

2008 ANNUAL REPORT

New Jersey Election Law Enforcement Commission

Read inside...



ELEC
April, 2009



COMMISSIONERS AND SENIOR STAFF

Commission's Office

New Jersey Election Law Enforcement Commission
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Trenton, New Jersey

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



From left: Legal Director Carol L. Hoekje, Legal Counsel James P. Wyse, Commissioner Amos C. Saunders, Commissioner Albert Burstein, Chair Jerry Fitzgerald English, Vice Chair Peter J. Tober, Executive Director Frederick M. Herrmann, and Deputy Director Jeffrey M. Brindle.



DEDICATION



The 2008 Annual Report of the Commission is dedicated to
Frederick M. Herrmann, Ph.D.,
who is retiring after 25 years of service as Executive Director of the Commission.

During this period Dr. Herrmann established himself as an international leader in the field of governmental ethics. Moreover, his service to the Commission helped to provide the people of New Jersey with a watchdog agency whose reputation for integrity and fairness is surpassed by none.

Executive Director Herrmann's legacy is one of an exemplary public servant whose dedication and commitment to governmental service is truly admirable.



MISSION STATEMENT



ELEC

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.

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.



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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.

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.



Jerry Fitzgerald English, Chair



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 have 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

Amos C. Saunders, Commissioner

Amos C. Saunders, a retired Superior Court Judge from Passaic County, was appointed to the Commission in June, 2008. Named to the bench in 1977 by Governor Brendan T. Byrne, he was the county's only Chancery Division judge on general equity matters. He handled some of the most difficult cases in Passaic history including: right-to-die cases, injunctive relief litigation, corporate dissolutions, and difficult will and probate cases.

A member of the New Jersey and Passaic County Bar Associations, Commissioner Saunders is of counsel to the Clifton law firm of Carlet, Garrison, Klein and Zaretsky. He is admitted to practice before the United States Supreme Court.

Judge Saunders has served as a Municipal Court Judge in Totowa, a Totowa Municipal Attorney, and an Administrative Law Judge for the Waterfront Commission of New York Harbor.

Long involved in volunteer activities, Commissioner Saunders has served as the chairman of the Fairlawn March of Dimes and as a trustee of the Totowa Volunteer Ambulance Corps. for more than 40 years.

Judge Saunders, one of the nation's premier experts on boxing law, is well known for presiding over several cases with such luminaries as Don King, Mike Tyson, Lennox Lewis, and Evander Holyfield appearing in his courtroom. He was named by International Boxing Digest as one of the most powerful people in the sport.

Formerly a faculty member of the National Judicial College, which is highly recognized for training judges and other court personnel, Commissioner Saunders received a B.A. from Hampden-Sydney College and a J.D. from the Columbia University School of Law.

Married, Commissioner Saunders and his wife, Janet, reside in Totowa. The couple have three children.



Amos C. Saunders, 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 a quarter of a century. 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. He was the book review editor of the Guardian for 15 years and was on the editorial board of Public Integrity for a decade. The Executive Director is currently 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 is the compiler of the *COGEL Campaign Financing and Lobbying Bibliography* and the *NORCOL Lobbying Guidebook*.

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 and in 2008 the COGEL Honorary Membership 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, Legal Counsel

James P. Wyse was selected to be the Commission's Legal 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, Legal Counsel



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

2008

- Jerry Fitzgerald English, Chair
- Peter J. Tober, Vice Chair
- Albert Burstein, Commissioner
- Amos C. Saunders, Commissioner

EXECUTIVE DIRECTORS

1973-1976	David F. Norcross
1976-1981	Lewis B. Thurston, III
1981-1984	Scott A. Weiner
1984-2009	Frederick M. Herrmann

LEGAL COUNSELS

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

CONSULTANT

1973-1978,	Herbert E. Alexander
1982,	
1986-1988	



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
Linda White, Director of Lobbying
Todd J. Wojcik, Director of Campaign Financing
Kimberly Key, Senior Compliance Officer
Titus Kamal, Associate Compliance Officer
Nancy Fitzpatrick, 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
Linda Lopez, Clerical Assistant

LAW DIVISION

Legal

Carol L. Hoekje, Esq., Legal Director
Gail Shanker, Esq., Associate Legal Director
Michelle Levy, Esq., Associate Legal Director
Amanda Haines, Esq., Assistant Legal Director

Review and Investigation

Leonard Gicas, Esq., Director
Shreve E. Marshall, Jr., Associate Director
Brett Mead, Senior Review Officer
Christopher Guear, M.P.A., Associate Review Officer
Matthew Krinsley, Assistant Review Officer
Christopher Mistichelli, Assistant Review Officer
Lovinsky Joseph, Assistant Report Examiner
Renee Zach, 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
Jennifer Kirby, Public Financing Analyst
Julie Latsko, Public Financing Analyst
Kap Sin, Information Technical Specialist
Elias Amaya, Information Technical Specialist

OPERATIONS DIVISION

Information Technology

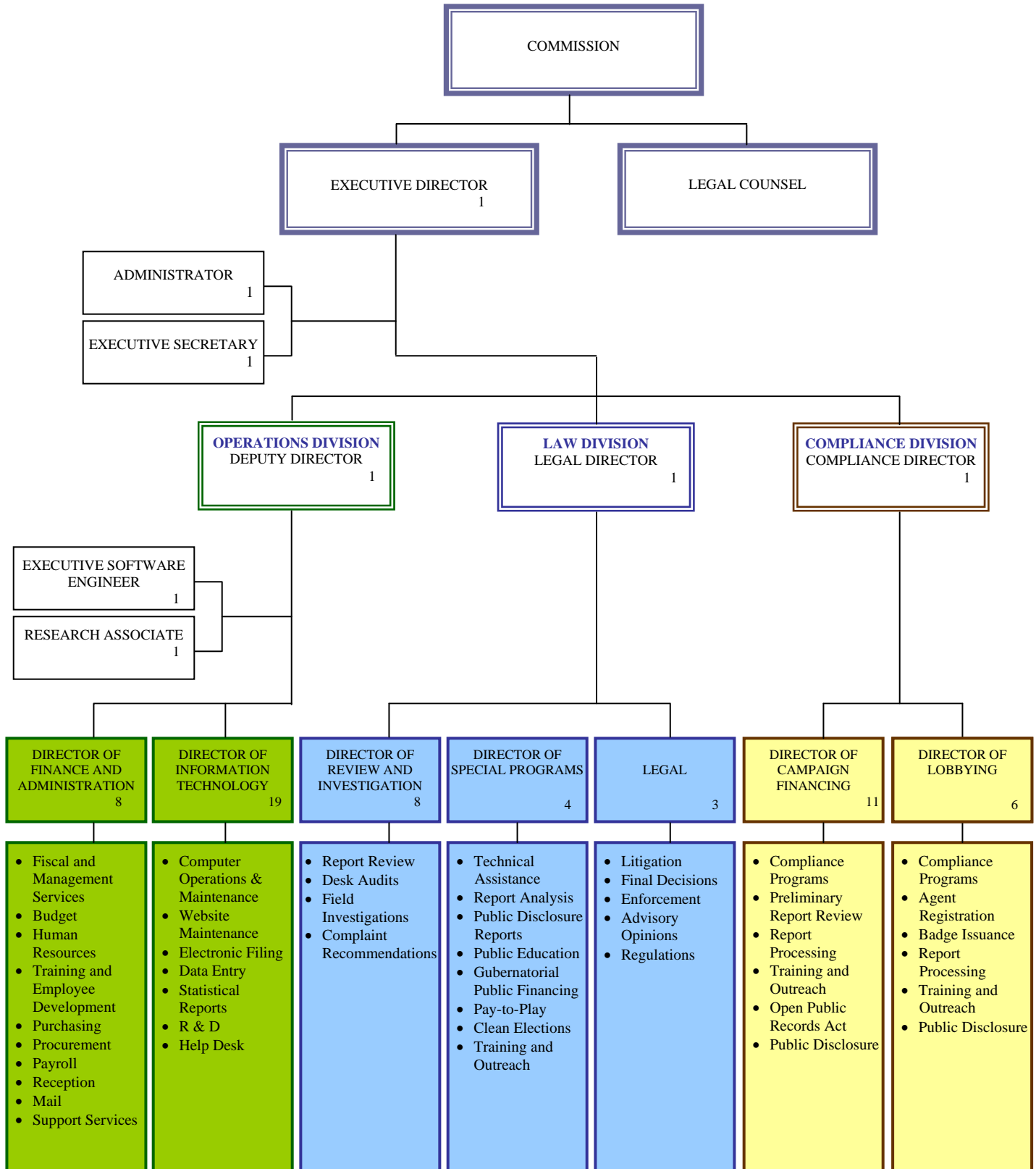
Carolyn Neiman, Director
Kim Vandegrift, Associate Director
Brian Robbins, Executive Software Engineer
Anthony Giancarli, Associate Systems Administrator
Aydan A. Altan, Assistant Software Engineer
Stanley Su, Assistant Software Engineer
Peter Palaitis, Associate Help Desk Technician
Louis Solimeo, Associate 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

Steven M. Dodson, M.B.A., Director
Elaine J. Salit, Senior Fiscal Officer
Anita Vaingankar, M.S., Personnel Officer
Debra A. Kostival, Principal Receptionist
Irene Comiso, Senior Receptionist
Aracelis Ocasio, Senior Clerk
Meggan Mathies, Clerk
Igor Milewski, Clerk



TABLE OF ORGANIZATION





MESSAGE FROM THE CHAIR

At a time when public corruption is uppermost on the minds of citizens, the Election Law Enforcement Commission (ELEC) defended in court a challenge to ELEC's position denying an elected official the use of campaign funds in a criminal trial.

In Advisory Opinion No. 01-2008, the Commission advised former State Senator Wayne Bryant that it was impermissible to use campaign funds for "legal fees and other expenses in connection with his defense of [a] criminal indictment."

The Commission's decision was appealed to the Appellate Division of the Superior Court. It subsequently upheld ELEC's ban on using campaign funds to defray the cost of a criminal defense. However, the State Supreme Court has granted a petition for certification to the former State Senator. Consequently, the matter remains unresolved for now.

ELEC remains proud of its ongoing efforts to defend the integrity of the Campaign Act and in so doing the public interest.

A second case impacting campaign financing last year involved New Jersey's pay-to-play prohibition law. The administration and enforcement of that law begins at the point a unit of government awards a contract to a business concern. A determination is made by the Department of the Treasury at the State level whether or not a violation has occurred. The State Treasurer may end a contract if there is an illegal contribution.

Earle Asphalt Company challenged the constitutionality of the pay-to-play law. The company had received a State contract worth more than \$17,500 and simultaneously had made a contribution of more than \$300 to the Monmouth County Republican Committee. Earle Asphalt was subsequently disqualified by the Department of the Treasury from being awarded the contract for roadwork on Interstate I95.

Ultimately, the State Supreme Court affirmed an Appellate Court decision that upheld the constitutionality of

the law. Though ELEC did not directly participate in the case, the implications for enforcement of pay-to-play are significant.

During 2008, the Commission issued two important reports, both involving the public financing of elections in New Jersey. The first, the "2007 Fair and Clean Elections Report," was issued on March 28, 2008, in accordance with State law. The 2007 general election for the Legislature witnessed the administration of the second Clean Elections program. Three districts were chosen for the pilot, 20 candidates participated, and a total \$4.036 million was provided to candidates by the Commission. The report was a thorough review of the program, replete with charts, graphs, and a comprehensive text.

The second important report was the "2009 Cost Index Report." This study utilized a statutory formula originally proposed by the Commission to determine the contribution limits and the various thresholds applicable to the Gubernatorial Public Financing Program. It provides also the inflationary adjustments of non-gubernatorial thresholds and proposed non-gubernatorial contribution limits.

Regarding the Gubernatorial Public Financing Program, the Commission takes its administrative responsibilities very seriously. As the end of 2008 drew near, ELEC began to prepare for the 2009 primary and general gubernatorial elections. In addition to hiring and training staff to oversee the program, a "Gubernatorial Public Financing Program" guide was prepared that is available to potential candidates and treasurers both online and in print. Moreover, the staff provides training to treasurers of potential candidates as they prepared to participate in the program. Further, the Commission's able Special Programs staff is available to take phone calls and to guide participants through the process.

The effort to prepare for the upcoming gubernatorial contest was but one of the many actions taken last year to not only provide for the continued excellence of the Public Financing Program but also of the Commission in general.



Jerry Fitzgerald English, Chair



MESSAGE FROM THE CHAIR continued

There is no more important task of the Commission and its core mission of disclosure than its continued efforts in the area of computer technology. Despite budgetary restraints that affected the Commission's ability to deliver many needed software innovations, the Information Technology staff maintained the same level of services as in the past and even managed to make some important improvements.

The Commission's vaunted website was again enhanced in 2008; in fact being ranked number one in the northeast and tenth overall in a national survey of disclosure agency related websites. Certainly, ELEC's Information Technology staff has done a remarkable job in establishing a website that is user-friendly, designed to provide clear images of disclosure reports, and easily navigable in terms of accessing detailed contributor information.

Noticeable improvements in electronic filing were made in 2008 as well. The Gubernatorial Electronic Filing System (GEFS), for example, was upgraded to permit candidates to by-pass filing by CD and file disclosure reports directly over the Internet. The reports are then promptly made public. Moreover, gubernatorial candidates participating in the program, and who are required to file electronically, do so via electronic transfer over the Internet, making it easier for them and for staff evaluators.

In addition, electronic filing for pay-to-play filers has been upgraded. Information on contributions and contracts following the March 30th filing deadline is made readily available to the public. Finally, candidates, parties, and PACs continued to take advantage of electronic filing in 2008. And, of course, there is great anticipation that the number of electronic filers will grow substantially in 2009, particularly since the Assembly is slated for election and those raising \$100,000 are mandated to file electronically.

In typical fashion, the Commission undertook significant efforts in the area of compliance. The Compliance Division pursued outreach efforts to the filing community through treasurer training, candidate and lobbyist seminars, and telephone assistance. In 2008, approximately 28,000 reports were scanned and processed, and 8,305 were photocopied for the public. Once again the efforts of the Compliance Division resulted in a filing compliance rate of 90 percent. As always, the Division exceeded the requirements of the Open Public Records Act (OPRA) in providing information to the public. Whether in

terms of campaign financing or lobbying, Compliance staff is always available to provide valuable information and assistance to the public.

The Commission maintains a strong reputation nationally for producing analytical reports tracking trends in campaign financing and lobbying. Staff from the Compliance Division and the Information Technology Section work collaboratively to produce important lobbying financial data. Work also commenced in 2008 on the 20th White Paper, which analyzed the 2007 legislative election. This report was authored by Deputy Director Jeffrey M. Brindle.

ELEC's success story was also advanced by the Law Division. Much of the Legal staff's time was consumed with researching and drafting advisory opinions and regulations. A total of 82 complaints and 68 final decisions were prepared and issued by the Legal staff against entities violating campaign financing and lobbying laws. Further, the Commission's Review and Investigation Section completed 49 investigations which resulted in penalty actions. These activities were invaluable in fostering a climate wherein a high degree of compliance exists.

Finally, and poignantly, I would be remiss in not paying tribute to ELEC's long-serving Executive Director, Frederick M. Herrmann. Dr. Herrmann, who is retiring this year, has served the Commission for 25 years. Prior to that time, he worked on the staff of the New Jersey Legislature. In December 2008, the Council on Governmental Ethics Laws (COGEL) presented him with its Honorary Membership Award, which is given to a retiring member in recognition of extensive contributions to COGEL and distinguished service with his or her agency. Without question, Executive Director Herrmann has distinguished himself as a leader in the field of ethics, having demonstrated an extraordinary zeal for insuring that the public was served by an agency that was beyond reproach. His legacy will be one of guiding the staff of an institution known for its neutrality and fairness and its dedication to promoting the best ideals of governmental service. While so much could be written about the work of this honorable man, the Commissioners and I, past and present, leave this final thought: though he departs, his accomplishments and he will long be remembered.

On behalf of the members of the Election Law Enforcement Commission, including Vice Chair Peter J. Tober, Commissioner Albert Burstein, and Commissioner Amos C. Saunders, I proudly submit this report to the Legislature.



EXECUTIVE DIRECTOR'S REMARKS

After a quarter of a century as the executive director of the Commission, it is now my time to retire.



Frederick M. Herrmann, Executive Director

The past 25 years as the head of ELEC's staff have been both a pleasure and a privilege. I have served under wonderful commissioners and worked with an outstanding group of dedicated professional staff members, all of whom were dedicated to promoting open and honest government. It also was satisfying to assist conscientious public officials, an ever vigilant media, and numerous worthy good government groups. The rewards of my years of service have been countless, but I think in parting it would be worthwhile to enumerate some of the highlights that will remain with me after I leave my position.

One of my proudest accomplishments was involvement with the computerization of the Commission's vast repository of campaign finance and lobbying records. A decade ago the Atlantic City Press wrote in an editorial that ELEC's new website was "the most significant 'campaign-finance reform' New Jersey has ever undertaken." According to the Press, "ELEC went online with a Web page that gives anyone with Internet access the ability to view and print out ... campaign contribution reports for all state, county, municipal, and school-board candidates. Visitors to the

site will be able to search the entire ELEC data base of contributions going back to 1981." Calling the website "a boon to democracy," the editorial concluded that the "site puts an extraordinary amount of information at virtually every citizen's fingertips."

Another highlight of my career was working with the Rosenthal Commission in 1990. ELEC's staff provided critical information and advice to this body that was charged with making recommendations to improve legislative ethics and campaign financing laws. Among the recommendations for change were: the establishment of a comprehensive scheme of contribution limits, campaign fund usage guidelines, the disclosure of contributor occupation and employer information, PAC registration, the elimination of the "expressly loophole" that blocked transparency in the reporting of lobbying activities, the consolidation of all lobbying reporting with ELEC, a statutory inflationary adjustment mechanism for various limits and thresholds in the State's disclosure laws, an increase in existing civil fines and penalties, and an appeal to "strengthen by increased appropriations the administrative capacity of ELEC so that it can make available, in a timely and appropriate manner, the campaign finance and lobbying information it receives." I was particularly pleased that most of the Rosenthal recommendations became law and that one of the body's distinguished members, Albert Burstein, became an ELEC commissioner.

Finally, I am very gratified with ELEC's role in implementing the 2004 sweeping ethics reform package entitled "Restoring the Public Trust," which was proposed by then Assembly Speaker Albio Sires and then Majority Leader Joseph J. Roberts, Jr. The most publicized piece of the package was the "Pay-to-Play" fundraising bill. It prohibits no-bid governmental contractors with contracts in excess of \$17,500 from making reportable campaign contributions (those over \$300) in the year before and during a contract. The ban applies to the executive branch, legislative branch, county level, and municipal level. Another major initiative in the package was the



EXECUTIVE DIRECTOR'S REMARKS continued

Clean Elections Program. A pilot project for the 2005 general election was created for two preselected legislative districts. Candidates for the General Assembly qualified for public dollars in these districts after raising a large number of small contributions (at least 1,000 contributions of five dollars and at least 500 contributions of \$30). The project was based on programs established in Arizona and Maine and preceded an even more successful and extensive pilot project administered by the Commission again in 2007.

Clearly, my tenure at ELEC witnessed many significant improvements in the way New Jersey government regulates the ethical behavior of its public servants and those with whom they interact. The Commission for 35 years has been an institution in which our citizens can take great pride. ELEC's many commissioners and staff members have served our State well, and it has been my honor to be part of this work. A reporter once asked me if I thought that the Commission's job were important. I responded by asking him if he thought democracy were important. Perhaps, he believed that I was exaggerating the role of ELEC; but, after my time at the Commission and viewing its work first hand, I take my leave with the firm conviction that ELEC and its sister agencies across the country are an essential part of our nation's democratic foundation.



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 law, the Gubernatorial Public Financing Program, and the Personal Financial Disclosure law. 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. ELEC would also like to see higher uniform statutory penalties among the various statutes it administers. The Commission presents these recommendations to the Legislature for its careful consideration.

Campaign Reporting Act

- Lengthen Commissioner terms to six years from three years and select the Commission Chair for a fixed term.
- 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 contain 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 resides. 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.”
- Enhance penalties for impermissible use of candidate committee funds.



LEGISLATIVE REVIEW AND RECOMMENDATIONS continued

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 (\$340,000 in 2009) by a date in April for the primary election and in 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 \$6,800 for a first offense and \$13,600 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.

Lobbying Disclosure Law

- Require lobbyists to file quarterly reports, which include both lobbying and financial activity, rather than separate quarterly reports for lobbying activity and annual reports for financial activity.
- Conform the penalty provisions of the Lobbying Disclosure law 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.

Personal Financial Disclosure Law

- 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 law to the Campaign Reporting Act.
- Change the due date of the PFD filing by a candidate in the primary and general election to the due date of the 29-day preelection report for that election.



COMPLIANCE DIVISION

Even though 2008 was not a legislative election year, the Compliance Division continued to be very occupied, again turning in a winning performance.

In addition to the multi-faceted day-to-day activities undertaken by the Compliance Division, staff pursued numerous responsibilities that fell outside the realm of daily functions. For example, compliance manuals, electronic filing software, and treasurer training materials were updated and edited following changes to

undertake measures that cut the cost of government while at the same time maintaining the same level of services.

To that end, the Compliance Division enabled the Commission to save money by making all forms and manuals available online. By making materials available through the Commission's website, money and staff time were conserved because forms and manuals were not routinely mailed to thousands of filing entities.



Standing from left: Maite Urtasun, Joseph Barish, Michel Donato-Suarez, Danielle Hacker, Marcus Malmignati, Nancy Fitzpatrick, Linda White, Todd Wojcik, Linda Lopez, and Milene Matos.
Sitting from left: Titus Kamal, Christopher Vigale, Kim Key, Evelyn Ford, and Desiree DeVito.

the reporting thresholds for all candidates and PACs. And, in furtherance of a lobbying project undertaken annually, the Compliance Division produced statistical information summarizing spending by governmental affairs agents and their clients.

Cost Cutting Measures

The State has been experiencing severe fiscal and budgetary stress, and it is important for agencies to

Other monetary savings were realized by temporarily discontinuing the practice of conducting training sessions off-site. Instead, staff offered training programs for outside groups at the Commission's offices in Trenton. Moreover, training was available to campaign treasurers through the Commission's website. In 2008, a total of 167 treasurers received a training certificate and identification number.



COMPLIANCE DIVISION continued

Assisting Law Enforcement

The staff of the Compliance Division continued to assist the U.S. Attorney's Office, the FBI, the Office of the Attorney General of New Jersey, and other law enforcement agencies with regard to numerous investigations that in some way involved issues of campaign financing or lobbying. By way of example, staff assisted the U.S. Attorney's Office by providing testimony in the Sharpe James trial and the Delle Donna trial.

Compliance

As noted, legislative elections were not held last year. However, county, municipal, school board, and fire district elections were held. In the context of these elections over 5,300 candidates and committees filed thousands of reports in 2008. These reports were scanned to the website, thereby, providing prompt campaign financing data to home page visitors. In addition, political party committees, legislative leadership committees, and PACs filed reports with the Commission. A total 1,736 of these entities filed reports in 2008. These reports, similarly, were scanned and readied for public review.

Governmental affairs agents (lobbyists) and represented entities also file reports with the Commission. There were, on average, 1,043 registered governmental affairs agents filing close to 7,000 reports throughout the four quarters of calendar year 2008.

In total, almost 28,000 reports were filed by candidates, committees, and lobbyists in 2008.

The Compliance Division did an outstanding job of promoting compliance with the disclosure laws throughout the year. Through direct mail, telephone assistance, seminars, and consultations, the Compliance Division achieved a significant level of compliance with the campaign financing and lobbying disclosure laws. Routine reminder and delinquent filing notices were

mailed out to candidates, treasurers, and governmental affairs agents prior to and following important filing dates. Staff answered 9,671 telephone calls from the regulated community so that immediate assistance with filing inquiries could be provided.

A very important component of the Compliance Division's effort was the informational seminars conducted over the course of the past year. The Compliance staff conducted 23 training seminars for treasurers and candidates, and seven seminars for governmental affairs agents. In the coming years, the Compliance Division plans to continue efforts to insure total and complete compliance with all disclosure laws. Training sessions designed to educate the regulated community as well as the press and public are but one weapon in the arsenal.

Also, in a continuing effort to enhance lobbying regulatory activities, staff hosted the Northeastern Regional Conference on Lobbying at the Council of State Governments Conference in Atlantic City. Several northeastern states sent representatives to a very successful meeting.

Strict compliance with the Open Public Records Law (OPRA) is an important priority for the Commission, both in terms of assistance to filing entities and to the cause of transparency in government. The Compliance staff responded to 52 OPRA requests resulting in 8,305 photocopies of records.

Conclusion

In 2008, the Compliance Division continued its commitment to providing support and assistance to the regulated community through its educational outreach and training programs. At the same time, the Compliance Division made certain that public disclosure of reports in a timely fashion remained a top priority. By delivering these services in an exemplary fashion, the Commission continued to maintain its reputation as one of the most constituent-friendly agencies.



LAW DIVISION

LEGAL SECTION

The Legal Section is responsible for formulating advisory opinions, drafting regulations, and enforcing the disclosure laws under the jurisdiction of the Commission. All complaints, final decisions, advisory opinions, and regulations are issued through the Legal Section. These matters are posted on the Commission's website, thereby providing the public with convenient access to important legal concerns. In this way, the Legal Section contributes to the central mission of the Commission, which is to provide complete and accurate campaign and lobbying information while discouraging violations of the Campaign Contributions and Expenditures Reporting Act (the Act).



From left: Amanda Haines, Gail L. Shanker, Carol L. Hoekje, and Michelle R. Levy.

Complaints

During 2008, 27,964 reports were filed with the Election Law Enforcement Commission (ELEC). These reports derived from State and local candidates participating in primary, general, municipal non-partisan, school board, and fire district elections. Reports were also filed by municipal, county, and State political party

committees, legislative leadership committees, continuing political committees or PACs, and political committees. Lobbyists filed reports as well as a small number of professional fundraisers. Finally, in addition to the number of reports mentioned above, pay-to-play filings involve businesses that have received more than \$50,000 in public contracts per year.

Those candidates, committees, lobbyists, and businesses that neglect to file reports, are late filing reports, or file incomplete reports are subject to civil complaints and monetary penalties as provided by law. During 2008, the Commission issued 82 complaints against candidates and other entities that were in some way violative of the reporting acts. In a substantial number of cases candidates and other entities filed reports, thereby providing the disclosure as required. Many cases ultimately resulted in monetary fines, the total of which amounted to \$162,982 in 2008.

Final Decisions

At the conclusion of each case, ELEC issues a final decision. Final decisions in 2008 involved violations by candidates and other entities spanning elections from 2002 to 2007. All complaints and final decisions are posted on the Commission's website and are available for public inspection at the Commission's offices.

It is important to note, however, that while enforcement is critical to the Commission's mission, the Commission strives to encourage voluntary compliance. Moreover, prior to undertaking a complaint action, the Commission must be assured that there are sufficient grounds for charging that a violation has occurred. In the event that a complaint is issued, the respondent is accorded the right to a hearing before the administrative courts. Thus, while its enforcement of the disclosure laws is vigilant, the Commission makes sure that each respondent is given required due process.



LAW DIVISION *continued*

Advisory Opinions

To provide guidance to the regulated community, the Act authorizes the Commission to issue opinions regarding legal requirements under the Commission's jurisdiction that may impact future campaign or lobbying activities. These advisory opinions are issued to individuals having standing and are posted on ELEC's website for public information purposes.

In 2008, the Commission issued one advisory opinion. Advisory Opinion No. 01-2008, presented in January, concerned the use of funds from a campaign committee for the purpose of defraying the cost of a legal defense involving a criminal indictment. In its response, the Commission advised that the use of campaign funds for the stated purpose did not constitute an "ordinary and necessary" expense and therefore was not a permissible use. While the matter is still being litigated in court, thus far the State Appellate Court has upheld the decision of the Commission.

Regulations

An important responsibility of the Legal Section is the promulgation of regulations. Just as the statutes clarify constitutional provisions, regulations are proposed and adopted to clarify the statutes. Among the regulations adopted by the Commission in 2008 were those that concerned the Public Financing Program and those that involved adjustments according to the campaign cost index to the non-gubernatorial thresholds and to gubernatorial contribution limits and thresholds for all gubernatorial candidates.

Conclusion

Interpreting and enforcing the provisions of law are critical elements of effective administration of the campaign and lobbying financial disclosure entrusted to the Commission. With more and more money entering the process and laws growing more complex, each year becomes more challenging than the one before for the

Legal Section. Again in 2008, the Legal Section was confronted with major challenges. Significant among them was the staffing of the Section, since at least two attorney positions remained open and the Legal Secretary retired under the Early Retirement Incentive Program. The Section continues to meet those challenges in a professional and responsible manner and with anticipation of the ones to come.



LAW DIVISION continued

REVIEW AND INVESTIGATION SECTION

The Review and Investigation Section, an integral part of the Law Division, benefits significantly from the use of technology in undertaking investigations of potential violations of campaign finance and lobbying law. Because investigations involve analysis of financial records of campaign or organizational depositories, review of these transactions is greatly facilitated by the prevalence of computer software programs. Moreover, the website, providing immediate availability of scanned images of filings, has greatly benefited the Review and Investigation staff.

articles. During the past year, staff closed 49 investigations, with complaint recommendations in 11 of the cases.

Every year special projects are undertaken by the review staff. In previous years, these special undertakings included reviews of county party committee financial activity and compliance. They have also included reviews of State party entities. Last year was no exception. During 2008, Review and Investigation staff undertook two report review projects. The first project involved review of Form R-1 reports filed by candidates in the 2008 municipal election. The second report review project examined the R-1 reports filed in the 2008



Standing from left: Matthew Krinsley, Lovinsky Joseph, Renee Zach, Christopher Mistichelli, and Shreve Marshall.
Sitting from left: Christopher Guear, Brett Mead, and Leonard Gicas.

Investigations

In calendar year 2008, 52 new investigations were opened. These investigations stemmed from complaints from the public, staff audit, and newspaper

primary election. The Review and Investigation Section contacted candidates and treasurers regarding the deficiencies pertaining to their filings and requested that amended reports be filed with the Commission.



LAW DIVISION continued

Many of the investigations undertaken by the Review and Investigation Section are complex, involving the review of voluminous bank records to analyze reporting obligations for preelection or postelection quarterly reporting periods. On a continuing basis, staff recommended complaints against candidates and campaign treasurers relevant to the failure to file preelection reports, 48-hour notices, postelection quarterly reports, and otherwise incomplete reports. These investigations included primary and general elections as well as May municipal and school board elections.

Investigative efforts were also undertaken relative to continuing political committees (CPCs) and political party committees (PPCs) in 2008. These efforts, which resulted in complaints, involved failure to file 48-hour notices of contributions and expenditures and late filing of reports.

With regard to the Section's investigative activities, staff issued 45 subpoenas in 2008 in 37 investigations, in most instances to financial institutions for records of a campaign or organizational depository.

Requests for Investigation

In 2008, the Commission received 114 requests for investigation. The Commission did not have jurisdiction over 16 of these requests, 5 requests were referred back to the complainant for more information, and 5 were withdrawn or resolved with the complainant. A net total of 88 requests for investigation were presented to the Commission for a decision as to whether or not to open an investigation. Besides the type of issues mentioned in the previous section, many of the requests involved alleged filing and political identification requirements. Other requests concerned reporting obligations relevant to political communications and in-kind contributions by one entity on behalf of a candidate. Additional requests concerned alleged missing contributor or expenditure information.

Any individual who requests that the Commission open an investigation is required to provide as much information as possible and submit the investigative form which is available on the Commission's website www.elec.state.nj.us/.

Administrative Hearing Support

The Review and Investigation Section also assists in the preparation of cases for hearings before the Office of Administrative Law in cases where respondents do not waive their right to a hearing. The staff also assists in the review of amended reports filed by respondents in response to Commission complaints. Finally, the staff provides assistance to sister investigative agencies in other federal, State, and local jurisdictions.

Conclusion

In 2008, the Review and Investigation staff continued to perform a valuable and critical function by assuring compliance with campaign financing, lobbying, and pay-to-play disclosure laws. While the pressure continues to be intense on this small but diligent staff, the Section has continued to perform admirably and competently during the past year.



LAW DIVISION continued

SPECIAL PROGRAMS SECTION

The Special Programs Section continued its aggressive approach toward administering a select group of high profile programs. During 2008, the Section's staff administered pay-to-play laws, finalized the general election 2007 Clean Elections Pilot Project, and began the process of administering the 2009 Gubernatorial Public Financing Program.



Standing from left: Christine Aquilante, Elias Amaya, Amy F. Davis, Scott M. Fagerty, Lou Solimeo, and Kap Sin.

Sitting from left: Julie Latsko, Laura Jurkiewicz, and Jennifer Kirby.

Pay-to-Play

Approximately 2,000 business entities filed the annual statement regarding public contracts and contributions made Statewide. The reports, filed annually in March, disclosed 22,000 public contracts, totaling five billion dollars. Business entities also reported 13,000 contributions worth \$5 million.

Information regarding pay-to-play activity is provided by the Commission on its pay-to-play website, which has been enhanced to allow members of the public

to subscribe to electronic notices regarding pay-to-play disclosures. Moreover, plans are afoot to ensure that all filing reminders and press releases are sent electronically. Given the fact that staff is limited in size and that budget resources are scarce, technological innovations like these prove to be invaluable.

In addition to administering existing pay-to-play laws, the Section's responsibilities in this area expanded through Executive Orders 117 and 118, signed by Governor Jon S. Corzine on September 28, 2008. Also, another significant change occurred regarding pay-to-play, and to which the Section had to adapt. In January, 2008, the Governor signed into law legislation that clarified that Chapter 271 does not apply to nonprofit entities. In other words, nonprofits receiving public contracts are not required to file the Business Entity Annual Statement with the Commission.

Clean Elections

During the 2007 legislative election, the Special Programs staff was directly responsible for administering the second Clean Elections pilot project. As a result, the staff completed the administrative clean-up of the project in 2008. As part of that effort, and as required by law, the 2007 Fair and Clean Elections Report was issued in March of 2008. Further, in June, legislation was introduced to provide for a third pilot project that would have included the 2009 primary and general elections. Special Programs staff monitored the legislation closely. However, due to a court ruling that stated that Arizona's Clean Elections Program rescue money provision was unconstitutional, it was announced that there would not be a 2009 program in New Jersey.



LAW DIVISION continued

Gubernatorial Public Financing

During 2008, the Special Programs staff began preparations for administering the 2009 Gubernatorial Public Financing Program. As part of this preparatory period, the Gubernatorial Electronic Filing System was enhanced to allow for filing required reports via the Internet. Furthermore, with the help of Webmaster Maryanne Garcia, the staff redesigned the gubernatorial web pages, included an overview of the program, provided links to the regulations, and distributed forms that were updated for the 2009 elections. Moreover, the first ever Gubernatorial Public Financing Manual was created and made available to candidates and the public on the Commission's website.

As part of the effort to prepare for the 2009 program, temporary Public Financing staff were hired. Two public financing analysts and two information technology specialists were hired and trained for the purpose of reviewing submissions and responding to inquiries stemming from participation by campaigns in the program. These staff members subsequently met with several potential candidates for governor and/or their representatives to provide training vis-à-vis the program and to familiarize them with the Gubernatorial Electronic Filing System software.

Conclusion

As always, the year 2008 was very busy and a successful one for the Special Programs staff. Despite challenging circumstances resulting from budget restraints and staff shortages, the staff conducted themselves professionally, competently, and courteously in delivering their special brand of public service.



OPERATIONS DIVISION

INFORMATION TECHNOLOGY SECTION

A high priority was again placed on enhancing the Commission's website in 2008. Despite fiscal pressure brought by the State's budgetary situation, staff undertook efforts to refine the look and usability of the website.



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

From the time the website was launched, the Commission has been proud of the role the site has played in furthering disclosure in New Jersey. As an ethics watchdog, ELEC works toward shedding light upon campaign financing and lobbying activities in the Garden State. The Commission's website has been an invaluable tool in this effort. In fact, the website was ranked number one in the northeast and tenth overall in the Grading State Disclosure 2008 national survey of governmental ethics agencies. Undoubtedly, the site has facilitated the efforts of New Jersey citizens to become more engaged in the political and governmental affairs of the State.

In addition to the above, measureable improvements were made last year in the area of electronic

filing. For example, electronic filing affecting businesses subject to the pay-to-play law was enhanced. Businesses which receive public contracts aggregating to more than \$50,000 per year are required to file information pursuant to those contracts as well as to all political contributions they made of more than \$300 in the preceding year. This information, filed by March 30th, is then made available to the public. Moreover, candidates, parties, and PACs were aided in their filing during 2008 by the availability of electronic filing of short forms such as the Form A-1 and A-3. Candidate committees increased their use of the R-1 Electronic Filing System (REFS) where electronic filing is required for gubernatorial and legislative candidates raising or spending over \$100,000. Finally and importantly, the Gubernatorial Electronic Filing System (GEFS) was enhanced to permit candidates to file reports directly via the Internet.

Maintenance and Support

The numerous servers, switches, routers, PC's, printers, and scanners used by the Commission were, as always, supported by the Information Technology (IT) staff last year. Indeed, the assistance given to the public by the help desk staff is critical to the Commission's mission of disclosure. The help desk staff plays an important part in the proper functioning of the website, as well as to its understanding by other ELEC staff and the public. Effectively, help desk support was given to non-computer staff regarding hardware and program support. Assistance was also provided to electronic filers and users of the Internet, all of whom were assisted in viewing campaign finance reports and online data information.

An important task of the IT staff is the management of recorded data from reports filed by candidates, party entities, PACs, and lobbyists. One of the major responsibilities of the IT staff is to convert reports filed electronically whether through the Internet, CD, or floppy diskette into an image that is viewed the same as paper. This process undertaken by staff is essential to the goal of making activities involving candidates, various political entities, and



OPERATIONS DIVISION continued

lobbyists more transparent. Both, hardcopy reports and electronically filed reports can be viewed on the website.

Data Entry Staff

A very important role is played by the Data Entry staff. During 2008, the Data Entry staff worked closely with the Compliance staff to produce campaign finance and lobbying statistics. Moreover, Data Entry staff assisted the Deputy Director by providing important statistics used in the most recent White Paper report involving the 2007 legislative elections. Finally, the fact that the public is able to obtain campaign financial information online is due to the Data Entry staff.



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

In 2008, this staff reviewed and verified approximately 19,000 campaign finance filing status entries and keyed approximately 20,000 contribution entries filed on campaign finance, PACs, and party reports. Furthermore, the staff keyed information from 545 annual lobbyist/governmental affairs agents' reports and other additional reports received in 2008. All information was keyed and verified, resulting in summary reports that were made available to the public.

Because of the work of the Data Entry staff, contributor data is made available for gubernatorial candidates, legislative candidates, state party committees, legislative leadership committees, and county party committees. In addition, the Data Entry staff entered detailed financial information from annual lobbyist/governmental affairs agent reports.

Work In Progress and Future Strategic Planning

Upgrading to FileNET's P8 platform will be the next major project for ELEC's IT staff to accomplish. As FileNET has issued a statement that FileNET E-Forms, which ELEC uses for short form electronic filing, is nearing the end of its life-cycle, upgrading to the P8 platform will now need to be accomplished sooner, rather than later. This required maintenance upgrade will be the priority focus of 2009. It is a big part of the IT strategic plan. Also, part of the IT strategic planning is the maintenance upgrade of ELECTrack to a .NET environment. This project will involve efforts that will be extended over a period of several years. Included in the ELECTrack upgrade is the electronic filing of the governmental affairs agents and represented entities quarterly and annual report filing.

Planning for the future will also include the development of software to provide for the electronic filing of: reports from state party, legislative leadership, and county party committees; personal financial disclosure forms for gubernatorial and legislative candidates; and professional fundraiser forms.

Conclusion

The Commission, through its IT Section, continues to maintain its excellent reputation among ethics agencies throughout the nation as demonstrated by being placed on the Grading States Disclosure's "Honor Roll."



OPERATIONS DIVISION *continued*

FINANCE AND ADMINISTRATION SECTION

During 2008, the Finance and Administration Section continued to play an integral role in the successful operations of the Commission by providing important management and employee services. Among the major areas handled and overseen by the Section are: budget planning and analysis, purchasing/procurement, personnel and payroll administration, mail processing, and facilities management.

Additionally, the Finance and Administration Section oversees copier, fax, and all other machinery maintenance for the entire Commission. Finally, reception services for the Commission are housed within the Finance and Administration Section. A great source of pride for all associated with the Commission is the fact

that all telephone inquiries are still courteously and efficiently handled personally by a knowledgeable staff member and are not simply forwarded to an answering machine or telephone menu.

Budget Administration

One of the major areas of responsibility for the Finance and Administration Section is the preparation, analysis, and management of the Commission's budget. This task has been affected by additional difficulties in recent years, and 2008 was no exception. As a result of the fiscal crisis facing the State, the Commission had to deal with severe budgetary constraints throughout the year. Through Treasury assessments and efficiencies, the

Commission's fiscal year 2009 appropriation of \$4.647 million was \$195,000 lower than the fiscal year 2008 appropriation of \$4.842 million. Additionally, during FY 2009, the Commission had to comply with an additional Treasury procurement savings initiative of \$21,000. This action, in turn, put additional pressure on Finance and Administration Section staff to ensure the accurate budgeting and management of expenditures.



From left: Meggan Mathies, Anita Vaingankar, Steven Dodson, Debra Kostival, Irene Comiso, Aracelis Ocasio, and Elaine Salit. Igor Milewski not shown.

Certainly these types of fiscal constraints could potentially have had a negative impact on Commission operations, especially considering the Commission's commitment to fully implementing all of the reform and ethics laws passed during the last few years. During 2008, however, Finance and Administration Section staff worked tirelessly with other Commission Sections to ensure the efficient management of the budget and the purchasing of necessary supplies and services in order to keep the Commission functioning at an optimal level.



OPERATIONS DIVISION continued

Personnel Administration

Another major area of responsibility for the Finance and Administration Section is the coordination and management of personnel activities for the entire Commission. As with the administration of the budget, the personnel area has also been severely impacted by the fiscal crisis facing the State. A Statewide hiring freeze was in place during 2008, with the hiring of essential staff only being allowed upon approval of an exemption request. Finance and Administration Section staff successfully worked with the Governor’s Office during 2008 to facilitate the hiring of temporary staff necessary to administer the high-profile Gubernatorial Public Financing Program for FY 2009 and FY 2010.

Other Activities

In addition to handling fiscal and personnel issues for the Commission, the Finance and Administration Section is also responsible for other general administrative functions and acting as the Commission’s liaison with the building management company. During 2008, the Section continued to work, often times impacted by strict budgetary constraints, to maintain an atmosphere where all other Sections could focus solely on their respective roles within the Commission without concern for these day-to-day administrative issues.

Conclusion

By providing important management and employee services in a timely and professional manner, the Finance and Administration Section has been an integral part of the Commission. During 2008, the Section operated within the parameters established by the Department of Treasury and the Governor’s Office and continued to handle all responsibilities effectively.

In Fiscal Year 2010, the Commission anticipates an appropriation of \$4.355 million based on the Governor’s Budget Recommendation.

Comparison of Fiscal Years 2008 and 2009
Original Appropriations

	<u>FY-2008</u> <u>Appropriation</u>	<u>FY-2009</u> <u>Appropriation</u>
Personnel	\$4,140,000	\$4,138,000
Printing & Supplies	100,000	60,000
Travel	15,000	7,000
Telephone	49,000	58,000
Postage	57,000	56,000
Data Processing	335,000	210,000
Professional Services	50,000	50,000
Other Services	78,000	40,000
OIT	1,000	11,000
Maintenance/Equipment	2,000	2,000
Furniture/Equipment	0	0
Commissioner Per Diem	<u>15,000</u>	<u>15,000</u>
Total Operational	\$4,842,000	\$4,647,000

2008 Evaluation Data

Disclosure Reports (Total)	27,964
<i>Campaign & Quarterly</i>	21,124
<i>Lobbyist</i>	6,837
<i>Personal Finance</i>	3
Investigations	49
Complaints	82
Public Assistance Requests	12,228
Photocopies	8,305
Fine Collection	\$162,982
Lobbying Annual Fees	\$367,625
Campaign Fundraiser Annual Fees.....	\$11,000



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
- **2007 Clean Elections Pilot Project** established by P.L. 2007, c. 60 – effective date March 28, 2007.



Steve Kimmelman



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"And liberty cannot be preserved without a general knowledge among the people... of the character and conduct of their rulers."
John Adams (1765)

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