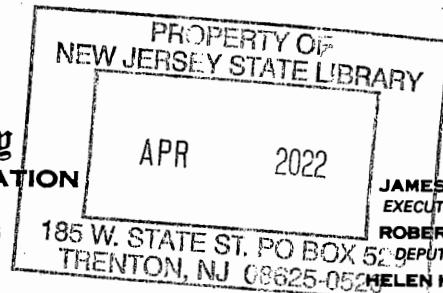




**State of New Jersey**  
**COMMISSION OF INVESTIGATION**

CN-045  
TRENTON, NEW JERSEY 08625-0045  
(609) 292-6767  
TELECOPIER  
(609) 633-7366



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**PUBLIC HEARING ON LOCAL GOVERNMENT CORRUPTION**

**CLOSING STATEMENT**  
**JAMES R. ZAZZALI, CHAIRMAN**

**Wednesday, January 8, 1992**

The hearings of the last two days have revealed serious breakdowns in integrity at the local government level in New Jersey. As appalling as these glimpses of local corruption are, the most difficult thing to accept is that they are just examples of a larger problem. Despite a host of successful prosecutions and exposés over the years, the problem persists.

Local corruption persists even though many tools to fight it have become available in the last two decades. The Commission's inquiries and the witnesses at this hearing have suggested that quite a few more things can and should be done.

We are prepared to outline some preliminary recommendations today. More specific, and additional, final recommendations will be available when the Commission issues its report, which will also give a more comprehensive view of the extent of the problem. New Jersey should:

- \* By statute create independently-appointed and adequately-empowered inspectors general in the state departments of Human Services, Transportation, Community Affairs, Treasury, Health and Education, each reporting to but not accountable to the respective commissioners, as well as the Attorney General. The IG's office for the Department of Community Affairs should have an adequately-staffed audit quality assurance component.

- \* Amend the Electronic Surveillance Law to allow interceptions of communications which utilize modern technology, such as fax machines, beepers and computers, to facilitate corrupt schemes.

- \* Implement an effective system to debar corrupt contractors at the local level. This system should be keyed

into the state debarment system. Both should be codified.

\* Codify effective civil remedies not already provided for by statute. The Attorney General and county prosecutors should be given statutory authority to bring such lawsuits. We should also provide more ready access to grand jury materials for officials preparing such suits.

\* Provide a statutory mechanism for aggrieved potential competitors to challenge restrictive bid specifications.

\* Extend the requirements of the Local Government Ethics Law to school board members and key school district employees.

\* Pass a law requiring public officials to report bribe, kickback and gift offers.

\* Reform campaign contribution laws and adequately staff the Election Law Enforcement Commission.

\* Consider whether school board elections should be conducted at the same time as the November general elections.

\* Review all ethical strictures to add those that are necessary and strengthen those that are weak.

\* Reform the independent audit system so that it will operate more effectively.

\* Require by law that any local unit which fails to implement the recommendations contained in its annual audit must publish a resolution in local newspapers acknowledging its failure and stating the reasons. Also, require filing and adherence to corrective action plans to meet audit recommendations. In addition, require that each local unit establish an audit committee.

\* Give the Director of the Division of Local Government Services, or his designee, a seat on the State Board of Accountancy.

\* Pass a law giving the Division of Local Government Services financial authority over housing authorities funded by the federal government.

\* Pass a law protecting municipal auditors against defamation lawsuits by those investigated on the basis of "special confidential reports" filed in good faith by the auditors. The confidentiality of the reports should also be tightened.

\* Tighten controls and accountability for the distribution of social benefit grant and loan programs.

\* Prepare and distribute manuals alerting members of governing bodies, boards and authorities, as well as public purchasing, inspection and administrative employees, to legal requirements and the need to avoid, detect and report illegal activities.

\* Review the standards for denial of public pensions to wrongdoers and insure that their misconduct is reported and on file with the Public Employees Retirement System.

\* Pass a law requiring that affidavits of non-collusion be submitted with all public bids.

\* Strengthen New Jersey's "whistleblower" law (Conscientious Employee Protection Act).

\* As part of "core values" curricula being instituted in public schools, alert students to the evils of corruption and unethical behavior and the value of exposing such conduct.

The Commission trusts that implementing these ideas will protect the public and save substantial tax dollars. It will also help to restore public confidence in the integrity of local government and honor the vast majority of local officials and employees on whose honesty we can count.

