

ELECTION LAW ENFORCEMENT COMMISSION

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JEFFREY M. BRINDLE Executive Director

JOSEPH W. DONOHUE Deputy Director

CAROL L. HOEKJE Legal Director

AMY F. DAVIS Compliance Director

EDWIN R. MATTHEWS Legal Counsel

PUBLIC SESSION MINUTES

March 18, 2014

Chairman DeFilippis, Vice Chairman Timpone, Commissioner Saunders, Legal Counsel Matthews, and senior staff were present. Director of Review and Investigation Shreve Marshall was also present. Special Programs Analyst Scott Fagerty was present for the purpose of recording the minutes.

The Public Session Minutes will be available online on the Commission's website at: <u>http://www.elec.state.nj.us</u>.

The meeting convened at 11:00 a.m. in Trenton.

1. Open Public Meetings Statement

Chairman DeFilippis called the meeting to order and announced that pursuant to the "Open Public Meetings Act," <u>N.J.S.A.</u> 10:4-6 <u>et seq</u>., adequate 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. It was also posted on the Commission's website.

2. Approval of Public Session Minutes of January 21, 2014

On a motion by Vice Chairman Timpone, seconded by Commissioner Saunders, and passed by a vote of 3-0, the Commission approved the Public Session Minutes of January 21, 2014.

3. <u>Approval of Public Session Minutes of February 11, 2014</u>

On a motion by Commissioner Saunders, seconded by Chairman DeFilippis, and passed by a vote of 2-0, the Commission approved the Public Session Minutes of February 11, 2014 as amended by Chairman DeFilippis. Vice Chairman Timpone recused himself from this vote.

RONALD DEFILIPPIS Chairman

WALTER F. TIMPONE Vice Chairman

AMOS C. SAUNDERS Commissioner

4. <u>Executive Director's Report</u>

- A. <u>Annual Lobbying Report:</u> Executive Director Brindle reported that a review of Lobbying Annual Reports shows that \$60 Million had been spent, which is an increase of 4 percent from the amount spent in 2012. He added that \$6.7 million dollars were spent on mass communication efforts, which is a 204 percent increase from the previous year.
- B. <u>County Party Report:</u> Executive Director Brindle announced that County Party Committees had raised \$9.9 million dollars in 2013, while spending \$10 million. He compared the amounts raised and spent in 2013 to those in 2001, during which county parties raised \$21.9 million dollars and made expenditures of \$21.8 million.
- C. <u>Pay-to-Play Report:</u> Executive Director Brindle notified the Commission that the information from the Business Entity Annual Reports will be released in early April.
- D. <u>Delaware Strong Families v. Joseph Biden III:</u> The Executive Director informed the Commission of a legal challenge to Delaware's disclosure law by the group Delaware Strong Families. He stated that the case, in the US District Court for Delaware is relevant to the Commission as it specifically challenges a law requiring the disclosure of independent expenditures. Executive Director Brindle declared that he did not expect Delaware Strong Families to succeed.
- E. <u>Minnesota Campaign Finance Board Advisory Opinion:</u> The Executive Director reported that The Minnesota Campaign Finance Board was asked to issue an Advisory Opinion to decide whether a candidate may raise funds for a super PAC that will make expenditures on behalf of the candidate. The Minnesota Campaign Finance Board determined that such an action constitutes coordination. Executive Director Brindle noted that federal candidates are allowed such activity. He added that the Advisory Opinion could be challenged.
- F. <u>Administration Update:</u> Executive Director Brindle stated that the Finance and Administration section now issues a monthly Administration Update, which aims to inform staff members of procedures and topics of interest to them as employees.
- G. <u>Training Session</u>: Executive Director Brindle informed the Commission that staff has scheduled a number of training sessions:
 - 2/27/14 Monmouth County Democrats
 - 3/27/14 Bergen County Republicans
 - 4/24/14 Ocean County Democrats
 - 4/29/14 Bergen County Democrats
- H. <u>Legislation</u>: Executive Director Brindle informed the Commission that Sen. Jim Whelan has introduced legislation which would provide for the public financing of gubernatorial candidates running in special elections.

The Executive Director also commented on two bills introduced in the Senate. S-554, introduced by Shirley Turner, would require disclosure by outside groups. S-938 sponsored by Senators James Beach and Linda Greenstein would also require disclosure by outside groups, but would also include pay-to-play reforms, require real time reporting, and increase contribution limits.

I. <u>Computer Issues:</u> Executive Director Brindle again reported that ELEC has experienced continuing problems with its computer system. He stated that the issues continue to result in difficulty for users attempting to access reports. The Executive Director reported that staff has, with the help of a consultant, taken the interim step of converting reports to .pdf format, to help in providing access to the public.

Executive Director Brindle noted that the Commission has received public attention due to the ongoing computer issues. He informed the Commissioners that the Bergen County Freeholders have passed a resolution urging funding for upgrades to ELEC's computer system.

J. <u>Future Meetings Schedule</u>

- April 17, 2014 at 11:00 a.m. in Trenton;
- May 20, 2014 at 11:00 a.m. in Trenton; and,
- June 17, 2014 at 11:00 a.m. in Trenton.

5. <u>White Paper No. 24:</u>

Deputy Director Donohue reported on the newly issued White Paper No. 24. Titled, "Independent's Day: Seeking Disclosure in a New Era of Unlimited Special Interest Spending," the White Paper traces trends in independent expenditures. The Deputy Director gave a brief overview of the growth in independent expenditures in New Jersey, as well as an understanding of the conditions necessary to that growth.

6. <u>Public Hearing on 2013 Gubernatorial Public Financing Program</u>

Chairman DeFilippis announced that a public hearing was being conducted concerning administration of the 2013 New Jersey Gubernatorial Public Financing Program. He stated that the hearing was being conducted as part of the Commission's review and analysis of the gubernatorial public financing program and is intended to solicit public comment concerning witnesses' experiences with the program and recommendations for statutory and regulatory changes.

The following individuals appeared to offer testimony:

- Seth Grossman, Candidate, Grossman for Governor Committee;
- Steven Welzer, Candidate, Welzer for Governor;
- Ronald Gravino, Treasurer, Chris Christie for Governor, Inc.;

In addition, Ingrid Reed, submitted written testimony, which was read into the record. Jesse Burns, of the League of Women Voters stated that the League would submit testimony.

A court reporter was available to record the proceedings. The transcript will be available to the public for inspection upon request.

7. <u>Report on Reimbursement of 2013 Gubernatorial Ballot Statement Costs</u>

Director of Compliance Amy Davis updated the Commission on the Reimbursement of Gubernatorial Ballot Statement Costs. She noted that on January 27, 2014, Clerk Kristin Corrado notified staff that although the Passaic County Clerk's Office had attempted to submit a claim for reimbursement in a timely manner, the envelope was mistakenly addressed to the wrong zip code. She stated that package was returned to the clerk's office on January 24, 2014. The form was re-sent to ELEC staff and was included with the original envelope returned by the post office. The request for reimbursement seeks \$14,150 to reimburse for the costs of printing and mailing the Gubernatorial Ballot Statements in Passaic County.

Commissioner Saunders stated that Kristen Corrado had at one time served as a law clerk for him.

On a motion by Vice Chairman Timpone, seconded by Commissioner Saunders, and passed by a vote of 3-0, the Commission approved the Reimbursement of 2013 Gubernatorial Ballot Statement Costs of the Passaic County Clerk's Office.

8. <u>Report on 2013 Gubernatorial Public Financing Program</u>

Compliance Director Davis informed the Commission that staff had received one bid to perform the review of publicly financed candidates pursuant to the Agreed Upon Procedures. She stated that Mercadien, the firm which had submitted the bid, and was subsequently awarded the contract, has performed the review in the past. She added that she will meet with members of the firm's team on Friday, March 21, 2014.

9. <u>Public Comments</u>

Chairman DeFilippis asked if there were any comments from the public. Seeing there were none, he requested a motion to go into Executive Session.

10. <u>Resolution to go into Executive Session</u>

On a motion by Vice Chairman Timpone, seconded by Commissioner Saunders and passed by a vote of 3-0, the Commission resolved to go into Executive Session to discuss anticipated litigation and current litigation, which will become public as follows:

A. Final Decision Recommendations in complaint proceedings which will not become public. However, the Final Decisions resulting from those recommendations will become public not later than seven business days after mailing to the named respondents.

- B. Investigative Reports of possible violations, which reports will not become public. However, any complaint generated as the result of an Investigative Report will become public not later than seven business days after mailing to the named respondents. The reports will not become public in order to protect the identity of informants and maintain the integrity of investigative procedures and priorities. However, any complaint alleging violations, which complaint may be generated as a result of a request for investigation, will become public not later than seven business days after mailing to the named respondents.
- C. Matters under current litigation, the substance of discussions of which will not become public in order to protect the attorney-client privilege and the deliberative process. However, any litigation in which the Commission is currently a party is a public matter and will become public subject to the above limitations and privileges.

Return to Public Session

11. <u>Adjournment</u>

On a motion by Vice Chairman Timpone, seconded by Commissioner Saunders and passed by a vote of 3-0, the Commission resolved to adjourn at 1:07 p.m.

Respectfully submitted as true and correct,

Jeffrey M. Brindle Executive Director

JMB/elz