



ELEC

April, 2008

2007 Annual Report

THE NEW JERSEY ELECTION

LAW ENFORCEMENT COMMISSION



COMMISSIONERS AND SENIOR STAFF

Commission's Office

New Jersey Election Law Enforcement Commission
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Trenton, New Jersey

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Toll Free Within NJ 1-888-313-ELEC (3532)

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



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



MISSION STATEMENT

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.

As an autonomous and independent Commission 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.



ELEC

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. It is further responsible for enforcing the State's pay-to-play laws and running recent Clean Elections pilot projects.

In addition, the Commission administers partial public financing of gubernatorial primary and general elections, does rule making, and, as part of its regulatory duties, holds 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: N.J. Election Law Enforcement Commission 28 West State Street 13 th Floor Trenton, NJ								
	BY MAIL AT: N.J. Election Law Enforcement Commission P.O. Box 185 Trenton, NJ 08625-0185								
	BY TELEPHONE AT: (609) 292-8700 Toll Free Within New Jersey 1-888-313-ELEC (3532)								
	BY FAX AT: <table border="1"> <tr> <td>48-hour reporting of contributions and expenditures made between 13 days prior to election and election day:</td><td>(609) 292-7662</td></tr> <tr> <td>Requests:</td><td>(609) 633-9854</td></tr> <tr> <td>Administration:</td><td>(609) 777-1448</td></tr> <tr> <td>Legal:</td><td>(609) 777-1457</td></tr> </table>	48-hour reporting of contributions and expenditures made between 13 days prior to election and election day:	(609) 292-7662	Requests:	(609) 633-9854	Administration:	(609) 777-1448	Legal:	(609) 777-1457
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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.



Jerry Fitzgerald English, Chair

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.



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 has 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

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 almost 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 has been on the editorial board of Public Integrity for a decade. He is also 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 currently serves on the COGEL Publications Committee and is the compiler of the *COGEL Campaign Financing and Lobbying Bibliography*.

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. 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



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
Igor Milewski, 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
Ruth Ford, Legal Secretary

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
Felice Fava, Special Programs Analyst

OPERATIONS DIVISION

Information Technology

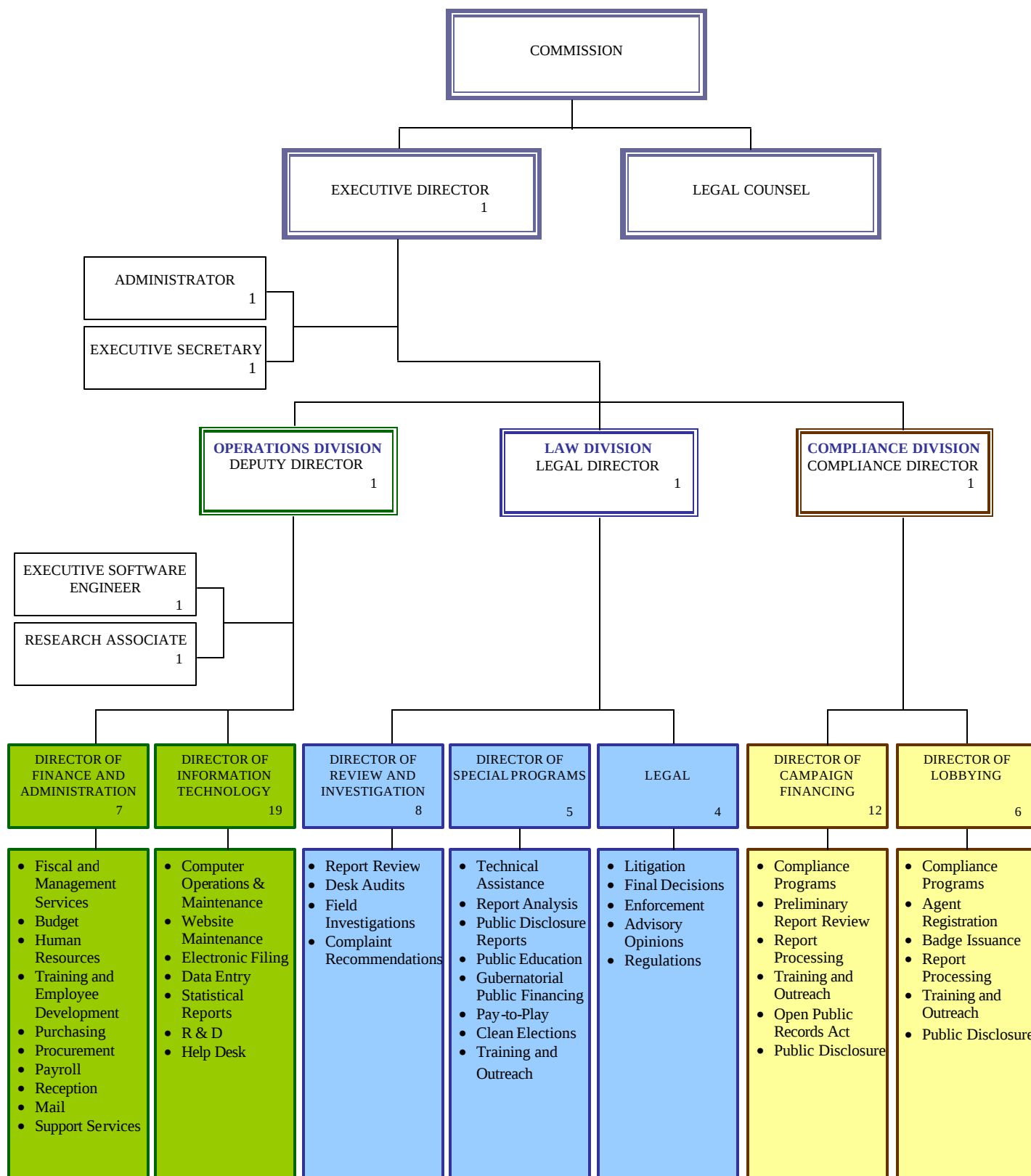
Carolyn Neiman, Director
Kim Vandegrift, Associate Director
Brian Robbins, Executive Software Engineer
Anthony Giancarli, Associate Systems Administrator
Aydan A. Altan, Assistant Software Engineer
Stanley Su, Assistant Software Engineer
Peter Palaitis, Associate Help Desk Technician
Louis Solimeo, Associate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



TABLE OF ORGANIZATION





MESSAGE FROM THE CHAIR

The Commission is justifiably proud of its 2007 accomplishments and the skill and devotion of staff which has truly been extraordinary. During the past year, the Commission continued with the task of implementing numerous reform laws that have been enacted over the past half decade. The Commission, an independent and autonomous agency, has risen to the task of implementing and administering two Clean Elections Pilot programs, three Pay-to-Play Laws, an expansive Lobbying Reform Law, and various and sundry other reforms. And it has accomplished all this without having been able to fill 19 vacant positions.

In terms of the Commission's 2007 activity, it is important to note that at the end of March 2007, Governor Jon S. Corzine signed "The 2007 New Jersey Fair and Clean Elections Pilot Project Act." Included in the Act was an appropriation of \$600,000 to promote the Clean Elections Program. For the Commission and staff, the new law meant acting both effectively and quickly.

The experimental program began on April 23rd. Thus, in an extremely short period of time, staff established administrative procedures and entertained bids from advertising vendors.

Incredibly, everything fell into place. The staff did not miss a beat in implementing the program and managing it effectively throughout.

Three legislative districts were chosen as Clean Elections districts: the 14th, the 24th, and the 37th. Out of 20 candidates competing in those districts, 16 were certified as Clean Elections candidates. After a thorough review of submissions, the Commission awarded a total of \$4.036 million to certified candidates. Moreover, the extensive educational effort conducted by Winning Edge Communications, the vendor selected to undertake the promotional campaign, was shown by surveys to be effective. Voters in Clean Elections districts became aware of the program and campaigns were viewed as more issue-oriented.

Following the election, the Commission continued to focus on the program by holding a public hearing and preparing a fact-based report as mandated by law. The public hearing elicited many comments regarding the 2007 pilot project as well as suggestions for changes to be made in any future program. Those comments are contained in the Clean Elections Report issued by ELEC on March 28, 2008.

Needless to say, the Commission is very proud of the effort made by staff in managing this experimental program.

The introduction of pay-to-play disclosure marked another significant accomplishment in 2007. Managing this program involved electronic filing and educational outreach. The Information

Technology Section developed the software program to make it easy for filers to disclose the necessary information while the Special Programs Section conducted numerous training sessions and provided day-to-day, minute-to-minute assistance.

Of course, pay-to-play disclosure proved a bit more difficult than anticipated. In attempting to clarify the new law, the Commission adopted regulations that required nonprofit organizations to disclose information about contributions made by members of their executive boards. There was, however, disagreement among nonprofits and other governmental entities over this policy decision. In the end, the Commission's position on nonprofit disclosure, taken after extensive comment by the public, resulted in the Legislature clarifying the issue by passing legislation that exempted nonprofits from the filing requirements.

In total, over 2,000 business entities reported 24,345 public contracts worth \$10.3 billion and \$14.8 million in contributions made.

The above-mentioned responsibilities followed on the heels of the comprehensive reform package enacted in 2004. That package alone charged the Commission with responsibility to implement 17 new laws, among them the most extensive lobbying law in the nation.



Jerry Fitzgerald English, Chair



MESSAGE FROM THE CHAIR continued

As part of the 2004 reforms, however, the Legislature increased the Commission's operating budget by \$2 million to \$5 million and directed the Commission to increase its staff complement to 90 employees. Unfortunately, due to the State's fiscal crisis and accompanying hiring freeze, the Commission's budget has been systematically reduced and its employee target never met. Instead of moving toward the \$5.5 million budget it now needs, the Commission's budget has moved in the opposite direction, having been reduced to \$4.8 million in the current fiscal year. And, rather than a staff complement of 90 employees, the Commission has struggled to keep pace with the new reforms through the hard work of 69 staff members. Needless to say, the State's fiscal climate has made meeting the mandates of the reforms very difficult.

In addition to implementing the above reforms, the Commission must carry out its everyday responsibilities. The Information Technology Section further enhanced ELEC's website, a website that was already user-friendly and designed to provide clear images of disclosure reports. In fact, the improvement resulted in ELEC's website being rated by the California Voter Foundation as one of the top ten sites in the nation. Moreover, the Information Technology Section developed software programs that facilitated the administration of the Clean Elections Program and enabled pay-to-play filers to file electronically. In addition, legislative candidates whose financial activity reached \$100,000 took advantage of the electronic filing software instituted by the Information Technology Section. While these candidates were required to file electronically, many other candidates, parties, and PACs did so as well.

The mission of disclosure is central to the Commission. In this regard, the Compliance Division undertook outreach efforts through treasurer training, candidate and lobbyist seminars, and telephone assistance. Last year, approximately 33,911 reports were scanned and processed and 33,733 reports 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 the requested information to the public in a timely fashion.

The Commission maintains a solid national reputation for producing analytical reports that track trends

in campaign financing and lobbying. During 2007, staff completed a draft of the statutorily required Clean Elections Report. Further, staff from the Compliance Division and the Information Technology Section worked to produce important legislative election and lobbying financial data.

The Law Division contributed to ELEC's story of success in 2007. Much of the Legal staff's time was consumed with researching and drafting advisory opinions and regulations. Further, a total of 56 complaints and 78 final decisions were prepared and issued by the Legal staff against entities violating campaign financing and lobbying laws. Moreover, the Commission's Review and Investigation Section completed 51 investigations that resulted in penalty actions. These activities bolstered efforts toward compliance with the various laws enforced by the Commission.

The Commission's Executive Director, Frederick M. Herrmann, Ph.D., continued to be a mainstay at the Commission and within the national ethics community. An extremely experienced and distinguished public servant, Executive Director Herrmann provided outstanding leadership during a year when the Commission dealt with many high profile issues and initiatives. The other Commissioners and I are proud to note as well that an article by James McQueeny in NJBIZ named him one of the "Ten People Who Forever Altered the Political Landscape in New Jersey over the Past 20 Years."

During 2007, Dr. Herrmann again addressed numerous organizations and served on the editorial board of Public Integrity and as book review editor of COGEL's Guardian. Moreover, he made an important presentation at the annual NORCOL conference, was the author of Lobbying in New Jersey 2007, and wrote an article for the Guardian entitled "Clean But Not Laundered: New Jersey's 2007 Experiment in Legislative Public Financing."

Finally, I want to mention the retirement of the Commission's veteran Legal Director, Nedda G. Massar. Mrs. Massar will be greatly missed as she performed brilliantly for the Commission over her long career.

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



EXECUTIVE DIRECTOR'S REMARKS

Fifteen years ago, The New York Times reported that “the watchdog commission that investigates political spending chicanery in New Jersey, often held up as a national model of campaign reform, says budget cuts and hiring freezes are making it an ineffective public



Frederick M. Herrmann, Executive Director

guardian.” At the time, recession-related cuts had damaged the Commission’s ability to enforce the law. Last fall, a Gannett story stated that ELEC’s “mission is tracking, disclosing and analyzing the intricate finances of state politics at all levels, and making sure candidates comply with an array of ethics laws.” Unfortunately, “that task has been complicated by a lack of funding from lawmakers.” Certainly, the Commission’s current fiscal problems are related to the State’s ongoing budgetary deficit, but as Jeffrey B. Garfield, the executive director and general counsel of the Connecticut State Elections Enforcement Commission, told the Times, “if ... campaign spending laws are to be of any meaning [the agencies enforcing them] have to be exempted from budget cuts inflicted on other agencies.” Indeed, as a citizen activist told ELEC’s commissioners a number of years ago, “the first expense of government should be to maintain the integrity of our democratic process.”

The biggest problem ethics agencies have in the United States is inadequate funding. If states like New Jersey are going to be serious about ethics, they will have to be serious about funding ethics. Happily, the Garden State enacted a major ethics reform package in 2004 that gave the Commission jurisdiction over 17 new laws. They included: a State and local pay-to-play prohibition, an ongoing Clean Elections Pilot Project, and the most expansive lobbying regulation program in the nation. In a very progressive move, the package included legislation that increased ELEC’s operating budget at the time from three million to five million dollars so that the Commission could increase its staff size from 54 to 90 positions.

The package had a very heavy impact on the Commission’s workload. Extensive regulations needed to be written and advisory opinion requests became much more complex. New forms and instructions were needed and the computer system had to undergo reprogramming and hardware enhancements. The website also underwent major changes. Many additional filer training sessions became necessary and more complex compliance questions were asked by regulated entities. Public, good government group, academic, and media interest in the work of the Commission heightened greatly leading to numerous telephone calls and open public records requests. The number of campaign financing and lobbying reports filed with the agency continued to rise as well. ELEC’s investigative responsibilities multiplied too and sister law enforcement agencies had an increased need for Commission staff to provide ongoing technical assistance in court cases involving ethics law transgressions.

In spite of all of this burgeoning activity, ELEC was only able to fill 69 of its 90 intended positions because of ongoing executive branch budget assessments and a Statewide hiring freeze that caught the Commission in the middle of its hiring. The Commission even lost



EXECUTIVE DIRECTOR'S REMARKS continued

\$153,000 in computer money despite its request in a legislatively-mandated report on its information technology to receive ongoing additional financial support for its greatly expanded computerization needs. Moreover, an “unfunded” Pay-to-Play disclosure law enacted in 2006 added filings to ELEC’s workload from over 2,000 business entities. They have reported 24,345 contracts worth \$10.3 billion and \$14.8 million in contributions being made. The Commission is also responsible for enforcing filings with: every State agency, 21 counties, 566 municipalities, 616 school districts, and 187 fire districts.

Meanwhile, campaign spending has exploded driven by inflation and the rising costs of advertising and other campaign expenses. Spending in the 2007 legislative races set a new record. Nearly \$69 million was spent for both the primary and general elections. This figure is 21 percent higher than the previous record of \$57 million set in 2003, the last time that both houses were running. In the general election of 2007, \$43.3 million was spent as compared to \$40.4 million in 2003. According to Joe Donohue of the Star-Ledger, the “totals in six districts topped the \$2 million mark, a threshold never crossed before this decade.” Moreover, “four of this year’s races are among the top 10 most expensive races of all time” and “spending surpassed \$1 million in 10 districts – one out of four.” Greg Volpe of Gannett pointed out that “more than half of the Legislative spending was geared toward six races.”

The Commission greatly appreciates the efforts of the Governor and the Legislature on behalf of the recent highly significant reform laws and their past support of ELEC during difficult fiscal times. Still, the significant increase in the Commission’s obligations over the past few years needs to be noted and addressed. Ethics laws without provision for adequate enforcement are ineffective. Of course, these are difficult budgetary times for the people of New Jersey and great care should

be taken in spending taxpayer money. But, appropriate funding is the cornerstone of all true reform, and ELEC is confident that New Jersey’s governmental leaders will agree with the Commission that New Jersey must do everything possible to assure its citizens that open and honest government is the only acceptable standard that any of us will accept. A properly funded ELEC is absolutely essential to achieving such a noble goal.



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.

In this regard, the Commission makes the



Jeffrey M. Brindle, Deputy Director

following recommendations based on experience administering the Campaign Reporting Act, the Lobbying Disclosure Act, the Gubernatorial Public Financing Program, and the Personal Financial Disclosure Act. 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 comport with 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 seeks office. 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.”

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.



LEGISLATIVE REVIEW AND RECOMMENDATIONS continued

- Eliminate the gubernatorial spending qualification threshold. A gubernatorial candidate must raise and spend a threshold amount (\$300,000 in 2005) 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 \$6,000 for a first offense and \$12,000 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.

- Study the impact of eliminating the expenditure limit of a publicly-financed candidate who faces a non-publicly financed candidate who spends in excess of the expenditure limit.
- Study the fiscal impact of providing additional matching funds to publicly-financed candidates who face non-publicly financed candidates whose spending exceeds the gubernatorial public financing expenditure limit.

Clean Elections

- Clean Elections is a program that ELEC will issue separate comments about in the future.

Lobbying Disclosure Act

- 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 Act 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 Act

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



COMPLIANCE DIVISION

The mission of the Compliance Division is to promote compliance with the campaign finance and lobbying laws and to provide prompt disclosure to the public. This mission is achieved by educational outreach and training, preliminary report review, and website disclosure. In 2007, close to 34,000 reports were filed with the Compliance Division by over 9,000 filing

electronically. To assure a smooth transition to electronic filing, the Compliance Division held numerous seminars to introduce the software to the candidates.

Because of the heightened interest in legislative races, there is typically an urgent demand for the disclosure of the contributions and expenditures reported



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

entities. While budgetary constraints and a hiring freeze modified some of the compliance and disclosure programs, it was, nonetheless, an extremely successful year for the Compliance Division. Compliance with the laws remained high and disclosure was well timed and easily accessible over the internet.

Campaign Finance

The year 2007 was a legislative year in which all 120 seats were up for election. Legislative election years have historically created an increased workload for the Compliance Division, since legislative candidates are not only required to file both campaign and personal financial disclosure forms, but are also required to have formally trained treasurers. Furthermore, legislative candidates raising more than \$100,000 in the general election were required for the first time to file their reports

by legislative candidates. The Compliance Division quickly disclosed the campaign reports of the legislative candidates, and also provided a statistical summary of fundraising and spending. Just days after each of the major filing dates in the primary and general elections, the Compliance Division staff published these much anticipated summaries in the important pre-election setting. Statistical summaries were also published again in the post-election setting. These summaries are a vital tool for voters and provide a basis for important historical data.

Besides the legislative elections, New Jersey held elections at all other levels of government. These elections included: fire district, school board, May municipal, June runoff, and the local primary and general elections. Moreover, PACs and political parties were subject to disclosure requirements. All campaign and



COMPLIANCE DIVISION continued

committee reports were scanned to the website, allowing interested citizens to view these reports quickly and easily.

Compliance with the campaign financial disclosure laws remained high in 2007, at over 90 percent. In all, over 6,500 candidates and committees and 1,729 PACs filed close to 27,000 campaign and quarterly reports. Prior to each election, compliance manuals were made available to all candidates. Also, the entire series of “short forms” used by candidates and treasurers were available for electronic filing. Once a candidate and treasurer received a registration and PIN number for the election, electronic filing of the short forms could be completed within minutes. To assist candidates and treasurers during the busy campaign season, pre- and post-election reminder and delinquent notices were routinely mailed.

Also filing election-related reports in 2007 were PACs and political party organizations. This group included special interest PACs, legislative leadership committees, and State, county, and municipal political party committees. These reports were scanned to the website and in some circumstances were ready for viewing within 24 hours. Like candidates, these organizations were able to file all the short forms electronically. In addition, each treasurer received reminder materials and delinquent notices in a timely fashion.

As part of the Compliance Division’s popular education and outreach program, many informational seminars were conducted by staff in 2007. Altogether, 41 seminars were held throughout the year for the benefit of candidates, treasurers, and campaign staffs. Although treasurer training is mandatory for legislative candidates, many treasurers of local candidates also attended the seminars. Training is also available through a website training module for those persons opting for this style of instruction.

In the tradition of the Commission, telephone assistance to candidates and treasurers continued to be a mainstay of the Compliance Division’s efforts in 2007. The staff of the Compliance Division was also available

in person to answer questions from interested parties who visited the Commission’s offices. Close to 12,000 contacts occurred in 2007.

Lobbying

The number of governmental affairs agents registered with the Commission under the “Legislative and Governmental Process Activities Disclosure Act” reached 1,035 in 2007. Over 7,000 lobbying reports were filed by governmental affairs agents, represented entities, and groups engaging in grassroots lobbying. Educational materials such as filing instructions and an outline of the lobbying law were available on the website. Reminder materials and delinquent notices were routinely sent to every registered agent. Seminars were held once each calendar quarter to assist newly registered agents with the quarterly reporting process. In addition, several seminars were held just prior to the annual reporting period to review the financial reporting process.

All lobbying forms became available in a fill-in format on the website, providing a convenient way for governmental affairs agents to file. As is done each year, a statistical summary of the data reported by governmental affairs agents, represented entities, and groups engaging in grassroots lobbying was published in March of 2007 and updated again in June. This statistical summary provided the total amounts spent on lobbying by all registered agents as well as the manner in which lobbying dollars were spent, such as on salaries, communication costs, travel, and benefit passing. Not surprisingly, the amount of money spent by agents and their clients continued to rise.

Conclusion

The Compliance staff embraces its mission with enthusiasm and purpose, always looking for better ways to educate the regulated community of candidates, treasurers, governmental affairs agents, and professional campaign fundraisers. When compliance with the laws is at an optimal level, disclosure is enhanced and the citizens of New Jersey are given the important tools they need to be an informed electorate.



LAW DIVISION

LEGAL SECTION

The Legal Division's highly respected Director, Nedda G. Massar, retired at the end of the calendar year, after many years of service to the Commission and the people of New Jersey. The Commissioners and staff wish to thank her for her unwavering and constant guidance,



From left: Michelle Levy, Carol Hoekje, Nedda Massar, Leonard Gicas, Gail Shanker, Amanda Haines, and Ruth Ford.

her many hours of work, and her legacy as a role model. Thus, a major undertaking of the Commission toward the end of the year was the task of finding a replacement for the Legal Director, and former Deputy Legal Director Carol L. Hoekje was named to the position.

The duties of the Section stem from the Commission's statutory authority to enforce the Campaign Contributions and Expenditures Reporting Act, the Lobbying Disclosure Act, the Personal Financial Disclosure Act, the Uniform Recall Election Law, and the Pay-to-Play law. As the legal arm of the Commission, the Section prepares advisory opinions, issues civil complaints, and drafts regulations to clarify statutory requirements.

Regulatory Process

Since 2004, many reforms have been enacted in New Jersey regarding ethics, including those involving campaign finance, lobbying, and pay-to-play disclosure. The process of adopting regulations to implement the

multifarious reforms has been an ongoing one and continued into the 2007 calendar year.

Early in 2007, a regulation was adopted that concerned the disclosure of contributions by business entities. In implementing the provisions of the Pay-to-Play law, the Commission provided for the disclosure of political contributions made by business entities that receive contracts with New Jersey governmental entities. As part of the regulations, the Commission interpreted the law to not only require for profit businesses to file but nonprofit entities to file as well. Subsequently, the Commission, because of concern expressed by the nonprofit community, extended the filing deadline for those organizations three times. In the end, the Governor and Legislature enacted legislation that clarified the issue and exempted those entities from filing reports.

Almost immediately following the adoption of the pay-to-play regulations, the Commission adopted regulations effectuating "The 2007 New Jersey Fair and Clean Elections Pilot Project Act." Because the pilot program was only signed into law on March 28, 2007, the Legal staff did a tremendous job in preparing the regulatory proposal for implementing the Act. Using the emergency rule making process, the Legal staff prepared the regulatory proposal and ushered through its adoption by the Commission by May 21, 2007. The regulation proved useful to the Special Program's staff in administering the law.

A final major regulatory adoption involved amendments to the "Legislative and Governmental Process Activities Disclosure Act." The amendments exempted from governmental processes lobbying any matters within the attorney-client privilege as well as matters concerning collective negotiations. The Act had expanded the scope of reportable lobbying activity to include lobbying on contracts, grants, permits, and other administrative activities involving the executive branch.



LAW DIVISION continued

Advisory Opinions

The drafting of advisory opinions is an important task carried out by the Legal Section. In 2007, the Legal Section prepared and issued four advisory opinions.

Advisory Opinion No. 01-2007, involved a question as to whether or not a candidate could use leftover campaign funds to pay the medical expenses associated with an injury sustained while campaigning. The Commission determined that the costs derived from treatment for an injury sustained by a candidate while campaigning could be assumed by the campaign fund.

A second advisory opinion request, No. 02-2007, involved the issue of whether or not a business entity, which is a member of a business association, is itself required to report each contribution made by the business association to which it belongs. The Commission determined that there was no filing obligation on the part of the business entity, in this case a law firm.

Advisory Opinion No. 03-2007, involved the Clean Elections Pilot Act. Two questions were asked: 1) may expenses of the 2007 primary election be paid from funds remaining in the 2007 primary account; and, 2) may additional contributions be raised for deposit in the 2007 primary account for the purpose of paying primary debts. The Commission advised that funds remaining in the primary account could be used to offset primary debts but that new money could not be raised for that purpose until the day after the 2007 general election. The requester was a Clean Elections candidate subject to certain restrictions in terms of using traditional funds during the period of the general election.

Finally, Advisory Opinion No. 04-2007, involved the question of whether or not a business entity is required to report under the Pay-to-Play law contributions made by a continuing political committee (CPC), of which an employee is a member and director of the CPC. The Commission determined that in the absence of control over the contribution activity of the CPC, the business entity is not required to report the CPC's contribution activity.

Civil Complaints

To enforce compliance with the various Acts it administers, the Commission is authorized by statute to bring civil complaints against alleged violations and to impose monetary fines. Respondents have a right to contest the action before the Office of Administrative Law (OAL) court. When that occurs, the Legal staff prepares for hearings before administrative law judges. At the conclusion of OAL cases, the Commission renders a final decision which sets forth specific findings of fact and conclusions of law, and imposes penalties where applicable. The Commission also issues final decisions and imposes penalties in other cases which are not referred to the OAL.

During 2007, the Legal Section issued 56 complaints, including complaints which were issued from lengthy and time consuming investigations of often complex issues. Among the complaints were ones involving reporting obligations of political party organizations and candidates, and which included counts for non-filing, non-reporting of contributor information, and receipt of excessive contributions.

The Legal Section also prepared and issued 78 final decisions that closed cases and imposed fines as applicable. These final decisions were issued involving non-filing, late-filing, missing contribution and expenditure activity, and failure to file 48-hour notices on contributions received and expenditures made. Fines totaling \$293,031 were received in calendar year 2007.

Conclusion

There is no more important function of the Election Law Enforcement Commission than the interpretation and enforcement of statutory law. In order for the Commission to attain a high compliance rate, the above activity conducted by the Legal Section is vital to the effective administration of the complex and extensive laws under the jurisdiction of ELEC. In 2007, the Legal Section continued to perform its duties admirably.



LAW DIVISION *continued*

REVIEW AND INVESTIGATION SECTION

Three years after the reforms of 2004 were enacted, the work of the Review and Investigation Section centered around the basic issues of financial disclosure by campaign entities, lobbyists, and now businesses holding public contracts with governmental bodies. As has been the case for several years, the Section's investigators

maintain records of contributions and expenditures, and the requirement to provide "paid for by" information on advertising materials. In addition, it is anticipated that the new and more comprehensive lobbying law and pay-to-play disclosure requirements will increase the Section's workload as enforcement of these reforms becomes necessary.



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

benefit tremendously from the Commission's continually upgraded website, which provides access to scanned reports for review. The website also provides staff with the ability to input and sort financial records.

Investigations

During 2007, the Commission closed 51 investigations. The investigative activity continued to involve the timely reporting of contribution and expenditure information, adherence to contribution limits, timely reporting of 48-hour notices, the requirement to

An important investigation concerned the non-filing of quarterly reports by a municipal political party committee (MPPC) over a three-year period. As a result of this investigation, the MPPC filed quarterly reports and late financial information relevant to the receipt of contributions and the making of expenditures for the entire timeframe.



LAW DIVISION continued

The Review and Investigation Section undertook and completed two report review projects. The first project involved review of Form R-1 reports filed by candidates in the 2006 general election. The second report review project examined the R-1 reports filed by candidates in the 2007 municipal election. The most common violations were: failure to file 48-hour notices, prohibited contributions from legislative leadership committees and limited liability partnerships, failure to include occupation and employer information on contributions greater than \$300, and missing address information for expenditures. 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.

The Section issued 24 subpoenas in calendar year 2007, all for records of campaign and organizational depositories.

Requests for Investigation

Members of the public can request an investigation by submitting to the Commission a completed Request for an Investigation Form. The form can be obtained by accessing the Commission's website at www.elec.state.nj.us. Requesters now have the ability to download the form and prepare their request directly on the computer before printing and mailing it to the Commission. Requests for investigation that are made to ELEC, and over which the Commission has jurisdiction, are presented to the Commission within 90 days of receipt. At a meeting of the Commission, the members determine whether or not to open a review of the allegations. In 2007, the Commission received a total of 158 requests for investigation. Out of those requests, a total of 124 were presented to the Commission for its determination as to whether or not to open a review.

Administrative Hearing and Other Legal Support

In addition to its aforementioned duties, the Review and Investigation Section assists the Legal staff in preparing for case hearings before the Office of Administrative Law. These hearings occur when respondents do not waive their right to a hearing. Moreover, the Section helps Legal staff in the review of amended reports filed in response to complaints.

The Section's investigators monitor and review the Commission's records of candidates and entities participating in electoral activity that have failed to file reports. As a result, the Review and Investigation Section passed on recommendations to the Legal staff which resulted in the issuance of 56 complaints.

Conclusion

The Investigative staff continued to provide assistance to other law enforcement agencies such as the F.B.I., the Division of Criminal Justice, and the U.S. Attorney's Office. Currently, the Section consists of five investigators and one report examiner, not nearly enough staff to cover all of the candidates and other entities from throughout the State that are required to file with the Commission. Moreover, with the addition of the Pay-to-Play law, and a more comprehensive lobbying law, the pressure is intense on this small, but extremely competent and diligent staff. Finally, former Assistant Legal Counsel Leonard Gicas has been promoted to Director of Review and Investigation. A former public defender, Mr. Gicas brings much experience to the position, and, together with his dedicated staff, will continue to enforce effectively the campaign, lobbying, and pay-to-play laws.



LAW DIVISION continued

SPECIAL PROGRAMS SECTION

Pay-to-Play

In 2007, the Special Programs staff continued to undertake the administration of New Jersey's pay-to-play laws. Business entities receiving more than \$50,000 in



Standing from left: Felice Fava, Amy Davis, Lou Solimeo, and Scott Fagerty.
Sitting from left: Laura Jurkiewicz and Christine Aquilante.

public contracts were required to disclose contract and contribution information to the Commission. In total, over 2,000 businesses reported over \$14.8 million in contributions made and over \$10.3 billion in public contracts received.

In carrying out the program, the Special Programs Section conducted several information sessions to educate filers concerning the filing requirements of the reform law. Educational materials including a pay-to-play overview and a PowerPoint presentation were displayed on the Commission's website. Moreover, in conjunction with the Information Technology staff, an electronic Business Entity Annual Statement and filing instructions were created. The electronic form greatly facilitated the ease with which business entities could

comply with mandated electronic filing. The electronic filing process also allowed the Commission to create a searchable pay-to-play database that permits the public to search for business, contract, and contribution information.

During 2007, an issue arose involving the filing of reports by nonprofit entities. While providing three filing extensions to nonprofits, the Commission maintained that the law required not-for-profit entities to adhere to the disclosure requirements of the Pay-to-Play law. However, the Legislature ultimately passed legislation that excluded nonprofits from the law, making the Commission's regulations in this regard moot.

Clean Elections Pilot Project

In March 2007, the Governor and Legislature enacted a second pilot program for the 2007 legislative general election. This program was a modified version of the first pilot project that occurred in the 2005 general election. The stated goals of the program were to: end the undue influence of special interest money; improve citizens' opinion of the political process; and level the playing field to allow ordinary citizens to run for office. The Special Programs staff administered the program that was tried in three legislative districts: the 14th, the 24th, and the 37th. Candidates in those districts were eligible to receive Clean Elections funds if they raised a minimum of 400 qualifying contributions of \$10 each from registered voters in the district.

As part of the experimental program, \$600,000 was appropriated for the purpose of promoting the program among voters within the districts as well as to voters Statewide. After selecting a vendor to develop the promotional program, staff oversaw an educational effort that included direct mail, newspaper advertising, and radio and television advertising. By all accounts this effort had much to do with the increased awareness of



LAW DIVISION continued

voters within the selected districts and the seemingly issue-oriented campaigns run by Clean Elections candidates.

To ensure the successful administration of the program, the Special Programs staff created new forms, held several information sessions, and worked with the Information Technology staff to enhance the Clean Elections Electronic Filing System (CEEFS). This software allowed participating candidates to key contributor and expenditure information and file weekly submissions and campaign reports electronically.

In addition to the above, the Special Programs staff did a tremendous job in reviewing submissions, certifying participating candidates, and disbursing funds. In total, 16 out of 20 participating candidates qualified for the program, together receiving a combined \$4.036 million in public funds.

Following the election, the Special Programs staff helped the Commission prepare for a public hearing on the program. Hearing testimony regarding the pro's and con's of the program was given by many interested individuals and candidates, all of whom provided valuable information for inclusion in the Commission's Clean Elections Report.

Gubernatorial Public Financing

The Special Programs staff is also responsible for administering the Gubernatorial Public Financing Program. An independent audit of the 2005 publicly-financed campaigns was completed and reviewed by staff. Moreover, preparations were undertaken with regard to the 2009 Gubernatorial Public Financing Program. Any candidate who raises or spends in excess of \$100,000 in a gubernatorial campaign will be required to utilize the Commission's software and file electronic campaign reports. This initiative is part of the Special Programs Section's goal of continuing to enhance software capacity in the context of gubernatorial elections.

Public Information

Finally, the Special Programs staff is very concerned with providing up-to-date and thorough information to the public about its various responsibilities. For instance, it is continually updating forms on ELEC's website that involve the Pay-to-Play law, Clean Elections, and Gubernatorial Public Financing. Any person with Internet access can generate and view reports, sort contributor data, and download the information to his or her computer. Moreover, the Special Programs staff is thoroughly engaged in responding to telephone inquiries from the public, press, business entities, candidates, and the academic community. In 2007, staff responded to over 3,000 such public inquiries.

Conclusion

The year 2007 was a very busy but extremely successful year for the Special Programs staff. Throughout, staff conducted themselves professionally and courteously in delivering their special brand of public service under very challenging circumstances.



OPERATIONS DIVISION

INFORMATION TECHNOLOGY SECTION

Development and Planning

Never a staff to rest on its laurels, the Information Technology Section (IT) again placed a high priority on enhancing the look and useability of the

Building upon developments that occurred in 2006, when a lobbyist quarterly report fill-in form was completed, the IT Section created on-line fill-in forms for lobbyist annual report filing. These improvements will not only make it easier for lobbyists to file and comply with the disclosure law but will better the staff's ability to deliver lobbyist statistical information to the public.



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

Commission's website. Furthermore, software programs were completed in 2007 to facilitate pay-to-play filing and disclosure by lobbyists.

In the high profile area of pay-to-play, businesses that obtained public contracts and made political contributions were required to disclose this information to the Commission. In its first year of use, the pay-to-play software program developed by the IT staff proved very effective. Business entity filers, in disclosing their contribution and contract information electronically, were able to access the forms on-line, save the form, and return to the Commission's website to upload the form for filing. The information provided by business entities throughout the State could then be accessed by the public, the media, and academics.

Another critical program developed by the IT staff in 2007 facilitated the administration of the Clean Elections Pilot Project. With input from the Special Programs Section, the IT staff developed the Clean Elections Electronic Filing System (CEEFS). As noted, this software permitted participating candidates to key contributor and expenditure information and to file weekly submissions electronically.

In addition to providing a fresh look to the Commission's website and furthering its user friendliness, the IT staff, in conjunction with ELEC's Cisco network technicians, upgraded the systems network.

Maintenance and Support

During 2007, the IT staff monitored and administered the data from the filings of candidates, party entities, PACs, lobbyists, and pay-to-play filers. After reports are received electronically, the system's staff processes them through the specially created computer program that creates an image of the paper report. Both hardcopy reports and electronically filed reports can be viewed on the website. Data filed via the Internet is now managed by the IT staff.

As part of the ongoing responsibilities of the IT staff, the many servers, switches, routers, PC's, printers, and scanners utilized by the Commission are supported. Moreover, as an important component of the Commission's mission of serving the public, help desk assistance is provided to non-computer staff, electronic

OPERATIONS DIVISION continued

filers, and the public. The public is provided assistance with navigating ELEC's website, enabling individuals to view campaign reports and detailed information on-line.

Data Entry Staff

Of great importance to ELEC's mission is the work of the Data Entry staff. During 2007, the staff continued its fine work, working together with the Compliance staff to produce campaign and lobbying



Standing from left: Pam Kinsey, Helen Kelly, Tamico Flack, and Brenda Brickhouse.

Sitting from left: Shirley Bryant, Darlene Kozlowski, Tamika McCoy, and Susan Danley.

statistical information. The diligent efforts of the Data Entry staff have enabled the public to obtain detailed campaign financial information on-line.

The Data Entry staff verified and keyed information contained in 27,000 campaign finance reports. Moreover, it keyed and verified 62,000 entries disclosed on PAC and political party reports. Further, the Data Entry staff keyed information contained on 495 annual lobbyist detailed reports.

Because of the efforts of the Data Entry staff, detailed contributor data is provided for gubernatorial and legislative candidates, State and county party committees, and legislative leadership committees. In addition, the staff provided able assistance vis -à-vis data for the annual lobbyist/legislative agent reports as well as for analytical white paper reports.

Work In Progress and on the Horizon

Despite the general State slowdown in approving spending for hardware and for computer software programming, the IT Section endeavored to make further improvements to its highly respected website, which is rated one of the top ten sites in the nation. There are, for example, a number of projects that are in progress. The building block for the FileNET Systems Imaging and Document Services Server upgrades were put into place by staff members who set up the newly purchased servers. Additionally, plans are in place to create software for the Clean Elections electronic filing expenditure upload and display. Further, staff is preparing to enhance the Gubernatorial Electronic Filing System (GEFS) for the 2009 gubernatorial election and to improve upon the R-1 Electronic Filing System (REFS). Upgrading ELECTrack to a .NET environment is another major project on the horizon. This project will involve efforts that will be extended over a period of several fiscal years. Additionally, the work will involve creating a module for the governmental affairs agents and represented entities. This module will include scanning and imaging that will improve the workflow and facilitate the availability of information on the website.

Plans in the future include the development of software to provide for the electronic filing of legislative and gubernatorial PFD's as well as the development of software to provide professional fundraiser forms and instructions on-line. Finally, plans are afoot to enhance the software to accommodate electronic filing by state party, legislative leadership, and county party committees. Of course, the fulfillment of these plans depend upon adequate funding for the Commission.

Conclusion

Given the State's fiscal problems and the accompanying reductions in agency budgets, the Commission, through its IT Section, continues to strive to maintain its excellent reputation among ethics agencies throughout the nation.



OPERATIONS DIVISION continued

FINANCE AND ADMINISTRATION SECTION

During 2007, 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 overseen by the Section are budget planning and analysis, purchasing/procurement, personnel and payroll

analysis, and management of the Commission's budget. This task has been impacted adversely by the State's fiscal climate in recent years, and 2007 was no exception. As a result of this situation, the Commission had to deal with severe budgetary constraints throughout the year. Through Department of the Treasury assessments and efficiencies, the Commission's fiscal year 2008 appropriation of \$4.842 million was \$185,000 lower than the fiscal year 2007 appropriation of \$5.027 million.



From left: Meggan Mathies, Anita Vaingankar, Steven Dodson, Debra Kostival, Irene Comiso, Aracelis Ocasio, and Elaine Salit.

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,

Additionally, during the second half of 2007 the Commission had to comply with an additional Department of the Treasury management efficiency reduction. As per this mandatory efficiency of \$193,000, funding from other operating accounts was re-allocated to the salary account to help offset salary expenses. Since there was still a Statewide hiring freeze in place, however, the Commission was unable to hire staff to fill all existing vacancies. The funding that was moved to the salary account, therefore, became untouchable, and could not be used for other necessary operational expenditures. This situation, in turn, put additional pressure on Finance and Administration Section staff to ensure the accurate budgeting and management of expenditures in the other operating accounts.



OPERATIONS DIVISION continued

Certainly these fiscal constraints could potentially have had a negative impact on Commission operations, especially considering the Commission's commitment to fully implement all of the reform and ethics laws passed during the last few years. During 2007, 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. The goal was to keep the Commission functioning at an optimal level.

Personnel Administration

Another major area of responsibility for the Finance and Administration Section is the coordination and management of personnel activities for the Commission. As was the case with the administration of the budget, the personnel area was severely impacted by the fiscal crisis facing the State. A Statewide hiring freeze was imposed during 2007, with the hiring or transfer of essential staff allowed only upon approval of an exemption request. Finance and Administration Section staff worked successfully with the Governor's Office and the Department of Personnel throughout 2007 to facilitate the internal transfer of staff to several key director positions within the Commission, including Legal Counsel, Director of Review and Investigation, and Director of Campaign Financing, as well as the hiring of an external candidate to the position of Director of Finance and Administration. Additionally, section personnel staff facilitated the hiring of a much needed Information Technology Section staff member, as well as the transfer of a Special Programs Section staff member from an unclassified position to a permanent classified position.

In hindsight, despite severe restrictions on hiring outside candidates, as well as transferring internal staff, Finance and Administration Section staff were able to facilitate the staffing of key positions throughout the Commission, thus ensuring the efficient operation of the Commission during 2007 and beyond.

Other Activities

In addition to handling fiscal and personnel issues for the Commission, the Finance and Administration Section is also responsible for general administrative functions, such as: handling reception duties, mail processing, overseeing machinery and equipment maintenance, and acting as the Commission's liaison with the building management company. During 2007, the Section continued to work, often times impacted by the 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 2007, the Section operated within the parameters established by the Governor's Office, the Department of the Treasury, and the Department of Personnel, and continued to handle all responsibilities effectively.



OPERATIONS DIVISION continued

In FY 2009, the Commission anticipates an appropriation of \$4,147,000 based on the Governor's Budget Recommendation.

Comparison of Fiscal Years 2007 and 2008 Original Appropriations

	<u>FY-2007 Appropriation</u>	<u>FY-2008 Appropriation</u>
Personnel	\$4,235,000	\$4,140,000
Printing & Supplies	100,000	100,000
Travel	15,000	15,000
Telephone	48,000	49,000
Postage	56,000	57,000
Data Processing	437,000	335,000
Professional Services	40,000	50,000
Other Services	78,000	78,000
OIT	1,000	1,000
Maintenance/Equipment	2,000	2,000
Furniture/Equipment	0	0
Commissioner Per Diem	<u>15,000</u>	<u>15,000</u>
Total Operational	\$5,027,000	\$4,842,000

2007 Evaluation Data

Disclosure Reports (Total)	33,911
<i>Campaign & Quarterly.....</i>	<i>26,423</i>
<i>Lobbyist.....</i>	<i>7,173</i>
<i>Personal Finance.....</i>	<i>315</i>
Photocopies	33,733
Investigations.....	51
Civil Complaints	56
Public Assistance Requests	15,762
Fine Collection	\$293,031
Lobbying Annual Fees	\$393,105
Campaign Fundraiser Annual Fees	\$12,000



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
- Lynam B. Ware, Commissioner

2001

- Judge Ralph V. Martin, Chair
- Paula A. Franzese, Vice Chair
- Lynam 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

EXECUTIVE DIRECTORS

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

LEGAL COUNSELS

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

CONSULTANT

1973-1978, 1982, 1986-1988	Herbert E. Alexander
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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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of the character and conduct of their rulers."
John Adams (1765)*

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