



State of New Jersey

ELECTION LAW ENFORCEMENT COMMISSION

STANLEY G. BEDFORD
CHAIRMAN

OWEN V. MCNANY, III
VICE CHAIRMAN

ANDREW C. AXTELL
COMMISSIONER

DAVID LINETT
COMMISSIONER

NATIONAL STATE BANK BLDG., SUITE 1215
28 W. STATE STREET, CN-185
TRENTON, NEW JERSEY 08625-0185
(609) 292-8700

FREDERICK M. HERRMANN, PH.D.
EXECUTIVE DIRECTOR

JEFFREY M. BRINDLE
DEPUTY DIRECTOR

GREGORY E. NAGY
LEGAL DIRECTOR

EDWARD J. FARRELL
COUNSEL

PUBLIC SESSION MINUTES

JANUARY 17, 1989

All of the Commission members and senior staff were present.

Chairman Stanley G. Bedford called the meeting to order and announced that pursuant to the "Open Public Meetings Act," N.J.S.A. 10:4-8 et. seq. special notice of the meeting of the Commission had been filed with the Secretary of State's Office and distributed to the entire State House Press Corps.

The meeting convened at 10:05 a.m. at the Commission's offices at 28 West State Street, Trenton, New Jersey.

1. Approval of Public Session Minutes of December 20, 1988

On a motion by Vice Chairman McNany, seconded by Commissioner Linett and passed by a vote of 4-0, the Commission approved the Public Session Minutes of December 20, 1988 as amended. The Commission amended the third paragraph on Page 21 "On a motion by Commissioner Axtell, seconded by Commissioner Axtell and passed by a vote of 4-0, the Commission approved the advisory opinion" to read "on a motion by Commissioner Axtell, seconded by Commissioner Linett and passed by a vote of 4-0, the Commission approved the advisory opinion."

2. Executive Directors' Report

A. New Public Financing Law

Executive Director Herrmann reported that the Assembly Committee Substitute (ACS) for the gubernatorial public financing bill (A-1705/2250) (Martin, Cimino, Baer), passed both houses of the legislature on January 10, 1989. He said that the bill has not yet been signed by the Governor.

Executive Director Herrmann said that ELEC's resolution calling for a postponement of the first filing date for gubernatorial candidates seeking public funds played a major role in providing time for the compromise.

The Executive Director indicated that Public Financing Director Nedda Massar would discuss specific provisions of the bill in her report. He said, however, that he wanted to note for the Commission that the bill does contain the innovative campaign cost index developed by the Commission. Moreover, he noted, the bill includes language requiring ELEC to choose debate sponsors. Executive Director Herrmann said that this was a new provision in the law.

Chairman Bedford said that he assumed that the Commission was not going to be required to be involved in the debate negotiation process.

Executive Director Herrmann confirmed that this assumption was correct. He said that in the original draft of this legislation the Commission could have chosen to be involved in this process. The Executive Director said that now, however, ELEC's sole responsibility is to choose a sponsor, not to administer the debates.

Counsel Farrell added that under the bill the sponsoring agency sets up the rules. He said that if any problems in negotiation remain unresolved, they would presumably be resolved by the court.

Chairman Bedford said that it was his feeling that unresolved problems would probably not go to the courts, but would come back to the Commission. He said that he could not see the courts getting involved in matters related to debate negotiations.

Executive Director Herrmann said that it was his interpretation of the bill that the final arbiter in resolving problems of negotiation would be the sponsor of the debate.

Chairman Bedford asked if a candidate does not accept a decision of the sponsoring agency, what kind of powers does the Commission have to enforce that decision.

Executive Director Herrmann responded that the Commission could take away public funds from a candidate who refused to debate because of a disagreement with the sponsoring agency.

Counsel Farrell said that because the Commission has not gone through this exercise yet, it was difficult for any of these questions to be answered authoritatively.

Executive Director Herrmann reported that the Commission was in good shape vis-a-vis the hiring freeze as it applies to the gubernatorial public financing program staff. He indicated that the Commission had asked for the freeze to be lifted relative to public financing staff in its December resolution to the Governor. Executive Director Herrmann said that, in addition to the resolution, he also contacted personally the staffs of the Governor and Legislature about lifting the freeze as part of A-1705/2250.

The Executive Director reported also that all paperwork requesting exemptions for this staff was submitted through regular channels to the Office of Management and Budget (OMB). Executive Director Herrmann said that though the bill was not amended to lift the freeze, OMB nevertheless lifted it on three of the four positions remaining to be filled. He said that as a result of OMB's actions, the public financing staff was now adequately if not completely staffed.

B. Computer Upgrade

Executive Director Herrmann reported that the computer upgrade, making the Commission's computer four times as powerful as before, was now fully operational. He said that despite some procedural delays this upgrade was accomplished in time for the onset of the public financing program.

C. Staff Activity

Executive Director Herrmann reported that on January 7, 1989, Deputy Director Brindle spoke to the New Jersey Women's Political Caucus.

Executive Director Herrmann also said that on January 12, 1989, he personally participated in a meeting on campaign practices reform, sponsored by the League of Women Voters, at the Woodrow Wilson School of Government at Princeton University, Princeton, New Jersey.

The Executive Director reported that Mr. Dan Sedlis of the New York City Campaign Finance Board would be visiting the Commission to study ELEC's computer set-up and public financing procedures.

He added that on February 10, 1989, he would be addressing the New Jersey Society of Association Executives on PACs and lobbies under New Jersey Law. Executive Director Herrmann said that Assemblymen Schluter and Martin would also be addressing this group.

Finally, Executive Director Herrmann said that pursuant to Director of Compliance and Information Evelyn Ford's suggestion, the Commission will conduct a county and municipal clerk's information session on February 24, 1989 at the Forrestal Center, Princeton, New Jersey.

Chairman Bedford suggested that staff of the State Division of Elections be invited to attend the session.

D. Feerick Article

Executive Director Herrmann reported that John Feerick, Dean of Fordham Law School and Chairman of the New York State Commission on Government Integrity, had singled out the Commission for praise in an article in Governing magazine. He said that Mr. Feerick referred to the Commission as "a dynamic, independent enforcement board."

E. Budget Update

Executive Director Herrmann reported on the Commission's five-year staffing plan as well as the budget cuts it has been directed to absorb in FY 1990.

The Executive Director began by stating that in all the national accounts that he has seen the Commission is considered to be one of the top analytical and enforcement agencies in the nation.

He reported that the Commission's 1988 evaluation data is right on target, with approximately 100 investigations being closed and 550 complaints issued. Executive Director Herrmann maintained also that the Commission continued its excellent record of analysis, citing the Gubernatorial Cost Analysis Report, White Paper Number One, and Primary and General 1987 computer data as examples. Executive Director Herrmann said that staff would present the Commission with a list of press releases for 1989 at its next meeting.

In addition, the Executive Director said that the Commission has been written up in many books and articles by widely-recognized experts in the field of campaign finance and ethics for its fine reputation. Among the experts who have cited the Commission for its outstanding work are: Dr. Herbert E. Alexander, Professor at the University of Southern California and Director of the Citizens' Research Foundation; Dr. Frank J. Sorauf, Professor at the University of Minnesota; Dr. Robert Kerstein, Researcher for Florida State Law School; Ms. Karen Fling, Founding Editor of Campaign Practices Report, and Dr. Robert Huckshorn, Professor at the Florida Atlantic University.

Executive Director Herrmann said that in addition to ELEC's fine record in enforcing the law and in producing analytical reports, its reputation has been earned as the result of initiatives it has taken through the years as well. He said that through its annual reports and press releases, the Commission has often pushed for change in the laws it administers. The Executive Director mentioned the Commission's call for PAC registration, surplus fund reform, lobbying reform, and personal financial disclosure reform as examples of its activist stand. Moreover, Executive Director Herrmann cited the Gubernatorial Cost Index (which is included in the new public financing law), a call for raising the fine scale, a recommendation for banning corporate and union contributions, and a plea for more money to do the job as further examples of ELEC's activist role.

Executive Director Herrmann added, however, that in the future the Commission will have difficulty sustaining this high level of performance if it does not receive the additional dollars for which it has continually asked. He said that while campaign finance is a "growth industry" and the Commission has witnessed an "explosion in financial data" contained on the reports it receives annually, it has not received a commensurate increase in funding to help it keep pace with this growth. Executive Director Herrmann

said that, quite to the contrary, OMB is asking the agency to cut its budget in FY 1990 by 13 percent, or \$221,000; instead of granting a requested \$281,000 increase.

He said that these cuts represent movement in the wrong direction and will be difficult to absorb. He said that ELEC estimated in its budgetary documents that it will need six more positions in FY90 and fourteen more over the next five years. Executive Director Herrmann indicated that the Commission needs an additional \$550,000 over the next five years and cannot absorb large cuts in its budget without a decrease in service.

Vice Chairman McNary, referring to a recent article in the Philadelphia Inquirer, said that he was concerned about two issues cited in the article. He said that first the article left the mistaken impression that the Commission was not deploying its resources adequately and, second, that the Commission has the statutory authority to legislate whatever it wants.

Vice Chairman McNary asked: "Should we respond to these issues with letters to the editor?" Moreover, he said that if the Commission decided to respond, it should also lobby both the Governor and Legislative leaders relative to its budgetary problems. For example, suggested the Vice Chairman, copies of our letters to the editor and press releases could be sent to the Governor and Legislative leaders.

Chairman Bedford said that it was difficult to rectify an impression once it has been printed.

Vice Chairman McNary said that he believed the record should be set straight.

Commissioner Axtell said that it has been his experience that it is better not to raise the issue again, whether or not information contained in a particular article was correct.

Vice Chairman McNary reiterated that he believed that the Commission should set the record straight.

Commissioner Linett said that he did not believe that the Commission should appear defensive about criticism. He said that it is a public agency and should expect, and in some cases, welcome criticism and discussion.

Commissioner Linett suggested that instead of being defensive, the Commissioners should get more involved in terms of lobbying the Governor and the Legislature.

He said that Executive Director Herrmann is the one on the firing line and that this was an unfair position for the Commission to put him in alone. Commissioner Linett suggested that more Commission involvement in the process would remove some of the pressure from the Executive Director.

Vice Chairman McNary said that he was not so much thinking in terms of any possible criticism of the staff but of the criticism leveled at the Commission as a body. He said that he was thinking about the members of the Commission responding to this criticism.

Chairman Bedford asked: "Who should sign the letters?" "How should the Commission go about this?" He asked if letters to the editor should be sent individually from Commission members or from the Commission as a body.

Executive Director Herrmann stated that his remaining comments would address and perhaps clarify the concerns of the Commission.

The Executive Director said that the Commission was certainly one of the best in the field. He said that there was always room for improvement, its record was not perfect, but that it was undoubtedly one of the best ethics agencies in the nation.

Executive Director Herrmann reported that the staff was currently maintaining its high level of services but that this effort would grow more difficult in the future as the workload continues to increase. He said that at present staff was accomplishing its tasks, in part through working overtime. For example, Executive Director Herrmann noted that staff worked the equivalent of ten weeks of overtime in November, with three and one-half weeks being worked by the directors.

The Executive Director said that the staff was stretched to the limit. He reiterated that the Commission's five-year plan would ease the situation, but that the thirteen percent cut in the FY90 proposed budget represented movement in the wrong direction. He said that the Commission required the immediate services of an additional field investigator, a third compliance officer, a second prosecutor, and a researcher as outlined in the 1987 Annual Report. Executive Director Herrmann maintained that the Commission urgently needed more money in its operating accounts to offset the increases in printing, postage, and telephone costs.

Executive Director Herrmann noted also that Governor Kean, in his State of the State Address, endorsed public financing for legislative elections. He said that staff planned to study the issue and address it in White Paper Number Three, but that it was important for the Commission to press for adequate funding to administer its current programs before the Governor and the Legislature enact any new and more costly ones.

Executive Director Herrmann added that he was concerned that the gubernatorial and proposed Legislative public financing programs were generous with candidates at the same time that ELEC was being pinched administratively. Indeed, ELEC's staff always prepares material on administrative costs for every bill on which ELEC testifies. In the decade of the eighties, the law was changed a number of times increasing ELEC responsibilities without making any appropriations.

Commissioner Axtell said that in his opinion the Commission should not talk too much about the need for more money. He said that the Commission should find a way to cut down on the money it is spending.

Chairman Bedford said that what Commissioner Axtell is suggesting is that the Commission not "cry" until it is hurt. He said that the agency is no different from any other State agency in that every other agency has to assume cuts as well.

Chairman Bedford said that he could only be critical of OMB for not giving the agency flexibility as to where cuts in its budget could be made, not in the fact that it has to absorb those cuts.

Executive Director Herrmann agreed that OMB's targeting of the cuts made ELEC's position that much more difficult. He also added that the uniform 13 percent cut of all agencies hurt small units like ELEC much more than large ones with greater overall resources.

Vice Chairman McNary asked if staff could be redeployed if necessary to compensate for the lack of field investigatory staff.

Executive Director Herrmann responded that because of Department of Personnel rules, job descriptions including educational and experiential requirements, and salary differentials; it would be impossible to redeploy staff permanently in this way although staff currently was being shifted around on an "as needed" basis. Desk auditors for example, were being used from time to time for field audits. However, staff was "robbing Peter to pay Paul" in that the current desk audit staff was not adequate to do their own job. Also, he noted using desk auditors "out of title" means they cannot be held accountable for their errors. In sum, a small agency like ELEC does not have the "resource flexibility" of a large State department. Too, ELEC's workload is rapidly increasing and not remaining static.

Chairman Bedford suggested that staff do the best it can and not go too far afield on the budget matter. He said, however, that it was important for the staff to make the agency's budgetary case. He said that it is clear the Commission needs more employees and resources, but that for now it should do the best it can with its current allocations.

Executive Director Herrmann agreed that it was necessary for the Commission to inform OMB and the Legislature of its need for more staffing. He suggested that the Commission would not want anyone to criticize it in the future for not making its budgetary situation known, and that the Governor and Legislature could not help if they did not know the problems and concerns.

Chairman Bedford concurred that it was responsible for the Commission to state its case but that in the current atmosphere it should not "rattle the cage" too much.

F. Future Meetings

Executive Director Herrmann presented the Commission with a supplementary meeting schedule pursuant to the gubernatorial public financing program and the certification of public funds.

He said that the first meeting for public financing would be held on February 2, 1989, if needed, and that the next regular meeting was scheduled for February 21, 1989.

Chairman Bedford asked if the public financing meetings could be conducted by telephone.

Commissioner Linett said that he would like to keep this matter open until the Commission determines how the process is evolving.

Commissioner Axtell said that he did not know why the Commission had to meet at all. He said that the process only involved the Commissioners signing off on certification forms.

Vice Chairman McNary said that he believed the new members of the Commission should experience the process for educational purposes.

On a motion by Commissioner Linett, seconded by Vice Chairman McNary and passed by a vote of 4-0, the Commission adopted the supplementary meeting schedule and instructed staff to amend the annual meeting notice filed under the "Open Public Meetings Act."

Chairman Bedford suggested that the Commission return to the issue of whether it should become more active in terms of responding to press criticism.

Commissioner Linett said that most issues on which the Commission distributes press releases do not have great impact. He said, however, that when the Commission does publish a press release on a major new issue, discussion by the Commission should take place.

Commissioner Linett said also that the Commission members should maintain a more active role in pushing for the adoption of legislation. He said that this active role should be undertaken generally, and not only in regards to responding to the Commission's budgetary problems.

Executive Director Herrmann said that the Commission as an entity has been taking an active role in pressing for legislative change. He reiterated that the Commission has called for lobbying reform, has successfully pressed for reform of gubernatorial public financing, and has urged PAC reform. He said also that the Commission has favored a ban on corporate and union direct contributions, as well as pressed for numerous other initiatives. The Executive Director cited previous annual reports, press releases, and his appearances before legislative committees as

examples of the Commission's active role in pushing for changes in the law. He welcomed, however, more involvement of Commissioners in these matters, suggesting that they might consider contacting directly the Governor and Legislators they know to make the Commission's case.

Chairman Bedford said that the Commission's emphasis should be on getting legislation effectively passed and not in responding directly to criticism.

Vice Chairman McNary said that the Commission would not be responding directly to criticism but setting the record straight relative to any unfair impression of the Commission's performance created by any news articles.

Legal Director Nagy said that Executive Director Herrmann had to be very careful with respect to endorsing specific bills. He said that often similar bills are introduced into the Legislature by different sponsors. Legal Director Nagy said that favoring one specific bill over another may not be in the best interest of good legislative relations and may involve the Commission in a partisan struggle.

Deputy Director Brindle, citing his previous experience as the press officer for the Department of Community Affairs, said that in his opinion, unless the Commission was the target of a steady stream of criticism, it is best to ignore infrequent and isolated criticism by not responding to it. He pointed out that the Commission was really talking about one article in one newspaper and not about wide-spread criticism. Moreover, Deputy Director Brindle said that probably only a small number of people read the article in the first place, even less remember it, and that it is generally not good policy to raise the issue again yourself and thus make more people aware of the original criticism.

Commissioner Axtell stated that this represented his opinion and what he was suggesting earlier.

Commissioner Linett said that the Commission should not be defensive about criticism. He agreed that the criticism was not wide-spread and that the Commission should not respond.

3. 1989 Public Financing Program

Director of Public Financing Nedda Massar reported that the Commission was in limbo on the new public financing bill until the Governor signs it into law. She indicated that software changes and correcting of candidate manuals had to wait until the new law is enacted. Director Massar said, however, that staff is fully prepared to administer the bill and to accept submissions on January 23, 1989. In addition, the Director said that staff has been advising potential candidates and interested persons about the provisions of the bill and about program procedures. Director Massar said that the bill contains a \$150,000 qualification threshold, which permits a retroactive match of \$100,000; expenditure limits of \$2.2 million in the

primary and 5 million in the general; public funds caps of \$1.35 million in the primary and \$3.3 million in the general; a 2-1 match; and a contribution limit of \$1,500. She said that new provisions include a requirement that submissions contain incremental thresholds of \$12,500; inclusion of the campaign cost index for adjusting the thresholds and limits; and responsibility for choosing a debate sponsor. Director Massar then reviewed a chronology of deadlines in preparation for the 1989 gubernatorial public financing candidate debates. She said that the Commission was required in the bill to make a decision by April 14, 1989 on the debate sponsor list and suggested that the decision be made at the Commission's March 21, 1989 meeting.

Commissioner Linett asked how the Commission would get sponsors for the debate.

Director Massar said that the Commission would send letters to a list of organizations, with the criteria being that these organizations have experience in running television debates, that they be non-partisan and that they have not endorsed any candidates in the 1989 election.

Counsel Farrell said that he questioned the wisdom of encouraging a large field of potential sponsors. He said that the law limited the field by requiring previous experience with running a televised debate.

Chairman Bedford said that it seems that the Commission is limited by the law in terms of who it can choose to sponsor the debate. He asked whether there was anything in the bill which states that the debate must be on television.

Director Massar said that in terms of the guidelines for being a sponsor contained in the bill, it is inferred that the debate must be televised.

Chairman Bedford said that before any letter is sent out staff should determine who sponsored television debates in the past.

Executive Director Herrmann concurred with this suggestion, and also praised Director Massar for her fine efforts heretofore.

4. Adoption of Amendments for Reporting and Recordkeeping

Legal Director Nagy said that these amendments were reviewed by the Commission at a previous time. He said that the Commission had authorized formal publication of these amendments and has not received any written comments on them. He said that they are now ready for final adoption. For details see: January 10, 1989 memorandum from Legal Director Nagy to Executive Director Herrmann entitled "Adoption of Reporting and Recordkeeping Regulations," to which was attached the text of the proposed amendments.

On a motion by Commissioner Linett, seconded by Vice Chairman McNary and passed by a vote of 4-0, the Commission approved the adoption of the amendments as proposed and directed staff to proceed with Filing of the Notice of Adoption with the Office of Administrative Law in the Department of State.

Commissioner Linett noted that he voted in favor of businesses not reporting, but that he did so because requiring reporting by these entities is not authorized in the statute.

Executive Director Herrmann reminded the Commissioners that in regard to corporate reporting of contributions, they had suggested a total ban on such activity in White Paper Number One.

5. Regulation Changes Required by New Public Financing Legislation

Executive Director Herrmann discussed a memorandum which recommends that the Commission forego at this point because of a lack of time any attempt to conform the primary election regulations to the new statutory provisions of the anticipated public financing law and concentrate instead on revising the general election public financing regulations. He said that when enacted, the new statutory provisions supercede existing public financing regulations. Moreover, new procedures could be temporarily placed in publicly released memoranda for administrative purposes.

Commissioner Linett said that the Commission could adopt summarily regulations and that he believes it should do so.

Counsel Farrell agreed, saying that the proposed law gives ELEC the authority to adopt regulations necessary to effectuate the public financing program without going through the normal and cumbersome regulatory procedures. He said that, at the very least, threshold and limit numbers could be changed. He also suggested that the Commission perhaps could address the debate provision. Counsel Farrell said that there is nothing in the law setting forth standards for selecting debate sponsors, and that the Commission might want to set forth those standards. Counsel Farrell said that the statute gives ELEC the authority to choose one, or more than one sponsor, and that perhaps the Commission might want to explore this question further through regulation.

Commissioner Linett said that the bill includes different standards for the Commission to adopt regulations regarding the public financing law. He said that the staff should propose what regulatory changes are necessary.

6. Draft Regulation Concerning Preelection Communications

This issue involved draft regulations contained in a January 10, 1989 memorandum from Legal Director Gregory E. Nagy to Executive Director

Frederick M. Herrmann which draft regulations set forth standards pursuant to when a communication from an officeholder to his or her constituents should be deemed a political communication and subject to disclosure requirements.

Chairman Bedford asked why the 60-day period was selected.

Legal Director Nagy said that the 60-day period is based on federal law relative to the congressional franking privilege. He said this aspect of the question was discussed at the last meeting.

Chairman Bedford said that what the Commission is really concerned about is the spate of television commercials and other advertising relative to potential gubernatorial candidates. He said that it makes a big difference if one is addressing the issue on the local level or on the gubernatorial level. Chairman Bedford said that this proposal does not address the gubernatorial problem.

Commissioner Linett said that at the last meeting the Commission agreed that it needed separate regulations, one to address the local question and the other to address the gubernatorial one. Commissioner Linett said that the proposal does not get to the heart of the gubernatorial problem as previously discussed by the Commission.

Chairman Bedford said that it was very difficult for a Commission like ELEC to address these problems. He said that he questioned whether the Commission might be moving into territory into which it should not move.

Commissioner Linett said that as a general rule his suggestion would be for any communication taking place before the previous general election to be excluded from any regulatory monitoring. He said that any such communication taking place after the previous general election and before the gubernatorial primary could be counted against the expenditure limit.

Chairman Bedford said that with respect to the draft proposal he could favor its approach for every level but the gubernatorial one.

Commissioner Linett said that the Commission could not solve the problem presented recently by some potential gubernatorial candidates with the 60-day cut-off.

Vice Chairman McNary said that a six-month cut-off period for gubernatorial candidates would be better. He suggested that the six-month period would be that period prior to the election for which the candidate is running.

Chairman Bedford suggested that the staff needed to redraft this regulation, separating out the guidelines which apply to the gubernatorial candidates from those that apply to local candidates.

The Commission determined to carry this matter over to the next regular meeting, when it will consider a redrafted proposal.

7. Advisory Opinion Request No. 01-1989

This advisory opinion request from State Senator Donald T. DiFrancesco inquires as to whether both the "Friends of Don DiFrancesco" and he, as an individual, can make the maximum contributions to a gubernatorial candidate.

The draft response to the advisory opinion request affirms the right of both the DiFrancesco PAC and Senator DiFrancesco, as an individual, to make separate maximum contributions to a gubernatorial candidate.

Commissioner Linett suggested that the advisory opinion response should be revised slightly to clarify that the question involves both the PAC and any contributor to that PAC, including Senator DiFrancesco himself. He said that he was not sure that the regulation cited as the basis for the opinion was in point with the question. He asked if any other regulations would be applicable.

Chairman Bedford said that Legal Director Nagy was correct in citing the regulation he did. He said that the implication is that both the PAC and the individual can make contributions.

Legal Director Nagy said that he would change the advisory opinion response to refer to the telephone conversation staff had with the Senator, because this conversation clarified the issue more so than the Senator's letter.

Commissioner Linett recommended that the first paragraph be changed to refer to "any contributor," not just the Senator himself.

On a motion by Vice Chairman McNary, seconded by Commissioner Linett and passed by a vote of 4-0, the Commission approved the draft response with the recommended changes in the language.

8. Advisory Opinion Request No. 02-1989

This advisory opinion request, from Eli J. Weissmann, inquires as to whether it is permissible for a continuing political committee to invest its cash-on-hand in the purchase of an equity entitled, "Prudential-Bache Triple Tax-Free New Jersey Trust."

The draft response concludes that it is permissible for the continuing political committee to invest its cash-on-hand in these tax-free municipal bonds.

On a motion by Commissioner Linett, seconded by Commissioner Axtell and passed by a vote of 4-0, the Commission approved the advisory opinion as written.

9. Executive Session

On a motion by Commissioner Linett, seconded by Commissioner Axtell and passed by a vote of 4-0, the Commission voted to go into Executive Session to discuss investigative and enforcement matters, the results of which will be made public at their conclusion.

10. Adjournment

On a motion by Vice Chairman McNary, seconded by Commissioner Axtell and passed by a vote of 4-0, the Commission voted to adjourn at 1:05 p.m.

Respectfully submitted,



FREDERICK M. HERRMANN, PH.D.

FMH/jah