



2006 Annual Report

ELEEC

The N.J. Election Law Enforcement Commission





COMMISSIONERS AND SENIOR STAFF

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)

Website Address: <http://www.elec.state.nj.us/>



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



MISSION STATEMENT

The essence of Democracy is an informed electorate. It is the fulfillment of this goal that the New Jersey Election Law Enforcement Commission (ELEC) embraces as its valued mission.

Established in 1973, ELEC monitors the campaign financing of all elections in the State. Whether the election is for Governor or Mayor, member of the Legislature or a City Council, candidates and campaign organizations are required to file with the Commission contribution and expenditure reports.



ELEC

The Commission also administers the law requiring candidates for the Governorship and Legislature to make public their personal finances prior to election-day. Moreover, ELEC administers those sections of the law, which establish a filing obligation on the part of lobbyists and their clients.

In addition, the Commission is responsible for administering partial public financing of gubernatorial primary and general elections, for rule making, and, as part of its regulatory duties, for holding public hearings. Finally, ELEC exercises its enforcement authority, insuring the integrity of the financial aspects of the State's electoral process.

A major part of New Jersey's system of elections, the Election Law Enforcement Commission has upheld a tradition of fair, but energetic, administration of the State's financial disclosure laws. That tradition is strong today and will remain so in the future.



TABLE OF CONTENTS

| | <u>Page</u> |
|--|-------------|
| The Commission | 1 |
| Commission Staff..... | 6 |
| Table of Organization | 7 |
| Message from the Chair | 8 |
| Executive Director’s Remarks | 10 |
| Legislative Review and Recommendations | 12 |
| Compliance Division | 14 |
| Law Division | |
| Legal Section | 16 |
| Review and Investigation Section..... | 18 |
| Special Programs | 20 |
| Operations Division | |
| Information Technology Section | 22 |
| Finance and Administration Section..... | 24 |
| ELEC Overview..... | 27 |
| Statutory History of ELEC..... | 28 |
| ELEC’s Home Page | 29 |



HOW TO CONTACT ELEC

| | | |
|---|---|--|
| | BY VISITING OUR OFFICES LOCATED AT: | |
| | BY MAIL AT: | |
| | BY TELEPHONE AT: | |
| | BY FAX AT: | |
| | VIA THE INTERNET AT: | |
| <p>N.J. Election Law Enforcement Commission 28 West State Street 13th Floor Trenton, NJ</p> | <p>N.J. Election Law Enforcement Commission P.O. Box 185 Trenton, NJ 08625-0185</p> | |
| <p>(609) 292-8700</p> | <p>Toll Free Within New Jersey 1-888-313-ELEC (3532)</p> | |
| <p>48-hour reporting of contributions and expenditures made between 13 days prior to election and election day:</p> | <p>(609) 292-7662</p> | |
| <p>Requests:</p> | <p>(609) 633-9854</p> | |
| <p>Administration:</p> | <p>(609) 777-1448</p> | |
| <p>Legal:</p> | <p>(609) 777-1457</p> | |
| <p>http://www.elec.state.nj.us/</p> | | |



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. Mrs. English was named Chair in July of that year and reappointed to a second term by Acting Governor Richard J. Cody in 2005.

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 Lindabury, McCormick, Estabrook, & Cooper, P.C., 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 Eminent Domain, on the Board of Visitors for the School of Science and Liberal Arts 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. She serves as a Master in The Justice Stewart G. Pollock Environmental Inn of Court.

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.



Jerry Fitzgerald English, Chair

Mrs. English holds a B.A. in International Relations from Stanford University and a J.D. 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 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.

His wife, Kathleen and he reside in Bridgewater, New Jersey. The couple has one child.



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.

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, & 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: former 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.



Albert Burstein, 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 Pennsylvania and an M.A. (1970) and a Ph.D. (1976)



Frederick M. Herrmann, Executive Director

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 publishing director and 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.

In 1993, Dr. Herrmann 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. At its regional meeting in 2001, NORCOL presented him with its 20th Anniversary Service Award for his outstanding efforts on behalf of and contributions to the organization. In 2005, he received the Haddonfield Alumni Society Lifetime Achievement Award. 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
Steven Kimmelman, M.A., Research Associate
Elbia L. Zeppetelli, Administrator
Maureen Tilbury, Executive Secretary

COMPLIANCE DIVISION

Campaign Financing and Lobbying

Evelyn Ford, Esq., Compliance Director
Vacant, Director of Campaign Financing
Linda White, Director of Lobbying
Kimberly Key, Senior Compliance Officer
Titus Kamal, Associate Compliance Officer
Nancy Fitzpatrick, Associate Compliance Officer
Todd J. Wojcik, Associate Compliance Officer
Maite Urtasun, Assistant Compliance Officer
Marcus Malmignati, Assistant Compliance Officer
Danielle Hacker, Assistant Compliance Officer
Christopher Vigale, Assistant Compliance Officer
Milene Matos, Assistant Compliance Officer
Joseph Barish, Assistant Compliance Officer
Monica Triplin-Nelson, Technical Assistant
Elizabeth A. Michael, Technical Assistant
Desiree DeVito, Technical Assistant
Samira Wood, Technical Assistant
Michel Donato-Suarez, Clerk
Igor Milewski, Clerk

LAW DIVISION

Legal

Nedda G. Massar, Esq., Legal Director
Carol Hoekje, Esq., Deputy Legal Director
Gail Shanker, Esq., Associate Legal Director
Michelle Levy, Esq., Associate Legal Director
Leonard Gicas, Esq., Assistant Legal Director
Amanda Haines, Esq., Assistant Legal Director
Ruth Ford, Legal Secretary

Review and Investigation

Vacant, Director
Shreve E. Marshall, Jr., Associate Director
Brett Mead, Senior Review Officer
Christopher Gear, M.P.A., Associate Review Officer
Matthew Krinsley, Assistant Review Officer

Christopher Mistichelli, Assistant Review Officer
Lovinsky Joseph, Assistant Report Examiner
Renee Cardelucci, Legal Secretary

Special Programs

Amy F. Davis, Esq., Director
Christine Aquilante, Special Programs Analyst
Laura Jurkiewicz, Special Programs Analyst
Scott M. Fagerty, Special Programs Analyst
Felice Fava, Special Programs Analyst

OPERATIONS DIVISION

Information Technology

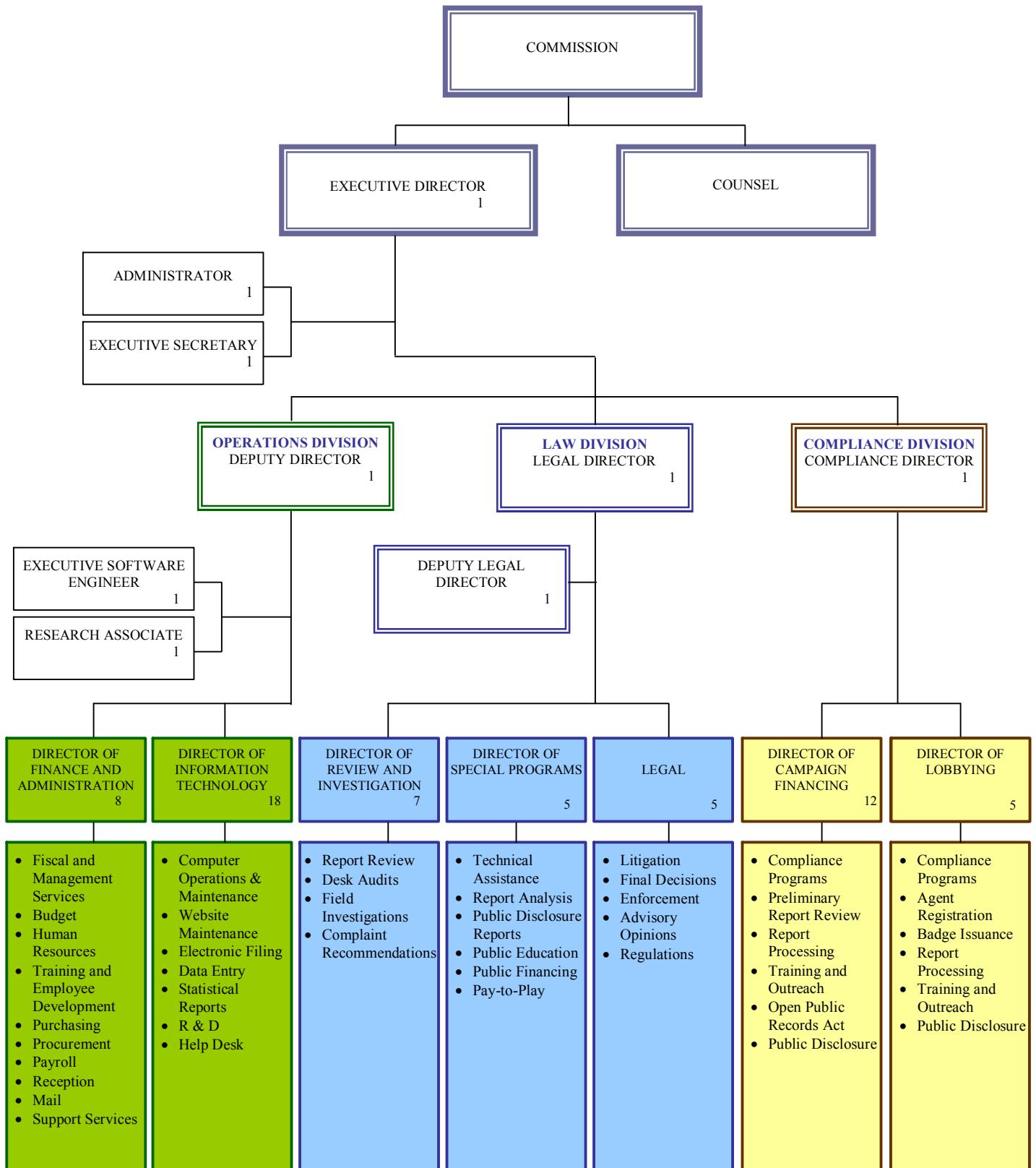
Carolyn Neiman, Director
Kim Vandegrift, Associate Director
Brian Robbins, Executive Software Engineer
Anthony Giancarli, Associate Systems Administrator
Aydan A. Altan, Assistant Software Engineer
Peter Palaitis, Associate Help Desk Technician
Louis Solimeo, Associate Computer Technician
Ken Colandrea, Assistant Computer Technician
Maryanne Garcia, Principal Webmaster
Brenda A. Brickhouse, Data Entry Supervisor
Darlene Kozlowski, Assistant 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/Secretary
Helen Kelly, Associate Data Entry Technician
Tamika McCoy, Assistant Data Entry Technician
Susan Danley, Assistant Data Entry Technician
Tamico Flack, Assistant Data Entry Technician

Finance and Administration

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



TABLE OF ORGANIZATION





MESSAGE FROM THE CHAIR

As mentioned throughout the Annual Report, a landmark package of legislation involving campaign financing and lobbying reform was enacted in 2004. Moreover, additional pay-to-play reform was later enacted in 2005 and 2006. Each new law required implementation by the Commission, adding new and complex responsibilities to a staff already charged with significant duties.

During 2006, the Commission continued its efforts toward the enablement of the new laws. Besides adopting additional rules involving lobbying reform legislation, the Commission conducted a series of training sessions designed to instruct lobbyists about the ins-and-outs of the new law. This reform, termed the “Legislative and Governmental Processes Activities Disclosure Act,” expanded the pre-existing lobbying law by requiring disclosure of activities pursuant to contracts, permits, grants, and rate setting, etc. Specifically, the Law Division and the Compliance Division staff did an outstanding job of walking lobbyists through the labyrinth of requirements contained in the new law.

A second major undertaking involved the implementation of ELEC’s part of the comprehensive pay-to-play reform. While responsibility for the contracting side of the law falls under the jurisdiction of the Departments of Treasury and Community Affairs, as well as various levels of government, the Commission did retain jurisdiction over certain aspects of disclosure. The Legal Section, therefore, proposed pay-to-play rules, conducted a public hearing, and adopted regulations governing pay-to-play transparency. Furthermore, the Law Division’s Special Programs Section answered many inquiries regarding pay-to-play and planned training seminars regarding the implementation of the reform.

Without question, pay-to-play is a necessary and long overdue reform. First enacted in 2004 and supplemented in 2005 and 2006, the law is designed to

eliminate the influence of political contributions over the procurement process. Applicable at every level of government, the law inhibits the ability of businesses from obtaining governmental contracts worth more than \$17,500 if contributions exceeding \$300 were made to candidates or parties. For example, if a business makes a contribution of more than \$300 to the campaign committee of a mayor, and the bidding process is not “fair and open,” that business is banned from receiving a contract in that municipality if the contract exceeds \$17,500. To shed more light on this activity, businesses are required to not only disclose additional political contributions to the governmental jurisdiction in question, but also to the Election Law Enforcement Commission

if their contractual activity exceeds \$50,000 statewide. The staff of the Commission stands ready to embrace the new requirements.

As part of this overall effort to recast the political culture in the State, the Commission’s budget was increased by \$2 million to \$5 million. ELEC was also given approval to hire 36 new staff members. Unfortunately, due to the State’s difficult budgetary climate, just 16 of the new positions have been filled. Moreover, rather than receiving increases to support its operational budget, the Commission has lost money through Office of Management and Budget (OMB) assessments, reducing its fiscal year 2007 budget to \$4.7 million. Needless to say, these cuts have burdened staff’s attempts at handling its new found responsibilities. Nevertheless, the Commission carried on in 2006 to maintain ELEC’s reputation as one of the premier ethics agencies in the nation.

Part and parcel of the process of implementing the new laws has been the ongoing effort to upgrade the Commission’s computer operations. During 2006, the Information Technology Section made further improvements to ELEC’s already stellar website, one that is user friendly and designed to provide clear images of



Jerry Fitzgerald English, Chair



MESSAGE FROM THE CHAIR continued

disclosure reports. Moreover, a special program that allows candidates, parties, and PACs to file electronically was completed. And, to make matters even better, a lobbyist fill-in program and a program to facilitate pay-to-play disclosure were finalized. The Information Technology Section has been essential to the Commission's mission of disclosure and to the implementation of the new laws.

[A] landmark package of legislation involving campaign financing and lobbying reform was enacted in 2004.

These improvements in automation capacity enable the Commission to advance its mission of disclosure by providing the public with valuable information about electoral spending and lobbying activity in an expedited fashion. The Compliance Division, for example, undertook outreach efforts through such vehicles as treasurer training, candidate and lobbyist seminars, and telephone assistance. In 2006, approximately 28,649 reports were scanned and processed and 25,010 reports were photocopied for the public. Consistent with the past, staff's efforts resulted in a compliance rate surpassing 90 percent. Further, the Division exceeded the requirements of the Open Public Records Act (OPRA) in providing information in a timely fashion to the public.

The Commission maintains a national reputation for producing analytical reports that track trends in campaign finance and lobbying. During 2006, Deputy Director Jeffrey M. Brindle wrote [The 2005 Assembly Election: New Trends on the Horizon?](#). This White Paper, the nineteenth written by the Deputy Director, uncovered emerging trends in campaign financing occurring during the 2005 Assembly election. In addition, much statistical information was provided regarding lobbying and campaign related activity.

As usual, much work of significance was accomplished by the Law Division in 2006. Research and development of advisory opinions and regulations absorbed much of the Legal staff's time. Moreover, the

Legal staff issued 53 complaints and final decisions in 2006 against those who violated campaign financing and lobbying laws.

Working in tandem with staff attorneys, investigators in the Review and Investigation Section completed 46 investigations that resulted in penalty actions. These activities worked to promote compliance with disclosure rules and regulations.

The Commission's distinguished Executive Director, Frederick M. Herrmann, Ph.D., continued to enthusiastically pursue the goal of ethical government both at the State and national levels. He is an established national leader who has earned a reputation as an effective advocate of meaningful reform in both the campaign financing and lobbying areas. Dr. Herrmann addressed numerous organizations and media outlets last year. He is the author of many articles in national and state publications, a member of the editorial board of [Public Integrity](#), the publishing director and book review editor of COGEL's [Guardian](#), and author of [Lobbying in New Jersey 2006](#). The Commission is fortunate to have Dr. Herrmann as its Executive Director.

I am also particularly proud to note that in 2007 Legal Director Nedda Massar is serving as the President of COGEL, while Compliance Director Evelyn Ford is the President of NORCOL. The activities of these two outstanding professionals have brought great honor to the Commission.

My fellow Commissioners and I would like to express our deep appreciation to Judge Theodore Z. Davis for his admirable service to the people of New Jersey as a member of the Commission. Judge Davis has temporarily resigned from the Commission to serve as Interim COO of Camden.

As usual, the Commission is very pleased with its accomplishments in 2006 and looks forward to the year ahead. On behalf of Vice Chair Peter J. Tober, Commissioner Albert Burstein, and the staff, I proudly submit this report to the Legislature and the people of New Jersey.



EXECUTIVE DIRECTOR'S REMARKS

New Jersey has been witnessing a virtual revolution in ethics reform. Early in 2004, current Speaker Joseph J. Roberts announced a sweeping legislative reform package that impacted the work of the New Jersey Election Law Enforcement Commission (ELEC) in the areas of campaign financing and lobbying. Among the many major initiatives were: a Clean Elections Pilot Project for the 2005 General Election to



Frederick M. Herrmann, Executive Director

fund with public dollars General Assembly contests in two selected districts, the regulation of Professional Campaign Fundraisers, increased penalties for violating the Campaign Act, an expansion of the 48-hour expenditure reporting requirement, regulation of grassroots lobbying, expanded coverage of the Lobbying Law to include governmental processes as well as legislation and regulations, and a revolving door provision for top state officials who become lobbyists. The most publicized reform in the package was the “Pay-to-Play Prohibition Law.”

This act forbids businesses with governmental contracts over \$17,500 from making contributions of over \$300 to candidates and political party committees. Its purpose is to prevent campaign money from influencing governmental decision making on contracting. The ban applies separately at four governmental access points: the

executive branch, the legislative branch, the county level, and the municipal level. For the executive branch, contractors may not give to gubernatorial candidates, state political party committees, and county political party committees. At the other access points, unless a contract has been awarded by a fair and open process, contractors may not give at the same access point as the contract to a candidate holding office at the time of the awarding of the contract and to a political party committee to which such a candidate belongs. Additionally, 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.

In January of 2006, then Governor Richard J. Codey signed a “Pay-to-Play Disclosure Law.” This act built upon the previous prohibition law by providing that a business entering a contract, which is not fair and open, over \$17,500 must file a list of its contributions over the past year with the contracting public entity. Further, a business with public contracts of \$50,000 or more must file an annual ELEC report listing all contributions to various committees along with contracting information. A provision of the disclosure law also allows local governments to establish their own pay-to-play programs outside of the State law.

A new Clean Elections Pilot Project was signed into law by Governor Jon S. Corzine in March of 2007. It covers Senate and General Assembly races in three selected districts for the general election. Candidates will receive grants of public money to finance their campaigns after raising a specified number of ten dollar contributions. They will not be allowed to raise or spend any private money after receiving their taxpayer funding. The goal of the project is to remove the potentially corrupting influence of special-interest financial support from the electoral process.



EXECUTIVE DIRECTOR'S REMARKS continued

Consequently, the Commission stands as an ethics agency in a time of greatly enhanced ethical awareness in our State. ELEC acquired responsibility for 17 new campaign financing and lobbying laws enacted in 2004 including the Pay-to-Play Prohibition Law as well as a Pay-to-Play Disclosure Law in 2006 and a new Clean Elections Pilot Project for 2007. The Commission is responsible each year for campaign financial disclosure by approximately 6,000 candidates at all levels of government, 400 political action committees, 1,200 political party committees, and various recall and recall defense committees. Moreover, ELEC regulates the disclosure of lobbying activity and financing for over 1,000 governmental affairs agents and 1,750 represented entities. About 29,000 reports are filed with the agency each year with an additional 35,000 reports anticipated from the Pay-to-Play Disclosure Law when it is implemented.

The Commission has been very pleased with the willingness of our Governors and the Legislature to enact important reforms of the State's campaign financing and lobbying systems. ELEC is excited to be in a position to fulfill its vital mission and support the administration and the Legislature in achieving their high goals for public integrity in government

The Commission has been very pleased with the willingness of our Governors and the Legislature to enact important reforms of the State's campaign financing and lobbying systems. ELEC is excited to be in a position to fulfill its vital mission and support the administration and the Legislature in achieving their high goals for public integrity in government. The Commission takes great pride in being given so many new important responsibilities. As one of the essential guardians of the State's ethics laws, ELEC is looking proudly to its future.



LEGISLATIVE REVIEW AND RECOMMENDATIONS

The Commission continues to implement the comprehensive legislative ethics reforms enacted over the past few years while recognizing that further amendments to the law are still needed.



Jeffrey M. Brindle, Deputy Director

In this regard, the Commission makes the following recommendations based on experience administering the Campaign Reporting Act, the Lobbying Disclosure Act, the Gubernatorial Public Financing Program, and the Personal Financial Disclosure Act. Importantly, as noted in “Road to the Future: Improving the Convenience and Usefulness of ELEC’s Internet Site,” the Commission is continuing to recommend an ongoing increase to its annual budget for computer upgrades to effectuate pay-to-play transparency and lobbying disclosure.

Campaign Reporting Act

- 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.
- Reduce the annual contribution limit to county political party committees to conform to the limit for State political party committees.
- 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.
- Require that the name given to a candidate’s campaign depository account comport with the name of the candidate.
- Delete the statutory requirement that a candidate file a copy of every election fund report with the county clerk in the county where the candidate seeks office. If a candidate files his or her campaign reports using the ELEC electronic filing software or using traditional paper forms, each report is made available quickly to the public on the Commission’s website. It is no longer necessary for an interested member of the public to travel to a county clerk’s office to access timely candidate campaign financial information when a candidate’s reports are available at the “push of a button.”

Gubernatorial Public Financing

- 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. A gubernatorial candidate must raise and spend a threshold amount (\$300,000 in 2005) by a date in April for the primary election and in



LEGISLATIVE REVIEW AND RECOMMENDATIONS continued

September for the general election in order to receive public matching funds and to participate in the gubernatorial debates. The purpose of the threshold is to ensure that public matching funds are distributed only to viable candidates and that viable candidates participate in the debates. The contribution threshold continues to serve as a test of viability, but requiring that a candidate spend a threshold amount by a fixed date in advance of the election is unduly burdensome on a candidate who may need to spend campaign funds closer to the date of the election. Further, the existing statutory requirement to return all unspent funds to the State at the conclusion of a publicly-financed campaign is sufficient protection against the possibility that a campaign may apply for and receive public matching funds and then not spend them.

- Increase the penalties for public financing violations to conform to penalties applicable for other Campaign Reporting Act violations because the public financing penalty amounts have not been changed since 1974. The current maximum penalty for public financing violations is \$1,000 for a first offense and \$2,000 for a second and each subsequent offense. Other penalty provisions in the Campaign Reporting Act have been increased in the intervening years to \$6,000 for a first offense and \$12,000 for a second offense. To serve as a deterrent, the penalty provisions should be the same.
- Study the impact of increasing 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.

- Study the impact of eliminating the expenditure limit of a publicly-financed candidate who faces a non-publicly financed candidate who spends in excess of the expenditure limit.
- Study the fiscal impact of providing additional matching funds to publicly-financed candidates who face non-publicly financed candidates whose spending exceeds the gubernatorial public financing expenditure limit.

Lobbying Disclosure Act

- Require lobbyists to file quarterly rather than annual reports which include both financial and lobbying activity.
- Conform the penalty provisions of the Lobbying Disclosure Act to those of the Campaign Reporting Act.
- Add political ID to grassroots lobbying materials.
- Study expansion of lobbying reporting requirements to include activity of outside governmental affairs agents hired by public entities.

Importantly, as noted in "Road to the Future: Improving the Convenience and Usefulness of ELEC's Internet Site," the Commission is continuing to recommend an ongoing increase to its annual budget for computer upgrades to effectuate pay-to-play transparency and lobbying disclosure.

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

In an effort to fully implement the package of reform laws passed in 2004, the Compliance Division continued to be extremely busy in 2006. Despite the fact that there were no elections involving State officials last year, the responsibility for effectuating 17 new laws proved substantial.

New Lobbying Law Takes Effect

As part of the effort to introduce and implement the new “Legislative and Governmental Processes Activities Disclosure Act,” the Compliance Division

involved complicated issues and the Compliance staff did an excellent job of helping lobbyists understand their requirements under the statute and rules.

Another reform, the Professional Campaign Fundraiser Law, became effective in 2006. In order to assure full compliance with the law the Compliance staff provided registration and termination forms and a question and answer packet to would-be-filers.

Keeping pace with the demands of implementing 17 new laws has not been an easy task. Yet, the Compliance Division never fell behind in this effort. For example, in addition to the aforementioned tasks, the Commission provided formal training for treasurers, maintained a data base for recordkeeping, and oversaw the Internet Treasurer Training Program.

An important part of incorporating the new laws into the Commission’s disclosure mosaic was the continued revision of filing materials and compliance manuals. The Compliance Division continued

this task in 2006. All materials are available through the Commission’s website



Standing from left: Linda White, Monica Triplin-Nelson, Michel Donato-Suarez, Evelyn Ford, Joseph Barish, Titus Kamal, Igor Milewski, Maite Urtasun, Nancy Fitzpatrick, Marcus Malmignati, and Milene Matos.

Sitting from left: Samira Wood, Todd Wojcik, Christopher Vigale, Danielle Hacker, and Desiree DeVito.

conducted 28 training sessions, which attracted almost 600 lobbyists to the in-house workshops. In addition to requiring lobbyists to report activity involving lobbying on legislation and regulations, the new law requires disclosure of all efforts, financial and otherwise, to influence decisions on contracting, permits, grants, rate setting and the like. Needless to say, the new law



COMPLIANCE DIVISION continued

Ongoing Activities

The Compliance Division published the lobbying activity quarterly reports in 2006. Further, a detailed report of the annual financial activity of the thousand registered lobbyists was made available to the public. Besides responding to many Open Public Records Act (OPRA) requests last year, the Compliance Division staff produced a variety of statistical reports. Finally, the new staff members hired in 2005 became fully integrated into the Compliance Division, proving to be valuable members of the team.

Compliance

In keeping with tradition, the Division realized over 90 percent compliance with the new laws. Staff maintained this standard of excellence by promoting disclosure through direct mail, daily telephone assistance, seminars, consultations, and the Commission's home page. As mentioned above, informational seminars were provided for candidates, treasurers, the public, and lobbyists. A total of 60 training seminars were held during the year. This activity meshed well with the telephone assistance afforded to filers. In this way, staff provided answers to complex questions over the phone and in person. Proving once again that the Compliance Division plays a central role in the Commission's mission of disclosure, staff took its responsibilities seriously.

Information

During 2006, 6,000 candidates and committees filed reports. Moreover, 1,700 political parties and PACs submitted reports along with 1,000 lobbyists. Thus, a total 8,700 entities filed approximately 28,650 reports with the Commission, all of which were processed by the Compliance Division. Campaign and quarterly reports constituted about 23,000 of the total and lobbyist reports almost 5,650.

In addition to processing reports and making them available for public consumption, the Compliance staff responded to almost 10,240 telephone requests and made available 25,000 photocopies. As always, there is great public interest in the work of the Commission that is accommodated by the Compliance staff.

Keeping pace with the demands of implementing 17 new laws has not been an easy task. Yet, the Compliance Division never fell behind in this effort.

Conclusion

In true form, the Compliance staff fulfilled its responsibilities in admirable fashion in 2006. From the continued implementation of new laws to its performance of traditional functions, the Compliance Division remained integral to the Commission's stated mission.



LAW DIVISION

LEGAL SECTION

In 2004, 25 ethics reform laws were enacted, 17 of which became the responsibility of the Commission to enforce. Subsequently, additional reform measures were



Standing from left: Nedda Massar, Leonard Gicas, Michelle Levy, and Carol Hoekje.
Sitting from left: Amanda Haines, Gail Shanker, and Ruth Ford.

signed into law, including a comprehensive pay-to-play disclosure statute. Again, ELEC assumed responsibility for administering a substantial portion of the legislation. As the year 2006 progressed, the Law Division continued to contribute to the implementation of these comprehensive reform laws.

The Regulatory Process

Despite the fact that much of the ethics reform package was passed in 2004, the process of adopting regulations to implement the new laws continued well into 2006. The responsibility for accomplishing this essential task fell with the Legal Section. Though demanding, the Section pursued vigorously the job of adapting existing rules and procedures to the new laws.

A priority rule adoption concerned the implementation of the provisions of pay-to-play legislation. Signed into law in 2004, the first pay-to-play legislation restricted contributions by a business that found itself in the position of attempting to obtain a contract from a governmental agency valued in excess of \$17,500. The law also restricted contributions from businesses that were performing work for a governmental agency stemming from a contract worth more than \$17,500.

Needless to say, the task of writing rules to implement pay-to-play was highly complex. The new laws imposed restrictions on business entities entering contracts with the State, and also included different restrictions for businesses contracting with the Legislature, and with county and municipal governments. Following the introduction of the regulatory proposal in early January, 2006, a public hearing was held in February, and the Commission adopted the first pay-to-play rules in March, 2006.

Further pay-to-play rulemaking was begun in 2006 to implement the comprehensive disclosure law enacted in January, 2006. This new law requires disclosure of contributions made by a business at two junctures: to the government entity awarding a contract having a value in excess of \$17,500, if the contract is not awarded pursuant to a fair and open process; and to the Commission in an annual report if a business entity has received \$50,000 or more in a calendar year as a result of contracts with New Jersey government entities.



LAW DIVISION continued

A hearing on the proposed new rules was conducted in November, 2006, and further Commission action is expected in 2007.

Advisory Opinions

The preparation of advisory opinions constitutes an important undertaking of the Legal Section. In 2006, the Legal Section drafted and issued five advisory opinions.

One advisory opinion concluded that the University of Medicine and Dentistry of New Jersey (UMDNJ), as an instrumentality of the State, was exempt from the requirements of the Lobbying Act. In another, the Commission told a potential candidate that it was permissible to use "PolitiCheck.com" to receive credit card and remotely created check (RCC) contributions. A State political party committee was advised that the Commission has no jurisdiction over funds raised and used exclusively for federal election purposes that were subject to federal reporting requirements.

An additional advisory opinion informed an elected official that funds raised by charitable organizations for the purpose of benefiting the charity as well as celebrating the election of a public official are not subject to the Campaign Act as long as all proceeds go to the charities. Finally, candidates for county executive and county sheriff were told that the Campaign Act did not permit them to form a joint candidates committee.

Civil Complaints

In addition to the functions mentioned above, the Legal Section prepares and issues complaints and final decisions. During 2006, 53 complaints were issued, many of which resulted from lengthy and exhaustive investigations involving complex issues. Among the complaints were ones involving political party

organizations, as well as candidates in primary, general, and May municipal elections. The complaints ran the gamut from local to State electoral activity.

Despite the fact that much of the ethics reform package was passed in 2004, the process of adopting regulations to implement the new laws continued well into 2006. The responsibility for accomplishing this essential task fell with the Legal Section.

Besides issuing complaints, the Legal Section prepared and rendered numerous final decisions that closed cases and imposed penalties. During 2006, 37 final decisions were issued.

These final decisions involved violations including: non-filing, late filing, missing contribution and expenditure activity, and failure to file 48-hour notices. In total, fines amounting to \$102,013 were paid in 2006.

Conclusion

Enforcing and interpreting the law through regulations and advisory opinions is a critical function carried out by the Legal Section. This activity is vital to the effective administration of the Campaign and Lobbying Financial Disclosure Laws, the Personal Financial Disclosure Law, and the Gubernatorial Public Financing Law. With artful professionalism, the Legal Section performed its essential duties in 2006.



LAW DIVISION continued

REVIEW AND INVESTIGATION SECTION

The Review and Investigation Section continued its pivotal function of enforcing compliance with disclosure laws in 2006. The basic issues of financial disclosure and campaign finance reform remained the priority last year, as the requirements of the reform laws continued to add to its workload.

Timely reporting of contribution and expenditure information, compliance with contribution limits, and adherence to 48-hour notice guidelines were the subject of many investigations. Moreover, compliance with regulations concerning the proper reporting of partnership contributions, as well as compliance with election advocacy requirements, involved numerous inquiries. Once again, the Commission's new and improved website aided in providing immediate access to scanned reports and filings.



Standing from left: Carol Hoekje, Christopher Mistichelli, Lovinsky Joseph, Brett Mead, Christopher Gear, and Shreve Marshall.
Sitting from left: Renee Cardelucci and Matthew Krinsley.

An important investigation which resulted in the issuance of a ten-count complaint concerned the reporting by a county political party committee (CPPC) of contributions received from partnership entities. As a result of this investigation, the CPPC filed late amended contributor information as follows: 72 contributions totaling \$180,600 relevant to calendar year 2002, 65 contributions totaling \$237,825 relevant to calendar year 2003, and 61 contributions totaling \$177,100 relevant to calendar year 2004.

Investigations

In calendar year 2006, the Commission determined to open 49 investigations. During the year, a total of 46 investigations were closed by the Commission. Complaint recommendations resulted in 18 of those cases.

The Report Review Subsection undertook and completed two report review projects. The first project involved review of the Form R-1 reports filed by candidates in the 2005 municipal election. The second report review project involved review of the Form R-1 reports of 51 Assembly-related candidate and joint candidates committees from the 2005 general election.



LAW DIVISION continued

The Report Review Subsection contacted candidates and treasurers regarding deficiencies in their reports and worked to achieve corrected amended reports. The Report Review Subsection forwarded recommendations to the Commission to open six investigations for candidate committees from the 2005 municipal election which did not file satisfactory amended reports. The report review function is an illustration of the use of the Subsection in the Commission's work to achieve compliance with disclosure requirements.

The basic issues of financial disclosure and campaign finance reform remained the priority last year, as the requirements of the reform laws continued to add to its workload.

Finally, during 2006, the Section issued 25 subpoenas for records of campaign or organizational depository accounts.

Requests for Investigation

As part of its mission to assure compliance with campaign finance and lobbying disclosure laws, the Commission invites members of the public to submit legitimate requests for investigations. Requests for investigation are presented to the Commission within approximately 90 days of receipt. At that time, the Commission determines whether or not there are sufficient grounds to open an investigation. The Request for Investigation form is available on the Commission's website (www.elec.state.nj.us/).

In 2006, the Commission received a total of 166 requests for investigation. Out of this total, 17 did not fall under the Commission's jurisdiction while 13 were administratively resolved or held pending receipt of additional information. A total of 136 requests for investigation from calendar year 2006 were presented to the Commission for its determination whether or not to open a review.

Administrative Hearing and Other Legal Support

When a respondent requests a hearing before a judge of the Office of Administrative Law, the Review and Investigation Section assists the Legal Section in preparation of cases, including the review of amended reports filed by respondents in response to complaints. Further, records of candidates and entities participating in elections are examined by the Review and Investigation Section to determine if they have failed to file reports. In calendar year 2006, the Section completed and forwarded to the Legal Section recommendations that resulted in the issuance of six non-filer complaints relevant to the 2006 municipal election and 22 non-filer complaints relevant to the 2005 general election.

Other Activities

As is customary, the Review and Investigation Section provided assistance to sister law enforcement agencies, including the Division of Criminal Justice and the U.S. Attorney's office. Senior staff also provided training to newer staff members.

As the year came to an end, the Review and Investigation Section envisioned new challenges and accomplishments in continuing to serve the public next year.



LAW DIVISION continued

SPECIAL PROGRAMS

Administration of New Jersey's publicly-financed gubernatorial elections requires constant evaluation and planning. Therefore, even though the next gubernatorial election occurs in 2009, the Commission undertook activities in 2006 that will form the basis of the next public financing program.



Standing from left: Christine Aquilante, Scott Fagerty, and Laura Jurkiewicz.
Sitting from left: Amy Davis and Felice Fava.

Hearings

After each publicly-financed gubernatorial election, the Commission seeks comment from gubernatorial candidates, their treasurers, gubernatorial debate sponsors, other interested individuals, and the public at hearings devoted to public financing. Since the inception of New Jersey's gubernatorial public financing program in 1977, the comments received at hearings have been invaluable to the Commission in formulating recommendations for legislative action, revising Commission regulations, and improving internal program operations and procedures.

During 2006, hearings were held on March 21st and April 18th. One person offered testimony at the hearings and one individual submitted written comment. Many topics were discussed including: the gubernatorial debates, political party committees participating in gubernatorial campaigns, the threshold for qualification to participate in the public financing program, and a mechanism to award additional public funds to a publicly-financed gubernatorial candidate running against a self-funded gubernatorial candidate. The recommendations for legislative change derived from the comments received at the hearings are discussed in the Legislative Recommendations Section of this report.

Comments received at the two hearings also form an important part of the Commission's review of the complex gubernatorial public financing regulations. During 2007, the Commission will begin to examine the primary and general election regulations to identify rules requiring clarification and to draft new rules. This process will culminate in the proposal of new rules and amendments in the New Jersey Register and with public hearings on the proposed changes well in advance of the 2009 gubernatorial election.

Expenditure Review

As it has at the conclusion of past publicly-financed gubernatorial elections, during 2006 the Commission used the State's competitive bidding process to select an independent accounting firm to review the bank accounts maintained by the 2005 publicly-financed gubernatorial primary and general election candidates. The Commission views this process as an important compliance tool because each gubernatorial campaign knows in advance of the election that it will be subjected to an in-depth examination of its expenditure activity. The accountants were asked to verify that matching funds were spent only for the specific purposes permitted in the Campaign Reporting Act. These include purchase of media time, printing and mailing of campaign literature,



LAW DIVISION continued

and payment of the cost of producing material aired or displayed on radio and television and in newspapers and other periodicals.

The accountants were also asked to confirm that the campaigns complied with the \$4.4 million primary election expenditure limit and the \$9.6 million general election spending limit. Unlike candidates for other elected offices, publicly-financed gubernatorial candidates are not permitted to retain funds or to transfer those funds to a future election. The Campaign Reporting Act and Commission regulations require that a publicly-financed campaign return to the State any funds remaining, up to the total of public funds which the campaign received, after all obligations are satisfied. The Commission will review the results of the accountants' report during the coming year and will monitor the 2005 campaigns to insure that any available funds are refunded to the State.

Inaugural Committee Information

Contributions to the gubernatorial inaugural event are capped at the statutory limit of \$500 per contributor. Reports are filed by the inaugural event committee 45 days after the inaugural event and on quarterly intervals thereafter. During 2006, Commission staff reviewed and computerized more than 1,054 contributions, totaling \$1.3 million, to Governor Jon S. Corzine's 2006 inaugural event. This contribution information is available as part of the Commission's contribution database and is available on the Commission's website, along with copies of the inaugural event committee reports.

Pay-to-Play Disclosure Law

The Governor signed A-3013 on January 5, 2006. The new law has three major provisions; it enables county and municipality pay-to-play ordinances and resolutions, requires disclosure of contributions to the contracting entity prior to the award of a contract, and

requires annual disclosure of contributions to ELEC by a business entity that has received \$50,000 or more in the aggregate in a calendar year through government contracts. Responsibility for implementation of both the pay-to-play prohibition and disclosure laws has been allocated to the Special Programs Section. During 2006, the Special Programs staff has developed training materials and will perform informational sessions in 2007 to assist business entities with understanding the complex new laws and assist them in electronic filing the annual statement with the Commission. In addition, staff has created a pay-to-play section on the Commission's website that contains helpful information.

Since the inception of New Jersey's gubernatorial public financing program in 1977, the comments received at hearings have been invaluable to the Commission in formulating recommendations for legislative action, revising Commission regulations, and improving internal program operations and procedures.

Conclusion

As in 2001, the Commission utilized electronic filing for the 2005 gubernatorial election with its Gubernatorial Electronic Filing System (GEFS). Commission staff has already begun to revise GEFS to improve it for the 2009 election.

During 2006, through the public hearing process, independent review of gubernatorial expenditures, and continuing enhancement of its computer systems, the Commission took important steps to establish a foundation for the 2009 gubernatorial election and to serve the interests of New Jersey citizens and candidates.



OPERATIONS DIVISION

INFORMATION TECHNOLOGY SECTION

Development and Programming

The Commission again placed a high priority on upgrading its website and enhancing its look and useability. Moreover, new features, in part involving



Standing from left: Ken Colandrea, Anthony Giancarli, Lou Solimeo, Peter Palaitis, and Brian Robbins.
Sitting from left: Carol Neiman, Kim Vandegrift, Maryanne Garcia, and Aydan Altan

Internet e-filing, added measurably to the Commission's Information Technology (IT) operations.

A significant development in 2006 involved the completion of an electronic filing system for candidates (REFS). Another important development was the completion of the candidate web-based electronic filing of the Commission's short forms.

Besides e-filing, other positive developments occurred in 2006. For example, Government Affairs Agent quarterly fill-in forms were completed. These forms allow the user to expand the form as needed and to save information. In the all important area of pay-to-play, the first phase of programming was completed last year. This phase allows the business entity filers to save the form and then return to the Commission's website to upload the form for filing. Another important

development last year involved the website e-mail project. By subscribing to a mailing list, members will be sent news releases and other information pertaining to Commission activities. Finally, a new policy regarding disaster recovery was adopted.

The Commission is justifiably proud of its website, which has proven to be a great boon to disclosure. While it continues to enhance its computer operations, the Commission also continues to receive plaudits for its state-of-the-art home page, which received 239,559 hits in 2006. This website contains four sections, all of which are easy to navigate and very informative. The sections are: "About ELEC," "Public Information," "For ELEC Filers," and "Legal Resources." All of these easily navigable sections include comprehensive information important to the public.

Maintenance and Support

During 2006, the Information Technology staff supported the many servers, switches, routers, PC's, printers, and scanners used by the Commission. Critical to the proper functioning and understanding of the new website was the help desk support given the public by staff. Further, help desk assistance was provided to non-computer staff in terms of hardware and program support. Help desk support was given to both electronic filers and Internet users, who were assisted in viewing campaign finance reports and detailed data information on-line.

The Information Technology staff managed the data recorded by the Commission from the disclosure reports of candidates, party entities, PACs, and lobbyists. Following the receipt of electronically filed reports via CD and floppy diskette, the Systems staff processed them through a computer program that created a report image that is viewed the same as a paper report. Both hard copy reports and electronically filed reports can be viewed on the website. In the coming year, IT staff will be managing data filed electronically via the Internet.



OPERATIONS DIVISION continued

Data Entry Staff

An essential part of Information Technology, and of the Commission as a whole, is the Data Entry Staff. In 2006, the Data Entry staff continued to work closely with the Compliance staff to produce campaign finance and lobbying statistics. The fact that the public is able to



Standing from left: Pam Kinsey, Helen Kelly, Tamico Flack, and Brenda Brickhouse.
Sitting from left: Shirley Bryant, Darlene Kozlowski, Tamika McCoy, and Susan Danley

obtain campaign financial information on-line is due to the Data Entry staff.

The Data Entry staff verified approximately 23,000 campaign finance reports and keyed approximately 25,000 contribution entries filed on campaign finance, PAC, and party reports. Additionally, the Data staff keyed information from the 338 annual lobbyist/legislative agent detail reports and 614 other reports received in 2006. This information was keyed, verified, and summary reports were made available on the Commission's website.

As the result of the work of the Data Entry staff, contributor data is made available for gubernatorial candidates, legislative candidates, state party committees, county party committees, and legislative leadership committees. Moreover, Data Entry staff entered detailed information from annual lobbyist/legislative agent reports

and gave valuable assistance in providing data used in White Paper Number 19, The 2005 Assembly Election: New Trends on the Horizon?

Without question, the Data Entry staff plays a key role in making important campaign and lobbying information available to the public.

Work In Progress

- Pay-to-Play – Business Entity filing and retrieving detailed data on the Commission's website.
- Website e-mail project – allows public to subscribe and unsubscribe to a mailing list for receiving ELEC news electronically.
 - E-mail project desktop application to allow Commission staff to disseminate information electronically to the public e-mail list.
- Legislative Summary Project – automation of legislative summary information for disclosure on the Internet.
- Rewrite of the Gubernatorial Electronic Filing System (GEFS) to be Internet ready.
 - Expanded 48-Hour Notice Report – change the format of Internet disclosure showing the difference between 48-hour notice receipts and expenditures.
 - Rewrite the Government Affairs Agents database for more permanency, including quarterly and annual electronic filing and tracking, an automated auditing system, and Internet disclosure.
- Updating and enhancing the Commission's legacy database program "ELECTrack."
 - Update the current Oracle database to current Industry Standards.
 - Provide more efficient School Board candidate disclosure mechanisms.
- Update other customized programs to current Industry Standards.

The Commission is justifiably proud of its website, which has proven to be a great boon to disclosure. While it continues to enhance its computer operations, the Commission also continues to receive plaudits for its state-of-the-art home page, which received 239,559 hits in 2006.



OPERATIONS DIVISION continued

FINANCE AND ADMINISTRATION SECTION

As the result of an increase in the Commission's budget in fiscal year 2004, the staff compliment now stands at 69. These increases were accompanied by a commensurate expansion of the responsibilities undertaken by the Finance and Administration Section.

Budget and Management

In these times of budgetary scarcity, the Commission received a continuation budget of \$5 million. However, salary program money was not forthcoming, which would have increased the agency's budget to \$5.2 million. Moreover, during the first half of fiscal year 2007, the Commission received assessments to its budget



Standing from left: Irene Comiso, Elaine Salit, Gary Alpert, and Anita Vaingankar.
Sitting from left: Debra Kostival, Meggan Mathies, Aracelis Ocasio, and Linda Lopez.

An integral part of the agency, the Section provides management services to the Commission. Among the services rendered are budgetary forecasting, analysis and planning, personnel, payroll, purchasing and procurement, health benefits, mail processing, maintenance, and security. In addition, the Commission's receptionists, known for their courtesy and friendliness, as well as for their commitment to securing speedy customer service, are part of the Finance and Administration Section.

of close to \$300,000, effectively reducing its operational budget to \$4.7 million. Therefore, the lack of salary program money, coupled with the Treasury assessments, has resulted in a nine percent cut in the Commission's actual budget. Obviously, this real reduction presents operational problems, particularly in light of the Commission's responsibility to fully implement the myriad of reform laws passed during the last two years.



OPERATIONS DIVISION continued

During the past year, the Finance and Administration Section has been grappling with this knotty problem, effectively navigating the Commission through difficult budgetary waters.

Personnel

Another of the important functions of the Finance and Administration Section involves Human Resources. Just as the current situation in the State makes for difficulty in managing the agency's budget, it also makes for difficulty in pursuing various personnel activities. Again, where possible, the Finance and Administration Section has been working with the Department of Personnel (DOP) to fulfill certain personnel needs of staff. While working under a variety of freezes in the personnel area, Finance and Administration was able to accomplish the internal transfer of an important Special Programs team member from a temporary position into a more permanent unclassified position. Finally, two new initiatives were put forward in the Human Resources area by the Finance and Administration Section. First, a newsletter that accompanies pay checks is circulated that continually updates staff on Human Resources issues. And, second, a Human Resources seminar program was started that provides valuable information to staff about benefits and resources available to State employees. All in all, despite tight budgetary times, the Finance and Administration Section continues to be proactive on behalf of ELEC employees.

An integral part of the agency, the Section provides management services to the Commission. Among the services rendered are budgetary forecasting, analysis and planning, personnel, payroll, purchasing and procurement, health benefits, mail processing, maintenance, and security.

Other Activities

To this point, the Commission has allocated added resources to the Finance and Administration Section for the purpose of upgrading its computer hardware, service and maintenance contracts, and agreements with vendors for much needed software enhancements. These enhancements have been undertaken for the purpose of fulfilling the mandates of the recently enacted reform laws. Despite the fact that budgetary restraints may temporarily slow future enhancements, to this point, these developments have cleared the way for the public to continue to enjoy an improved disclosure environment in New Jersey.

Certainly, the Finance and Administration Section has contributed greatly to this improved technological environment by adeptly pursuing these essential enhancements through its expert knowledge of the State procurement process.

Conclusion

By providing fiscal and personnel needs for the Commission, the Finance and Administration Section performs essential services and support. In 2006, the Section met these responsibilities effectively during a very critical time in the State's history.



OPERATIONS DIVISION continued

In FY-2008, the Commission anticipates an appropriation of \$4,842,000 based on the Governor’s Budget Recommendation.

Comparison of Fiscal Years 2006 and 2007 Original Appropriations

| | <u>FY-2006</u> <u>Appropriation</u> | <u>FY-2007</u> <u>Appropriation</u> |
|--------------------------|--|--|
| Personnel | \$4,545,000 | \$4,235,000 |
| Printing & Supplies | 49,000 | 100,000 |
| Travel | 10,000 | 15,000 |
| Telephone | 40,000 | 48,000 |
| Postage | 38,000 | 56,000 |
| Data Processing | 250,000 | 437,000 |
| Professional Services | 40,000 | 40,000 |
| Other Services | 28,000 | 78,000 |
| OIT | 19,000 | 1,000 |
| Maintenance/Equipment | 2,000 | 2,000 |
| Furniture/Equipment | 0 | 0 |
| Commissioner Per Diem | <u>15,000</u> | <u>15,000</u> |
| Total Operational | \$5,036,000 | \$5,027,000 |

2006 Evaluation Data

| | |
|---------------------------------------|-----------|
| Disclosure Reports (Total)..... | 28,649 |
| <i>Campaign & Quarterly</i> | 22,992 |
| <i>Lobbyist</i> | 5,654 |
| <i>Personal Finance</i> | 3 |
| Photocopies..... | 25,010 |
| Investigations..... | 46 |
| Civil Prosecutions | 53 |
| Public Assistance Requests..... | 12,333 |
| Fine Collection..... | \$102,013 |
| Lobbying Annual Fees | \$454,307 |
| Campaign Fundraiser Annual Fees | \$8,000 |



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
- Lynnann B. Ware, Commissioner

2001

- Judge Ralph V. Martin, Chair
- Paula A. Franzese, Vice Chair
- Lynnann 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

2004-2006

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

2007

- Jerry Fitzgerald English, Chair
- Peter J. Tober, Vice Chair
- Albert Burstein, 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 |
|----------------------------------|----------------------|



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.
- **Pay-to-Play Contracting Reform** (amendments to N.J.S.A. 19:44A-1 et seq.) established by P.L. 2004, c. 19 (codified as N.J.S.A. 19:44A-20.3 through 20.12) - effective January 1, 2006; P.L. 2005, c. 51 (codified as N.J.S.A. 19:44A-20.13 through 20.25) - portions retroactive to October 15, 2004 and portions effective January 1, 2006; and, P.L. 2005, c.271 (codified as N.J.S.A. 19:44A-20.26 and 20.27) - effective January 5, 2006



Steve Kimmelman



ELEC's HOME PAGE

www.elec.state.nj.us/

Log on to: view Reports; search for Contributors; obtain Treasurer Training education; secure Publications and Forms; access Complaints, Final Decisions, and Advisory Opinions; and, retrieve Campaign Financing and Lobbying Data from the past decade.

ELEC's help desk is always ready to lend assistance. Call during business hours, 9:00 am – 5:00 pm, Monday through Friday at: 609-292-8700 or Toll Free Within NJ 1-888-313-ELEC (3532)

Note: An after hours recording is posted whenever the office is closed.

The screenshot shows the ELEC website homepage with the following elements:

- Header:** "New Jersey Campaign Financing and Lobbying Disclosure Election Law Enforcement Commission ELEC". Navigation links: "njhome | business | government | departments" and a search box.
- Left Sidebar:**
 - ELEC Home**
 - About ELEC
 - Mission Statement
 - Public Information
 - For ELEC Filers
 - Legal Resources
 - Publications**
 - News Room
 - Contribution Limits
 - Reporting Dates
 - Guide to the Law Forms/Instructions
 - Glossary of Terms
 - Related Sites
 - Driving Directions
 - Division of Elections
 - Site Map/Search**
 - Website Help**: Toll Free in NJ 1.888.313.ELEC
- Main Content Area:**
 - Four featured images: "Public Information", "For ELEC Filers", "Legal Resources", and "About ELEC".
 - Quote: "And liberty cannot be preserved without a general knowledge among the people... of the characters and conduct of their rulers." - John Adams (1765)
 - 2007 FAIR AND CLEAN ELECTIONS PILOT PROJECT**
 - Governmental Affairs Agents Quarterly Reporting**: CLICK HERE for Quarterly Report Information and Filing Materials
- Right Sidebar:**
 - Quick Links**: "The next Commission Meeting is Friday, April 20 at 2:00 p.m."
 - NEW & IMPORTANT INFORMATION**
 - NEW** White Paper No. 19 - The 2005 Assembly Election: New Trends On The Horizon?
 - Pay-To-Play
 - Governmental Affairs Agents, Represented Entities, and Persons Communicating with the General Public ("Grassroots Lobbying")
 - Treasurer Training Program
 - Professional Campaign Fundraisers
 - 2007 NJ Fair & Clean Elections Pilot Project
 - Gubernatorial Public Financing Program Information
 - Electronic Filing
 - SEARCH**
 - View Reports
 - Contributions
 - Complaints & Final Decisions
 - Parties & PACs
 - Candidates
 - Quick Data
 - Download
 - CAMPAIGN & LOBBYING DATA**
 - The Election Law Enforcement Commission compiles numerous analytical data sheets on campaign financing, political party committees, legislative leadership committees, continuing political committees and lobbying activity.
 - Lobbyist/Legislative Agent Annual Report Summaries 2006
 - Campaign Data
 - Lobbying Data
 - WHITE PAPER SERIES**
 - Over the years, the Commission has produced a series of white papers providing an overview of campaign financing and lobbying trends in New Jersey...
 - White Papers Series
- Footer:**
 - OPRA | Open Public Records Act
 - state of new jersey: privacy statement | law & public safety | division of elections | open public records act
 - Copyright © 2007 State of New Jersey
 - New Jersey Election Law Enforcement Commission, P.O. Box 185 Trenton, NJ 08625-0185
 - Tel. (609) 292-8700 or Toll Free in NJ 1 (888) 313-ELEC (3532)