

MINUTES OF THE MEETING

May 19, 1975

PRESENT

Frank P. Reiche, Chairman
Sidney Goldmann, Vice-Chairman
Josephine S. Margetts, Member
Archibald S. Alexander, Member
David F. Norcross, Executive Director

ABSENT

Herbert Alexander, Consultant
Edward J. Farrell, Legal Counsel

1) Commission vs. Burlington County Republican Committee (C-19-75).

The Commission considered the Notice of Hearing and Complaint which alleged a violation of Section 8 of the Campaign Contributions and Expenditures Reporting Act with respect to a late filing of the March 1 Annual Report. This report was filed by the Respondent on March 21, 1975. Having considered the testimony of Craig R. Farnsworth, Treasurer, who appeared on behalf of the Respondent, the Commission found a negligent but not willful violation of Section 8 of the Act and imposed a fine of \$100 on the Respondent Committee.
Motion

The Executive Director excused himself from consideration of this matter because of having been a member of the respondent organization prior to assuming his duties with the Commission. Communication of findings was assigned to Chairman Reiche.

2) Discussion took place with respect to the laxity of reporting organizations and candidates as regards the requirement that a treasurer and depository be designated prior to the receipt or expenditure of funds. The Executive Director was directed to communicate to all county chairmen the Commission's determination that this requirement would be strictly enforced in the future. The Executive Director indicated that this matter would be specifically mentioned at the June 23 meeting of county chairmen and would be included in a summer communication with candidates, treasurers and chairmen of political party committees.

3) The Minutes of the Meeting of March 24, 1975 were approved as submitted.

4) The Minutes of the Meeting of April 10, 1975 were approved as submitted.

5) Mozak vs. Sottile (C-03-74).

The Commission resumed consideration of this matter. The Chairman indicated that the question of the similarity of the name of the Respondent organization with the name of any organization of which one of the witnesses was a member did not appear in the transcript and that there was apparently no evidence in the record of such name similarity. It was noted that evidence of a prior conviction of a violation of Title 18A:14-97 had been presented at the hearing.
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The Commission found evidence of deliberate deception which is supported by the conviction of a violation of N.J.S.A. 18A:14-97; prior involvement in the election and financial disclosure process by Mrs. Sottile and the late distribution of the flier in question. On Motion of Vice-Chairman Goldmann, seconded by Chairman Reiche, the Commission found a willful and knowing violation of the reporting requirements of the Act (Section 8) and imposed a fine in the aggregate amount of \$500 jointly and severally on the Montville Citizens for Better Education, Rosalie Jean Sottile and Angelina Pizzi. Vote 4-0. An opinion consistent with those findings is to be submitted to the Commission by Vice-Chairman Goldmann on June 2 for release on that date.

6) Salkind vs. Ferrell and Gagliano. Respondents in this matter were alleged to have reported a contribution in-kind but to have failed to correspondingly report an expenditure. It was found that the error in question could under no circumstances amount to more than a technical violation and in view of the disclosure of the in-kind contribution it was determined to take no further action. The matter was therefore, on the Motion of Vice-Chairman Goldmann, seconded by Commissioner Margetts, dismissed. Vote 4-0.

7) Linett vs. Franklin Township Taxpayers Association (C-11-74). Vice-Chairman Goldmann excused himself from consideration of this matter because of previous representation on behalf of the Franklin Township Taxpayers Association. The report of the Hearing Officer was accepted by the Commission after consideration of the exceptions filed. The Commission on Motion of Commissioner Margetts, seconded by Chairman Reiche, found a clearly unintentional violation based upon a misinterpretation of the Act and ordered a reprimand. Commissioner Alexander amended the original Motion with the assent of Commissioner Margetts, to indicate that the Commission had considered legislative intent but found nothing from which to conclude that the expenditures of an organization such as Respondent, when directed to the support or opposition of specific candidates, should go unreported. Vote 3-0

8) Martin vs. Rahway Taxpayers Association, Inc. The Executive Director was directed to prepare a formal Notice of Hearing and Complaint and the matter was assigned to Barry Osmun to serve as Hearing Officer. Vote 4-0.

9) Commission vs. Passaic County Democratic Committee. The matter of an alleged failure to file a campaign finance report seven days prior to the 1974 General Election was discussed and the Executive Director was directed to prepare a formal Notice of Hearing and Complaint and to assign the matter to Edward N. Adourian as Hearing Officer. The matter was referred to counsel for recommendations as to the assignment of Trial Counsel.

10) The Chairman indicated that the Commission at its next regular meeting would consider the response of Attorney General, William Hyland, to Commissioner Alexander's letter on conflicts of interest. The Chairman noted that no report on the matter had been filed as yet by counsel.

11) Commission vs. New Jersey Republican Finance Committee (C-23-74). The Executive Director at the request of Trial Counsel, Donald B. Heeb, Esq. inquired as to the possibility of amending the Notice of Hearing and Complaint for the purpose of eliminating allegations of willful violations of the Act under Section 21. The Executive Director was requested to inform Trial Counsel that no amendments which would

eliminate allegations of willfulness or violations of Section 21 of the Act would be appropriate at this time. It was further determined that the Commission's general position with respect to possible adjournments was that the matter should continue, if possible, to conclusion. However, the Hearing Officer, Martin L. Haines, Esq., was to be informed that the hearing would be completely under his control and direction and that he might make such rulings on motions to adjourn and other procedural matters as he thought best suited the case. The Executive Director was, however, requested to inform Mr. Haines, through Trial Counsel, that the matter had been adjourned on several occasions and that May 20 and 21 had been selected as firm hearing dates.

12) McDonald vs. Committee to Preserve Economic Suburban Government. The Commission considered the matter of the Respondent's non-willful, though negligent failure to allocate properly an expenditure between candidates and a public question. It was determined, on Motion of Vice-Chairman Goldmann, seconded by Commissioner Alexander, to advise the Respondent of a technical violation of the reporting requirements of Section 8 of the Campaign Contributions and Expenditures Reporting Act and to accompany that notification with an admonition that careful attention is to be paid to the requirements of the Act in the future. The Respondent shall be provided with the opportunity to demand formal hearing. Vote 4-0.

13) Apfel vs. Walsh. The Commission having considered the complaint previously filed in this matter found on Motion of Vice-Chairman Goldmann, seconded by Commissioner Margetts, negligent violations of Section 8, 10 and 12 in that Respondent failed to file campaign contribution and expenditure reports (Section 8); did not designate a treasurer and depository prior to receiving or expending funds (Section 10) and failed to deposit funds in the campaign depository (Section 12). It was further determined to offer the Respondent the option of a formal hearing. Vote 4-0.

14) Consideration of the Draft Opinion in Henwood vs. Staton was postponed until June 2, 1975.

15) Consideration of the Draft Opinion of Commission vs. Salkind was postponed until the meeting of June 2.

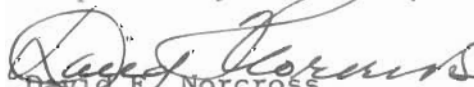
16) Cliffside Park Democratic Campaign Committee (C-19-73). On Motion of Commissioner Alexander, seconded by Vice-Chairman Goldmann, it was determined to dismiss the complaint in this matter on the condition that the Respondents file an amended return clearing reflecting properly allocated expenditures. Vote 4-0.

17) Commission vs. Starner (C-06-75). This is an alleged violation of the expenditure limitation of Section 7 of the Act. The matter was referred to a Hearing Officer and the Executive Director was authorized to select Harold B. Wells, III, or in the event of his unavailability, William Wood.

18) Zuckerman vs. Pallotta and Lazzaro (C-04-73). The Commission undertook a general review of the complaint, Hearing Officer's Report and other facts in this case. Consideration of this matter was adjourned until the next meeting.

19) The meeting was adjourned at 4 p.m.

Respectfully submitted,


DAVID F. NORCROSS
Executive Director