmental processes,” mandated auditing of lobbyist activity, a gift ban, and the regulation of lobbying. In terms of campaign financing, the package of bills included one that establishes professional fundraisers as a new filing category, creates a treasurer training program, requires political party entities and candidates making independent

expenditures to file 48-hour notices, requires political identification information to be recorded as part of campaign telephone calls, and prohibits contributions from being solicited or made on State property.

These and other amendments to the Lobbying and Campaign Finance Acts comprised much staff time in 2004, with the Legal team making a huge dent in the regulatory process.

Regulatory Activity

Besides the arduous task of rulemaking in relation to the 17 new laws, the Legal Section undertook additional regulatory activity not related to the new responsibilities. The staff prepared rules that would establish requirements for electronic filing by candidates and prepared amendments to its rules imposing restrictions on new fundraising by former officeholders. In both instances, the Commission proposed and adopted the recommendations of the staff.

Other regulatory activity undertaken by the Section in 2004 involved modifications to the Gubernatorial Public Financing Program’s rules. Amendments were adopted by the Commission that concerned multiple matching fund accounts, disclosure of candidate participation in issue advocacy organizations, matching fund submission filing dates, and debate application information. These and other amendments strengthened an already strong and durable public financing program.

Finally, regarding regulatory activity, the Legal staff drafted regulations to effectuate the quadrennial inflationary adjustments to the limits and thresholds contained in the Campaign Reporting Act. These proposals, applying both to gubernatorial and non-gubernatorial campaigns, were adopted by the Commission. Staff anticipates further modifications



LAW DIVISION continued

of those amendments to comply with changes made by the Legislature.

Advisory Opinions

Another function of the Legal Section is to prepare the Commission's advisory opinions. In an advisory opinion issued in 2004, the Commission concluded that a publicly-financed gubernatorial candidate could open a 2005 primary election committee even though debt was remaining from the 2001 election. In that same opinion, however, the Commission determined that the candidate could not transfer the remaining debts to a future campaign. The Commission reasoned that a publicly-financed candidate is responsible for returning funds to the State after obligations are satisfied. Certainly, the advisory opinion process is an important one that has been carried out expertly by the Legal staff.

A very important function of the Legal Section is the preparation and issuance of complaints and final decisions against violators of the Campaign Reporting and Lobbying Acts.

Civil Complaints

A very important function of the Legal Section is the preparation and issuance of complaints and final decisions against violators of the Campaign Reporting and Lobbying Acts. This responsibility is part and parcel of assuring strong compliance with campaign financing and lobbying laws; and, in 2004, the Legal staff carried out this duty effectively. As a result of the resignation of a staff attorney, the section functioned during the year at a reduced staffing level. However, in total, 80 complaints were issued, nine of which were the result of lengthy and exhaustive investigations involving complex issues.

Included among these cases were those involving the two State party committees. Other complaints were issued to lobbyists and candidates. For example, the Legal Section brought non-filing complaints against 58 candidates involving the 2003 general, 2004 municipal, and 2004 primary elections. Further, 13 complaints were issued against legislative agents for late and non-filing of quarterly activity reports. The goal of the Legal Section is to obtain compliance in cases that began as non-filing matters.

Besides assisting with the issuance of complaints, the Legal staff issued final decisions, closing a total of 76 cases in 2004. Among the alleged violations were: failure to file reports, failure to report missing contributions and contributor activity information, failure to make and maintain written records, inadequate reporting of expenditures, and failure to file 48-hour notices of contributions and expenditures. In almost all cases, candidates and committees filed missing information in response to non-filing allegations. In total, fines amounting to \$131,042 were paid in 2004.

All complaints and final decisions are available for public inspection at the Commission's offices and via the Internet at www.elec.state.nj.us/.

Conclusion

Interpreting and enforcing the law is the mission of the Legal Section. The Commission believes that this endeavor is critical to the effective administration of the Campaign and Lobbying Financial Disclosure Acts entrusted to the Commission. In the future, the Legal Section will continue to serve the public and the electoral process by earnestly carrying out its statutory responsibilities.



LAW DIVISION continued

REVIEW AND INVESTIGATION SECTION



Left to right: Shreve Marshall, Renee Cardelucci, Carol Hoekje, Brett Mead, and Christopher Gear

The Review and Investigation Section's responsibilities include investigating potential violations of the Campaign Act, Lobbying Law, and Personal Financial Disclosure Law. As in the past, the investigations involved such issues as the timely reporting of contribution and expenditure information, compliance with the contribution limits, the requirement to make and maintain records of contributions and expenditures, reporting of 48-hour notices, and identification on political communications. In pursuing investigations, the Section's investigators utilize the benefits of the Commission's web site in accessing scanned reports for review during investigations. The Commission's newly introduced web site will further enhance the Review and Investigation Section's ability to uncover potential violations of the Act.

As a result of the promotion of an investigator to new responsibilities at the Commission, the Section continued for much of 2004 at less than full staffing.

Investigations

In 2004, the Commission closed 26 investigations with complaint recommendations in seven of those cases. Two of these complaint recommendations concerned the two state political party committees and were the final conclusion of a project initiated by the investigative staff concerning the 48-hour notice reporting requirement of the state and county political party committees for receipt of contributions in excess of \$800 relevant to the 2001 general election. The Commission also approved additional complaint counts against one of the state political party committees for filing 457 days late contribution and expenditure information relevant to the 2001 fourth quarter, including the late reporting of contributor information for 151 monetary contributions totaling \$947,831.23, and the late reporting of itemized operating expenditures totaling \$10,116,906.

Another investigation resulted in a six-count complaint against a joint candidates committee consisting of candidates for municipal office in the 2002 municipal election for reporting 449 days late 20-day postelection report information, including the late reporting of 288 expenditures totaling \$46,890.68.

As a result of another review project concerning lobbying reporting obligations, the Section recommended complaints for the late and non-filing of lobbying quarterly reports relevant to the first and second quarters of calendar year 2003; as a result of this initiative, 13 complaints were issued.



LAW DIVISION continued

As part of the investigative process, the Section also issued nine subpoenas in 2004, all for the purpose of obtaining records of a campaign or organizational depository.

Request for Investigation

Members of the public are entitled to request an investigation by completing a Request for Investigation form that is included on the Commission's web site www.elec.state.nj.us/. To the extent possible, requests for investigations are presented to the Commission within 90 days of receipt. At that time, the Commission determines whether or not to open a review of the allegations. The Section may also undertake investigations as approved by the Commission as a result of internal review of reports and review of media stories.

In 2004, the Commission received a total of 115 requests for investigations. The Commission did not have jurisdiction over 18 requests, while four others were administratively resolved. Altogether, 93 requests for investigations were presented to the Commission for a determination as to whether or not the matter should be opened for review. Last year, the Commission determined to open a total of 40 investigations.

In 2004, the Commission received a total of 115 requests for investigations.

Administrative Hearing and Legal Support

Another responsibility of the Review and Investigation staff is to assist the Legal Section in the preparation of cases for hearings before the Office of Administrative Law when respondents request a hearing. Moreover, investigators review the Commission's files for records of candidates and entities participating in an election who have failed to

file reports. Recommendations made to the Legal Section resulted in the issuance of 58 complaints.

Conclusion

The Section's investigators also provided training to new Commission staff members during calendar year 2004. The Investigation staff remained very helpful to other law enforcement agencies such as the FBI, the Division of Criminal Justice, the U.S. Postal Inspector, and the U.S. Attorney's Office. An important part of ensuring ethics in government, the Section remains committed to continued service to the Commission and to the public's interest.



LAW DIVISION continued

GUBERNATORIAL PUBLIC FINANCING SECTION

Last year, in 2004, the Commission appointed a new Director of Public Financing. Similarly, key public financing staff members were hired to assist with the administration of the Gubernatorial Public Financing Program. Therefore, by the time the gubernatorial primary election began in earnest, staff members were fully trained and prepared to review public funding submissions.



Left to right: Lou Solimeo, Amy F. Davis, Scott M. Fagerty, Felice Fava, Brian Tripp, Laura Jurkiewicz, and Christine Aquilante

New Jersey's gubernatorial financing program distributes public matching funds to candidates who qualify for public funds and opt to comply with statutory and regulatory requirements. In order to insure compliance with the program's guidelines, and in order to assure the public that public funds are being dispersed responsibly, it is essential that staff be trained and well prepared in advance. This important goal was achieved in exemplary fashion.

Electronic Filing

A major step forward for the Public Financing Program involved enhancements that were made to the Gubernatorial Electronic Filing System (GEFS). As part of this effort, a user manual was updated and extensive testing of changes was performed. The improvements to the GEFS program marked a major advance in terms of the administration of the program. Because submissions

and reports are filed electronically, candidates no longer need to submit voluminous documents and staff no longer must perform repetitive data entry functions. All disclosure and analysis is completed via specially designed software, easing the burden on candidates. Thus, matching funds can be distributed to candidates more quickly and contribution information made public on the Internet much sooner.



LAW DIVISION continued

Cost Index Report

The Public Financing Section produced the Cost Index Report in 2004. By utilizing a unique campaign inflation index developed by the Commission, the requirements of the statute were met by adjusting gubernatorial limits and thresholds by 13.85 percent. While legislation was enacted that froze limits on contributions to party entities and various committees at 2001 levels, the bill did not apply to the gubernatorial contest.

New Jersey's gubernatorial financing program distributes public matching funds to candidates who qualify for public funds and opt to comply with statutory and regulatory requirements.

Another notable accomplishment by the Public Financing Staff in 2004 was the creation of a link on the Commission's web site that contains updated 2005 forms and information for publicly-financed gubernatorial candidates. In addition, with Internet access, the public can generate and view lists of gubernatorial contributors, sort contributor data using different options, and download the data to the user's computer. Despite Internet availability, however, the need remains for Public Financing staff to respond to telephone inquiries regarding the program. During 2004, staff responded to more than 300 such public inquiries for information.

Moreover, several "hands on" training sessions for the GEFS System were conducted to familiarize gubernatorial treasurers with the software. Public financing staff also conducted information sessions for interested individuals concerning the

regulations governing the qualification and submission process for receipt of gubernatorial public matching funds.

Staff Training

As noted above, an essential ingredient of any successful public financing program is the hiring and training of staff. Not only do staff members need to be well informed in order to assist gubernatorial campaigns with filing and submission requirements, but they must be up to speed in terms of reviewing gubernatorial filings and submissions. This task involves reviewing each contribution and supporting document for conformity with statutory and regulatory criteria before it can be matched with public funds. The process requires any contribution missing necessary information to be temporarily rejected until proper documentation is provided. Great scrutiny is given to assuring that contributions are within the contribution limit.

Conclusion

The administration of the Gubernatorial Public Financing Program is at the heart of the electoral process in New Jersey. Eliminating undue influence from the gubernatorial process as well as permitting candidates of limited means to run for governor are the twin goals of the program. Another important goal is to insure that tax payers' money is spent wisely. In the tradition of the Commission, the Public Financing staff is dedicated to fulfilling these important goals.



OPERATIONS DIVISION

SYSTEMS ADMINISTRATION SECTION

Development and Programming

A high priority was given to the design and implementation of the Commission's new web site in 2004. Working in tandem with outside consultants,



From left to right: Lou Solimeo, Maryanne Garcia, Carol Neiman, Brian Robbins, Kim Vandegrift, Anthony Giancarli, Aydan Altan, Peter Palaitis, and Kiet Nguyen.

and with input from non-computer staff members, Systems staff made great strides towards a new ELEC home page that is pleasant to the eye, user friendly, and easy to navigate. An important tool in the effort to provide complete and thorough disclosure of campaign financing and lobbying information, the new web site will be paying dividends for years to come.

Beyond this noteworthy development, much technological progress was made in 2004. Building upon advancements made in the previous year, the Systems Administration Section introduced the new

Gubernatorial Electronic Filing System (GEFS), which will ease candidate submission filing and make staff review more effective. In other words, gubernatorial campaigns now have a more convenient means of submitting applications for public funds and staff has a more proficient way of processing those submissions.

Along the same lines, much headway was made toward making electronic filing for candidates, parties, and PACs more widely available, with the ultimate goal being to provide filing over the Internet. Staff invested much time, energy, and expertise in enhancing the R-1 Electronic Filing System (REFS), with the aim toward having legislative and gubernatorial candidates that spend over \$100,000 be required to file electronically. All other candidates would, at this time, have the option of filing by this means.

Another highlight of the past year was the progress made by the Systems staff in terms of upgrading the Commission's legacy data base application (ELECTrack) to allow for a larger data base. Staff also worked hand-in-hand with FileNet consultants to allow report images to be viewed without the use of cumbersome

viewer software.

In a word, this activity

brought the FileNet imaging system to the most current standard by rewriting the customized applications used within the program.

Much technological progress was made in 2004.

Maintenance and Support

Throughout the year, the Systems Administration information technology team



OPERATIONS DIVISION continued

continued to provide support and maintenance for the many servers, switches, routers, PC's, printers, and scanners used at the Commission.

Moreover, Systems Administration managed the data recorded by the Commission from the disclosure reports of the candidates, party entities, PACs, and lobbyists. Following the receipt of reports filed electronically by CD, the Systems staff processed them through a computer program that creates a report image that is viewed the same as a paper report. Both hardcopy reports and CD filed reports can be viewed on the Commission's web site.

As part of maintenance and support, help desk assistance continued to be provided to staff for hardware and software maintenance. Further, help desk aid was provided for both electronic filers and Internet users, assisting users in viewing campaign finance and other committees on-line.

Data Entry

Working hand-in-hand with compliance officers, the data entry staff prepared and posted to the Commission's web site campaign-related financial activity summaries within days of disclosure reports being filed.

In particular, data entry personnel coded legislative candidate reports for contributor and occupation types; and made front cover adjustments for mathematical errors. The same process was completed for State and county political parties and legislative leadership committees. Once these preparations were completed, detailed contributor data was keyed for the above filing entities not filing electronically.

Yet, even in the case of those legislative candidates who filed electronically, contributor data was still reviewed by data entry staff for the purpose

of correcting errors and making any necessary adjustments.

An important task, however, needed to be undertaken prior to the review of electronically filed reports was that of scanning diskettes for virus. Moreover, these diskettes were then logged into the filing system and uploaded to the Commission's data base. Edit sheets for each report were then made



Clockwise: Susan Danley, Helen Kelly, Brenda Brickhouse, Tamika McCoy, Darlene Kozlowski, and Shirley Bryant.

available for review by data entry staff to complete the coding process. To be sure, the data entry staff has played a major role in making important campaign related information available to the public.

Work In Progress

- Enhancing the electronic filing program to allow Internet filing of short form filers as well as filers of detailed reports,
- Continued upgrading of the FileNet imaging system and rewrite of customized applications within this program,
- Replacement and installation of outmoded equipment,
- Creation of an electronic filing program for political parties, legislative leadership committees, and political action committees (PACs and CPCs), and
- Creation of a lobbyist module for scanning and electronic filing.



OPERATIONS DIVISION *continued*

ADMINISTRATION SECTION

At the heart of the agency, the Administration Section provides for the management services of the Commission. These services include



From left to right: Irene Comiso, Anita Vaingankar, Debbie Kostival, Elaine Salit, Gary Alpert, Donna Margetts, and Aracelis Ocasio.

budgetary planning, personnel, payroll, purchasing and procurement, health benefits, mail processing,

Last year ELEC's annual appropriation of \$2.9 million was increased by \$2 million, bringing its annual budget to almost \$5 million.

maintenance, and security. Moreover, the administration area has responsibility for the reception area and receptionists, who are always complimented for their courtesy and friendliness. "In but not of" the Department of Law and Public Safety, the relatively small contingent of administrative staff effectively met the ever-increasing fiscal and personnel demands of the Commission in 2004.

Managing the Budget

Last year ELEC's annual appropriation of \$2.9 million was increased by \$2 million, bringing its annual budget to almost \$5 million. The added \$2

million was part of the reform legislation passed by the Legislature in June, 2004. In addition, the commission received about \$8.9 million to fund the gubernatorial public financing program in the primary, \$600,000 of which was allocated for the purpose of administering the program. Finally, the Commission was appropriated another \$1.5 million to fund the newly established Clean Elections Pilot Program geared toward 2005 legislative elections.



OPERATIONS DIVISION *continued*

The introduction of additional money naturally brought with it added responsibilities. Not only were plans put into effect for creating 36 new positions, which effectively would almost double the staff, but efforts were made to acquire additional office space to house new staff members.

Furthermore, as is customary with the temporary gubernatorial public financing program, which runs for a two year period covering the primary and general elections, new staff needed to be hired to administer the program. In 2004, the Administration Section worked with the Department of Personnel (DOP) to establish these key positions, which were quickly and effectively filled by the Director of Public Financing.

Personnel

As noted above, in addition to hiring temporary public financing staff and filling vacant positions, the Administrative Section began the process of establishing 36 new positions necessary for the effective implementation and administration of the 17 reform bills enacted last year. A comprehensive process, 16 of the positions were established rather quickly and hiring began in the Administrative, Computer, and Legal Sections. The creation of the remaining 20 positions took longer and hiring into these compliance and investigative positions has just now begun. Considering the magnitude of the undertaking, the establishment of the positions and subsequent hiring into them was done rather expeditiously.

Office Space

Another part of the puzzle was the acquisition of additional office space to house new staff members. Immediately upon learning of the possibility of an increase in the Commission's

budget, the Administration Section swung into action. A space planning request was prepared and submitted to the Office of Management and Budget in early August when the legislation appropriating an additional \$2 million to ELEC's annual budget was signed into law. After working with Lease Management, the Commission secured a commitment for occupying the 8th floor of the building now containing ELEC. Lease Management has worked diligently to actualize the plan, attempting to relocate in a phased way three different agencies whose offices have been situated on the 8th floor. Once the occupation of the 8th floor is completed, adequate office space will be available for newly hired staff.

Other Activities

Finally, in the area of purchasing, the Commission was able to upgrade its computer hardware, purchase service and maintenance contracts, and contract for much needed software enhancements.

This activity has allowed for the continued improvement in the Commission's historic mission of disclosure and has allowed for significant progress in the area of electronic filing for gubernatorial candidates and the eventual Internet filing for all candidates for public office.

By providing the fiscal and personnel needs of the Commission, the Administration Section acts on behalf of staff to provide important support and services. In 2004, the Section continued to perform these tasks effectively.



OPERATIONS DIVISION *continued*

In FY-2006, the Commission anticipates an appropriation of \$4,922,000 based on the Governor's Budget Recommendation with an additional \$1,500,000 for the Clean Elections Program.

Comparison of Fiscal Years 2004 and 2005 Original Appropriations

	<u>FY-2004</u> <u>Appropriation</u>	<u>FY-2005</u> <u>Appropriation</u>
Personnel	\$2,409,000	\$2,431,000
Printing & Supplies	49,000	49,000
Travel	10,000	10,000
Telephone	40,000	40,000
Postage	38,000	38,000
Data Processing	250,000	250,000
Professional Services	40,000	40,000
Other Services	28,000	28,000
OIT	19,000	19,000
Maintenance/Equipment	2,000	2,000
Furniture/Equipment	0	0
Commissioner Per Diem	15,000	15,000
Supplemental-August 2004	<u>0</u>	<u>2,000,000</u>
Total Operational	\$2,900,000	\$4,922,000

2004 Evaluation Data

Disclosure Reports (Total)	23,987
<i>Campaign & Quarterly</i>	19,886
<i>Lobbyist</i>	4,098
<i>Personal Finance</i>	3
Photocopies	20,645
Investigations.....	26
Civil Prosecutions	81
Public Assistance Requests	8,549
Fine Collection	\$131,042
Lobbying Annual Fees	\$208,225



STATUTORY HISTORY OF ELEC

- **Commission** created by P.L. 1973, c.83 (N.J.S.A. 19:44A-1 et seq.) -"The New Jersey Campaign Contributions and Expenditures Reporting Act" - effective date: April 24, 1973.
- **Gubernatorial Public Financing Program** established by P.L. 1974, c.26 (N.J.S.A. 19:44A-27 et seq.) - effective date: May 6, 1974.
- **Personal Financial Disclosure Program** established by P.L. 1981, c.129 (N.J.S.A. 19:44B-1 et seq.) - effective date: May 1, 1981.
- **Lobbying Program** established by P.L. 1981, c.150 (N.J.S.A. 52:13C-18 et seq.) - effective date: May 22, 1981.
- **Continuing Political Committee (PACs) Quarterly Reporting** established by P.L. 1983, c.579 (amendments to N.J.S.A. 19:44A-1 et seq.) - effective date: January 17, 1984.
- **Lobbying Reform** established by P.L. 1991, c.243 (amendments to N.J.S.A. 52:13C-18 et seq.) - effective date: January 1, 1992.
- **Campaign Finance Reform** established by P.L. 1993, c.65 (amendments to N.J.S.A. 19:44A-1 et seq.) - effective date: April 7, 1993.
- **Street Money Reform Law** established by P.L. 1993, c.370, (codified as N.J.S.A. 19:44A -11.7) - effective date: January 7, 1994.
- **Uniform Recall Election Law** established by P.L. 1995, c. 105, (codified as N.J.S.A. 19:27A-1 et seq.) - effective date: May 17, 1995.
- **Political Identification Law** established by P.L. 1995, c. 391, (codified as N.J.S.A. 19:44A-22.2 and 22.3) - effective date: February 1, 1996
- **Contribution Limit Changes** established by P.L. 2001, c. 384 (amendments to N.J.S.A. 19:44A-1 et seq.) – effective date: January 8, 2002.
- **Campaign Financing Reform Initiatives** established by P.L. 2004, c. 19, 21, 22, 28, 29, 30, 31, 32, 33, 123, and 174 (amendments to N.J.S.A. 19:44A-1 et seq.) – effective dates from June 16, 2004 through January 1, 2006.
- **Clean Elections Pilot Project** established by P.L. 2004, c. 121 – effective date August 11, 2004.
- **Lobbying Law Expansion** established by P.L. 2003, c. 255 (effective April 13, 2004) and P.L. 2004, c. 20, 27, 34, 36, 37, and 38 (amendments to N.J.S.A. 52:13C-18 et seq.) – effective dates April 13 through August 16, 2004.



Steve Kimmelman
Research Associate



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**THE NEW JERSEY ELECTION LAW ENFORCEMENT COMMISSION
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Monday through Friday at:
609-292-8700 or
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Note: An after hours recording is posted whenever the office is closed.