



2010 ANNUAL REPORT

NEW JERSEY ELECTION LAW ENFORCEMENT COMMISSION

P.O. BOX 185, TRENTON, NEW JERSEY 08625 • WWW.ELEC.STATE.NJ.US



APRIL, 2011



COMMISSIONERS AND SENIOR STAFF

Commission's Office

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From left: Legal Director Carol L. Hoekje, Legal Counsel James P. Wyse, Commissioner Jerry Fitzgerald English, Vice Chairman Walter F. Timpone, Chairman Ronald DeFilippis, Commissioner Amos C. Saunders, Executive Director Jeffrey M. Brindle, Deputy Director Joseph W. Donohue, and Director of Review and Investigation Shreve Marshall.



MISSION STATEMENT



ELEC

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.

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.

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.

In addition, the Commission is responsible for administering partial public financing of gubernatorial primary and general elections, for rule making, and, as part of its regulatory duties, for holding public hearings. Finally, ELEC exercises its enforcement authority, ensuring 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.



TABLE OF CONTENTS

	<u>Page</u>
The Commission.....	1
Commission Staff.....	8
Table of Organization.....	9
Message from the Chairman.....	10
Executive Director’s Remarks.....	12
Legislative Review and Recommendations.....	14
Compliance Division	
Compliance Section.....	16
Special Programs Section.....	18
Law Division	
Legal Section.....	20
Review and Investigation Section.....	22
Operations Division	
Information Technology Section.....	24
Finance and Administration Section.....	26
ELEC Overview.....	28
Statutory History of ELEC.....	29
ELEC’s Home Page.....	30
ELEC-Tronic - Newsletter.....	31



HOW TO CONTACT ELEC

	BY VISITING OUR OFFICES LOCATED AT:	
	BY MAIL AT:	
	BY TELEPHONE AT:	
	BY FAX AT:	
	VIA THE INTERNET AT:	
<p>N.J. Election Law Enforcement Commission 28 West State Street 13th Floor Trenton, NJ</p>	<p>N.J. Election Law Enforcement Commission P.O. Box 185 Trenton, NJ 08625-0185</p>	
<p>(609) 292-8700</p>	<p>Toll Free Within New Jersey 1-888-313-ELEC (3532)</p>	
<p>48-hour reporting of contributions and expenditures made between 13 days prior to election and election day:</p>	<p>(609) 292-7662</p>	
<p>Requests:</p>	<p>(609) 633-9854</p>	
<p>Administration:</p>	<p>(609) 777-1448</p>	
<p>Legal:</p>	<p>(609) 777-1457</p>	
<p>http://www.elec.state.nj.us/</p>		



THE COMMISSION

Ronald J. DeFilippis, Chairman

Ronald J. DeFilippis is a founding partner in the firm of Mills & DeFilippis (CPAs LLP) where he currently serves as senior partner. He was appointed to the Commission in June, 2010. Mr. DeFilippis was named Chairman by Governor Chris Christie in October of that year.

Chairman DeFilippis is one of the few veteran campaign treasurers ever to be named to the Commission. His first involvement as a campaign treasurer occurred in 1977, when former State Senator C. Robert Sarcone of Essex County asked him to serve as treasurer for his campaign in the Republican Primary for Governor. Since then, he has served as treasurer for scores of candidates throughout New Jersey for offices ranging from township council seats to U.S. Senate. From 1989 to 1995, he served as Treasurer for the Assembly Republican Majority.

Chairman DeFilippis graduated from Siena College in Loudonville NY with a B.A. in Accounting in 1973. He earned his MBA in Finance from Rutgers University Graduate School of Business in 1977. He formed his accounting firm in 1978.

His professional licenses include: Certified Public Accountant, State of New Jersey; Certified Public Accountant, State of New York; Certified Public Accountant, State of Florida; Certified in Financial Forensics by the American Institute of CPAs; Personal Financial Specialist designation by the American Institute of CPAs; and Insurance Producers License, State of New Jersey.

His memberships include: American Institute of Certified Public Accountants; New Jersey Society of Certified Public Accountants; Florida Institute of Certified Public Accountants; Morris County Chamber of Commerce; and Roxbury Township Chamber of Commerce.

Married, Commissioner DeFilippis and his wife, Patti, reside in Succasunna. They have two sons.



Ronald J. DeFilippis, Chairman



THE COMMISSION continued

Walter F. Timpone, Vice Chairman

Walter F. Timpone was appointed to the Commission in October 2010 by Governor Chris Christie.

Vice Chairman Timpone, formerly Chief of Special Prosecutions for the United States Attorney's Office in Newark, is now a Partner in the Morristown law firm McElroy, Deutsch, Mulvaney & Carpenter.

While at the U.S. Attorney's Office, he led the prosecutions and convictions of nearly twenty-five public officials on charges of corruption and fraud against the public.

Vice Chairman Timpone also served as the first Federal Election Monitor in Passaic County. As the monitor he was assigned the task of protecting the voting rights of the County's Hispanic citizens.

The Vice Chairman was also appointed by the Federal Court as Ombudsman for the Department of Defense to oversee a contractor who failed to notify the government of failed parts related to the Patriot missile.

In his current position, Vice Chairman Timpone represents health care industry organizations, companies, institutions, and individuals. Moreover, he is an Associate General Executive Board Attorney for the LIUNA Union where he investigates, charges, and takes to hearing union members for violations of union's rules and ethics procedures.

Vice Chairman Timpone, who has extensive trial experience, is admitted to practice in New Jersey and New York as well as the United States Supreme Court, Federal District Courts of New Jersey and the Northern, Southern, and Eastern Districts of New York.

He has been named as a Super Lawyer in New Jersey and was listed in the Top 100 New Jersey Super Lawyers for 2009 and 2010.



Walter F. Timpone, Vice Chairman



THE COMMISSION continued

Amos C. Saunders, Commissioner

Amos C. Saunders, a retired Superior Court Judge from Passaic County, was appointed to the Commission in June, 2008. Named to the bench in 1977 by Governor Brendan T. Byrne, he was the county's only Chancery Division judge on general equity matters. He handled some of the most difficult cases in Passaic history including: right-to-die cases, injunctive relief litigation, corporate dissolutions, and difficult will and probate cases.

A member of the New Jersey and Passaic County Bar Associations, Commissioner Saunders is of counsel to the Clifton law firm of Carlet, Garrison, Klein and Zaretsky. He is admitted to practice before the United States Supreme Court.

Judge Saunders has served as a Municipal Court Judge in Totowa, a Totowa Municipal Attorney, and an Administrative Law Judge for the Waterfront Commission of New York Harbor.

Long involved in volunteer activities, Commissioner Saunders has served as the Chairman of the Fairlawn March of Dimes and as a trustee of the Totowa Volunteer Ambulance Corps. for more than 40 years.

Judge Saunders, one of the nation's premier experts on boxing law, is well known for presiding over several cases with such luminaries as Don King, Mike Tyson, Lennox Lewis, and Evander Holyfield appearing in his courtroom. He was named by International Boxing Digest as one of the most powerful people in the sport.

Formerly a faculty member of the National Judicial College, which is highly recognized for training judges and other court personnel, Commissioner Saunders received a B.A. from Hampden-Sydney College and a J.D. from the Columbia University School of Law.

Married, Commissioner Saunders and his wife, Janet, reside in Totowa. The couple have three children.



Amos C. Saunders, Commissioner



THE COMMISSION continued

Jerry Fitzgerald English, Commissioner

(Retired March 2011)

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. Codey in 2005. Mrs. English served as Chair from July 2005 to October 2010.

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.

Commissioner 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 President in The Justice Stewart G. Pollock Environmental Inn of Court.



Jerry Fitzgerald English, Commissioner

A former candidate for the U.S. House of Representatives, Commissioner 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

Lawrence Weiss, Commissioner

(Appointed March 2011)

On March 21, 2011 former Judge Lawrence Weiss was appointed to the Commission replacing Jerry Fitzgerald English.

Lawrence Weiss became of Counsel at Dughi & Hewit, P.C. in 2002 after serving as Superior Court Judge for 26 years.

Judge Weiss was instrumental in establishing the Richard J. Hughes Inn of Court. He served on the Supreme Court's Civil Practice Committee for many years. He also served on a special committee created by Chief Justice Wilentz to develop guidelines and training for judges handling complex civil cases and on another working group studying asbestos litigation.

Judge Weiss achieved national prominence for his work in the field of environmental insurance coverage law, managing a large number of complex cases, and has lectured on a number of occasions to speak at national conferences sponsored by the American Bar Association and the National Judicial College. He was recognized at Rutgers with its Distinguished Alumnus Award in 1998.

Commissioner Weiss was a presiding Judge of the Union County District Court from 1978 through 1980, when he was appointed to the Superior Court. He served in both the Civil and Criminal parts and as Presiding Judge of the Criminal Part, Union County, from 1983 through 1984. His service continued in the Civil Part from 1985 until mandatory retirement in 2002, as the Acting Assignment Judge and recusal Judge for the Chancery Part.

Judge Weiss, a long-time resident of Westfield and a former town councilman, received a L.L.B. from Rutgers University School of Law and a B.S. from Rutgers University. Commissioner Weiss also served in the U.S. Air Force as a navigator.

Married, Commissioner Weiss and his wife reside in Westfield. They have two children.



Lawrence Weiss, Commissioner



THE COMMISSION continued

Jeffrey M. Brindle, Executive Director

Jeffrey M. Brindle's experience as a regulator as well as in various governmental and electoral capacities allows him to bring an uncommon perspective to the position of Executive Director.

As Deputy Director, Brindle oversaw budgetary and personnel planning and development, participated in public policy development, and engaged in legislative and press relations. He also oversaw the Commission's transformation from a manual-based operation to a technological-based one, an effort begun in the 1990's.

Executive Director Brindle authored twenty analytical white paper reports on campaign financing and lobbying and published articles in newspapers, magazines, and periodicals. He also authored the recent report on the Clean Elections Pilot Program, prepared the Cost Analysis Report, and wrote the report on the Commission's technological needs.

The Executive Director managed governmental offices at various levels and branches of government and brings experience in electoral politics to the position. His academic credentials include a B.A. degree from Rutgers, The State University of New Jersey and an M.A. degree in political science from Villanova University. He is also affiliated with The College of New Jersey (TCNJ) as an adjunct professor in the Political Science Department.

Prior to coming to ELEC in 1985, Brindle had been the Director of the Public Information Office at the State Department of Community Affairs, a Legislative Staff Director, Somerset County Deputy County Clerk, New Brunswick Public Information and Complaints Director, and Executive Director of the Union County Chapter of the March of Dimes.

He has also been a candidate for Assembly and a Municipal Chairman. Brindle and his wife Karen have four children.



Jeffrey M. Brindle, Executive Director



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 Law, 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

Jeffrey M. Brindle, M.A., Executive Director
Joseph W. Donohue, Deputy Director
Steven Kimmelman, M.A., Research Associate
Elbia L. Zeppetelli, Administrative Assistant
Maureen Tilbury, Executive Secretary
Renee Zach, Legal Secretary

COMPLIANCE DIVISION

Campaign Financing and Lobbying

Amy F. Davis, 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
Linda Lopez, Clerical Assistant

Special Programs

Christine Aquilante, Special Programs Analyst
Laura Jurkiewicz, Special Programs Analyst
Scott M. Fagerty, Special Programs Analyst

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Gail Shanker, Esq., Associate Legal Director
Michelle R. Levy, Esq., Associate Legal Director
Amanda Haines, Esq., Assistant Legal Director
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Christopher Gear, M.P.A., Associate Review Officer
Matthew Krinsley, Assistant Review Officer
Christopher Mistichelli, Assistant Review Officer
Lovinsky Joseph, Assistant Report Examiner

OPERATIONS DIVISION

Information Technology

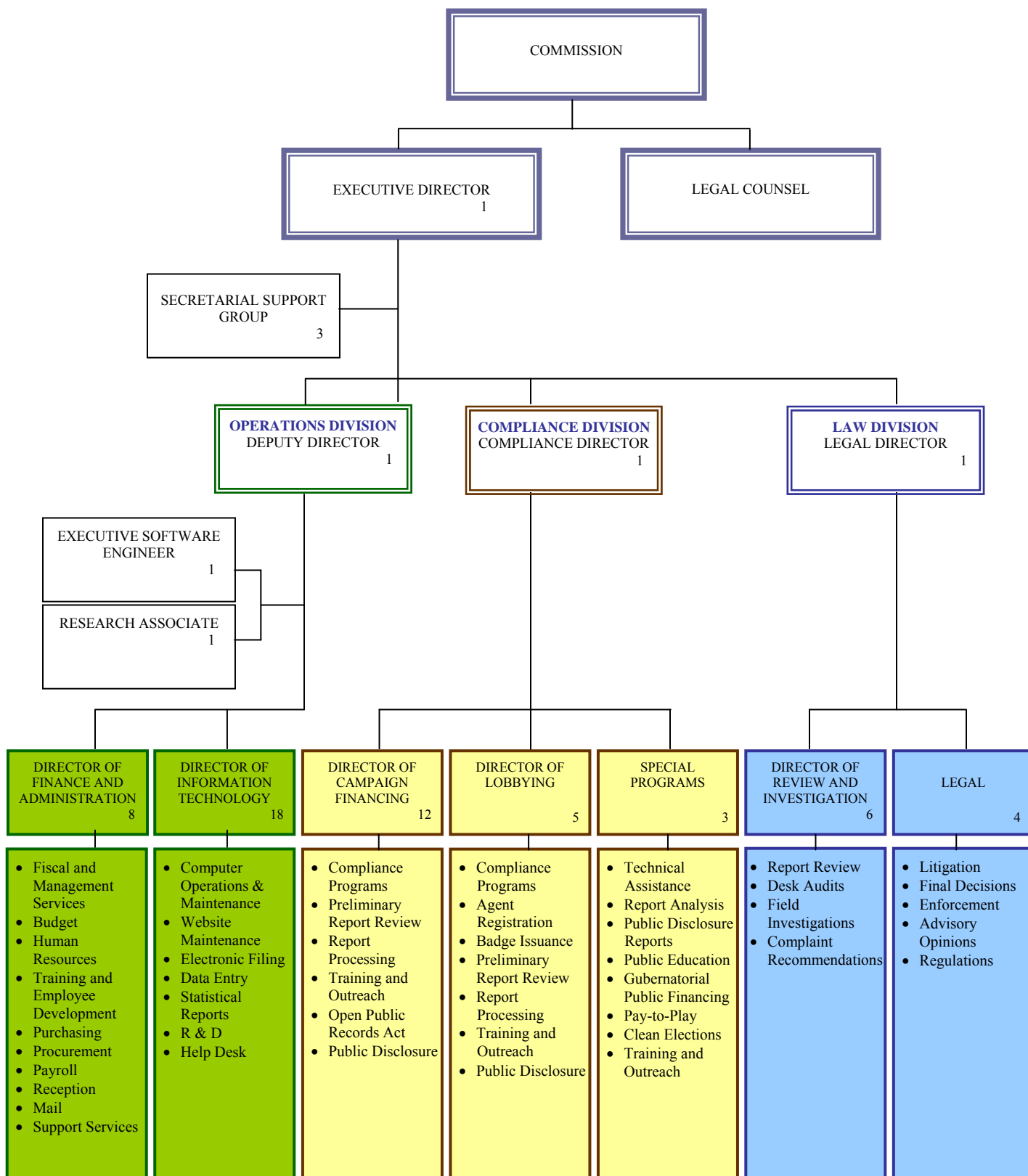
Carolyn Neiman, Director
Kim Roman, Associate Director
Brian Robbins, Executive Software Engineer
Anthony Giancarli, Associate Systems Administrator
Aydan A. Altan, Assistant Software Engineer
Peter Palaitis, Associate Help Desk Technician
Louis Solimeo, Associate Computer Technician
Ken Colandrea, Assistant 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 Utli gn Clerk
Igor Milewski, Clerk



TABLE OF ORGANIZATION





MESSAGE FROM THE CHAIRMAN

For a Commission whose mission is disclosure, the importance of its efforts in the area of computer technology is undeniable.

During 2010, the Commission built upon past efforts in continuing to make improvements to its website.

In fact, it was during this past year that ELEC's website was chosen by the Documents Association of New Jersey as the "Best Official New Jersey Website."

This organization recognized not only the user-friendly aspect of the website, but importantly, its content.

In 2009, the local contributor database was unveiled, opening new vistas of information readily accessible to the public. Last year this database was expanded to include school board elections, May municipal elections, and municipal party committees.

Additionally, lobbyist annual financial reports were for the first time scanned into the web, allowing the public to remotely access these reports.

These initiatives undoubtedly contributed to the Documents Association award.

Much credit goes to the Information Technology (IT) Director Carol Neiman, the IT staff, and the Data Entry staff for a job well done.

Another significant undertaking which began in 2010 and culminated in 2011 was the successful defense of the Gubernatorial Public Financing Program.

In Dealmagro v. New Jersey Election Law Enforcement Commission, the plaintiff, who plans to be an independent candidate for governor in 2013, challenged the law which allows only candidates that satisfy a financial threshold to participate in a series of publicly-financed debates.

The U.S. District Court dismissed the case on grounds that the plaintiff did not have standing because she had not filed a nominating petition nor collected enough signatures.



Ronald J. DeFilippis, Chairman

Commendations to Commission Legal Counsel James P. Wyse and Legal Director Carol Hoekje for outstanding legal work.

Once again, in keeping with the Commission posture of aggressively raising its profile, a steady stream of snapshot-analyses involving spending by the big-six committees, the county party committees, local candidates, special interest PACs, and school board candidates were published.

In addition, the Commission published analyses involving pay-to-play and lobbying, and produced a white paper report detailing school board activity over the last decade.

Deputy Director Joseph W. Donohue did an excellent job coordinating and writing these analyses. Also contributing were the IT and Data Entry staff, Compliance staff, and Research Assistant Steven Kimmelman.

The Commission made significant strides in the area of compliance last year. In addition to conducting 16 in-house candidate and treasurer training, continuing political committees, and lobbyist seminars, the Compliance Section launched a new outreach initiative, taking to the road to hold training sessions remotely.

During this past year, ELEC's website was chosen by the Documents Association of New Jersey as the "Best Official New Jersey Website."



MESSAGE FROM THE CHAIRMAN continued

While just getting started with this initiative, Commission staff conducted seminars in six off-site locations. Now, added to this effort is outreach to local party committees, with eight already scheduled for this year.

Another first for the Compliance Section is the creation of a manual for lobbyists, which can be accessed on the Commission's website. Moreover, in addition to the summary of annual financial information submitted by lobbyists, the public can now view their actual reports on-line.

And finally, new to the Commission's website are reports filed by professional fundraisers.

During 2010, approximately 30,658 reports were scanned and processed, with 3,386 photocopies made for the public. True to the form, the efforts of the Compliance Division recorded a compliance rate of over 90 percent.

Further, the Division complied with the requirements of the Open Public Records Act (OPRA) in providing information to the public. Availability to the public is a credo of compliance. And in campaign finance, lobbying, and now pay-to-play, the Compliance staff is available to provide valuable information and assistance to the public.

Amy Davis, newly appointed Compliance Director, provided leadership in undertaking these new initiatives.

As a partner with other law enforcement agencies in the battle against public corruption, the Commission has been redoubling its efforts in the area of enforcement.

The Review and Investigation Section, despite lacking a director for most of the year, still completed 41 investigations, all resulting in penalty recommendations.

Certainly credit is due to Shreve Marshall, who stepped in to perform ably as Acting Director of Review and Investigation during the time the directorship was vacant. Shreve Marshall was appointed Director of Review and Investigation in March 2011.

Further, the Legal Staff, in addition to preparing advisory opinions, drafting regulations, and assisting the Commission's Legal Counsel with legal research, issued a total 91 complaints and 119 final decisions against candidates, lobbyists, and organizations in violation of the law.

The past year was a difficult one for the State of New Jersey and its various and sundry commissions, agencies, and departments.

Difficult budgetary decisions had to be made in order to balance the State budget. Fortunately, the Commission's budget held steady at \$4.2 million.

Steve Dodson, Finance and Administration Director, has established a strong reputation for budgetary management with solid credentials in that area. This along with the solid reputation of excellence maintained by the Commission has permitted the agency to not only survive but to move ahead with bold initiatives in pursuance of its mission of disclosure.

Earlier in my remarks, I mentioned snap-shot analyses. What needs to be added is the new initiative that involves video press releases. These short, to the point analytical summaries accompany the press releases and are placed on YouTube.

Programmer Ken Colandrea has done an excellent job producing these video press releases and Elbia Zeppetelli, Maryanne Garcia, Maureen Tilbury, and Renee Zach all contributed to their distribution to the public.

In this day and age, transparency in government is of paramount concern to all who care deeply about our State and democracy. And ELEC has been center stage in the efforts to enhance transparency in government and engender trust in government.

On behalf of the members of the Election Law Enforcement Commission, I proudly submit this report to the Legislature.



EXECUTIVE DIRECTOR'S REMARKS

There are no lack of milestones at the Commission.

And 2010 was no exception.



Jeffrey M. Brindle, Executive Director

The year began with the Commission, for the first time, prioritizing recommendations for legislative reforms.

Accompanying this initiative came a commitment to enhance the Commission's profile in terms of actively pushing for the enactment of these measures.

The recommendations include: simplification of pay-to-play, disclosure by 527 committees, limitations on wheeling, disclosure of lobbying at the local level, Internet disclosure of personal financial statements, and curbing affiliated PAC growth.

Though none as yet have been enacted, bills were introduced to bring about these changes, with some moving through the committee process, and one making it through the State Senate.

During 2011, staff will make every effort through writings and testimony to bring these measures to fruition.

Beyond pressing for needed reforms, the Commission continued its efforts to raise the profile of the agency.

This effort took place to make the public more aware of the Commission and the services it provides.

In July 2009, the Commission began publishing ELEC-Tronic, a monthly electronic newsletter whose mission reads "Furthering the Interests of an Informed Citizenry."

During 2010, this newsletter was enhanced by providing substantive information about trends in campaign finance, lobbying, and pay-to-play.

Through articles about court decisions, developments in New Jersey and other states, and developments at the federal level, the newsletter has become a valuable source of information for those in the field.

But that's not all! The publication contains compliance information and summaries of advisory opinions. New to ELEC-Tronic are regular, often fascinating, profiles of ELEC employees.

An initiative taken in 2010 involved the reorganization of staff. Not only was a secretarial support group established under the supervision of Elbia Zeppetelli, but the Special Programs Section was merged into the Compliance Section.

Both steps improved efficiency, but the consolidation of Special Programs and Compliance also saved tax payers money. This consolidation was precipitated by the retirement of long time and valued Director Evelyn Ford and the appointment of Special Programs Director Amy Davis as Compliance Director.

In 2010 two initiatives took shape among the Compliance staff.



EXECUTIVE DIRECTOR'S REMARKS continued

For the first time ever, Compliance staff began drafting a manual for lobbyists. Though completed this year, the bulk of the work was done in 2010.

Second, the establishment of a task force of Compliance officers took hold in 2010. The task force is charged with the responsibility for developing a more innovative Internet training program for the filing community. The target for implementation is 2011.

New uses for YouTube were also employed in 2010. Now accompanying the release of the Commission's analytical press releases are "breaking news" YouTube video press releases featuring members of ELEC's staff.

Moreover, in an effort to further fulfill ELEC's mission of disclosure, the local contributor database, introduced in 2009, was expanded to include non-partisan municipal elections, school boards, and municipal political party committees.

And to make matters even better, annual lobbying financial reports are now scanned onto the web, enabling the public to view the reports from the comfort of their homes.

There is much more to say about staff's efforts in 2010. However, I believe that Chairman DeFilippis has covered much of it in his message.

I would, however, like to mention that former Vice Chairman Peter Tober and former Commissioner Albert Burstein retired from the Commission in 2010. Both served the Commission proudly.

Equally, I would like to take note of our new members, Chairman Ronald DeFilippis and Vice Chairman Walter F. Timpone. Both have already made significant contributions to the Commission.

And finally, to Commissioners Jerry Fitzgerald English and Amos C. Saunders who continue to serve with diligence.

The year 2010, despite tight budgetary restraints, continued to be one of progress for the Commission. As always, Commissioners and staff will continue to strive to maintain and even improve upon the Commission's proud tradition of excellence.

Through articles about court decisions, developments in New Jersey and other states, and developments at the federal level, the newsletter has become a valuable source of information for those in the field.

New uses for YouTube were also employed in 2010. Now accompanying the release of the Commission's analytical press releases are "breaking news" YouTube video press releases featuring members of ELEC's staff.



LEGISLATIVE REVIEW AND RECOMMENDATIONS

In a year when *Citizens United v. Federal Election Commission* over-shadowed other campaign finance issues, there was relative calm on the New Jersey legislative front.

The landmark January 21, 2010 ruling by the U.S. Supreme Court removed limits on independent campaign spending by corporations and unions in federal races while maintaining a ban on direct donations by both groups to candidates.



Joseph W. Donohue
Deputy Director

It did not seem to have a major impact on New Jersey congressional races last year, though there was a surge in independent spending nationally.

Campaign finance experts still are trying to sort out how much of the upsurge was caused by the Supreme Court case. A rise in independent campaign spending actually began years earlier as many groups abandoned political action committees, which have long-established disclosure requirements, as a way to funnel money into federal races. Instead, they encouraged donors to give to IRS-registered non-profits that have limited or even no disclosure requirements.

So far, there has been little fallout from *Citizens United* in New Jersey. However, Jeff Brindle, ELEC's Executive Director, believes that based on trends in other states last year, there could be more spending by independent non-profits run by corporations and/or unions in this year's upcoming legislative races. All 120 legislative seats face reelection in November.

The bipartisan Commission last year made several significant recommendations for legislative action. There was no final action yet. But several of the 85 campaign finance-related bills introduced so far during the 214th Legislative session, as well as Administration proposals, contain some of the Commission's recommendations.

Gov. Chris Christie unveiled a package of ethics and campaign finance reforms that included a Commission recommendation to tighten the state's "pay-to-play" laws by extending the contribution restrictions that apply to state contractors to county and municipal contractors. The move would streamline and simplify these laws while ending loopholes that now exist locally. The Governor's proposal also would put limits on now-unlimited transfers between

political committees known as "wheeling" that can be used to circumvent contribution limits and pay-to-play restrictions.

Bills separately introduced by Sen. Loretta Weinberg (D-Bergen) and former Sen. Tom Goodwin (R-Mercer) also seek to tighten and streamline pay-to-play laws while curtailing wheeling. Bills sponsored by Senate Minority Leader Tom Kean Jr. (R-Union), Assemblywoman Amy Handlin (R-Monmouth) and Assemblyman Samuel Thompson (R-Monmouth) also would restrict wheeling. Other bills would eliminate wheeling altogether but the Commission has not recommended an outright ban.

A bipartisan bill sponsored by Sen. Weinberg and former Sen. Goodwin paralleled another Commission recommendation that would require lobbyists to disclose all activities and fees they receive for representing public agency clients. In November, it cleared the state Senate in a unanimous 32-0 vote.

Hearings were held on bills sponsored by Sen. Weinberg, Sen. Nicholas Scutari (D-Union), Senate Majority Leader Barbara Buono (D-Middlesex) and Sen. Linda Greenstein (D-Mercer) that would require independent issue advocacy groups like 527 and 501(c)4 committees to disclose their donors and expenses if they participate in New Jersey elections. Bills proposed by former Senators Goodwin and Bill Baroni (R-Mercer) and Assemblywoman Handlin would require disclosure by 527 organizations. Expanding disclosure by these non-profits is among the Commission's priorities.

Brindle testified in support of disclosure by these issue advocacy groups during three appearances before legislative committees last year. He noted that the U.S. Supreme Court justices in *Citizens United* strongly defended the need for all groups who participate in campaigns to disclose their finances.

A bill introduced by Sen. Kevin O'Toole (R-Bergen) would give statutory power to an ELEC Commission advisory opinion that forbids candidates from using campaign funds to defend against criminal charges. The state Supreme Court in March unanimously upheld the Commission advisory opinion.

As it has in the past, the Commission staff will examine and monitor relevant bills and provide technical assistance during the legislative process.

The Commission offers the following recommendations for legislative change:



LEGISLATIVE REVIEW AND RECOMMENDATIONS
continued

PRIORITY RECOMMENDATIONS

Simplifying and standardizing “pay-to-play” laws by prohibiting business entities from entering county or municipal contracts above \$17,500 if they make certain political donations.

Potential Benefit: Extending the prohibition that applies to state contractors to county and municipal contractors should greatly reduce the “pay-to-play” influence of business entities.

Disclosure of 527 and 501(c) committee activity.

Potential Benefit: Non-profit groups organized under Section 527 and some parts of Section 501(c) of the IRS code have become active players in political campaigns nationally and in New Jersey. Yet, disclosure by these groups is woefully inadequate.

Expand the regulation of “wheeling” to include contributions by county political party committees to other county political party committees during the entire year to avoid circumvention of the contribution limits.

Potential Benefit: This will avoid intentional or unintentional evasions of contribution limits. Currently, there is no limit on transfers between county party committees during the general election.

Require lobbying activity on behalf of government agencies to be disclosed by registered lobbyists.

Potential Benefit: Wider disclosure could help discourage unnecessary spending by public entities and provide more transparency over governmental activities.

Broaden the governmental activities law to include lobbying of local governmental entities.

Potential Benefit: These changes would dovetail with current pay-to-play disclosure rules that are intended to prevent contractors from exerting undue influence over public officials. Local vendors who make political donations must report them to ELEC if they have major government contracts. They are not required to disclose any indirect influence they exert through lobbyists. A new disclosure requirement would fix that oversight.

Place the personal financial disclosure statements of candidates on the Internet and change the filing date to improve efficiency.

Potential Benefit: Personal financial disclosure forms of candidates discourage conflicts of interest by revealing information about the wealth and assets of those who seek elected office. This goal can be enhanced by providing timely Internet access to these reports making it easier for New Jersey citizens to be an informed voter. Providing candidates with more time in which to carefully complete these forms, along with a less confusing due date, will enhance compliance and disclosure with the law.

Prohibit the proliferation of affiliated PACs in New Jersey.

Potential Benefit: This regulation would prevent one group from establishing numerous PACs as conduits to evade the contribution limits and “Pay-to-Play” laws.

OTHER INITIATIVES

Cost Savings and Efficiencies

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 resides.
--

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.
--

Eliminate the gubernatorial spending qualification threshold.

Lengthen Commissioner terms to six years from three years and select the Commission Chair for a fixed term.

Increase Public Disclosure

Add political ID to grassroots lobbying materials.
--

Include funds in the Commission’s public financing budget specifically for the purpose of advertising the mandatory gubernatorial debates in New Jersey newspapers.

Study the impact of increasing the number of required debates for publicly-financed candidates from two to three in the primary and general elections.
--

Strengthen Campaign Finance, Personal Financial Disclosure and Lobbying Laws

Enact legislation that gives statutory force to Commission prohibition against the use of campaign funds to pay legal bills that arise from criminal allegations.

Reduce the annual contribution limit to county political party committees to conform to the limit for State political party committees.

Enhance penalties for impermissible use of candidate committee funds.

Conform the penalty provisions of the Personal Financial Disclosure law to the “New Jersey Campaign Contributions and Expenditures Reporting Act” (Campaign Act).

Require disclosure of occupation and employer information for contributions from individuals in excess of the \$300 disclosure threshold on reports filed by an Inaugural event committee.
--

Include in the definition of “candidate” all appointees to fill vacancies for elected offices.
--

Increase the penalties for public financing violations to conform to penalties for other Campaign Act violations because the public financing penalty amounts have not been changed since 1974.

Conform the penalty provisions of the Lobbying Disclosure law to those of the Campaign Act.

Ban the use of partnership funds for the purpose of making contributions.

Prohibit a political committee or continuing political committee from containing in its name the name of a candidate or officeholder.

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.
--

Require that the name given to a candidate’s campaign depository account contain the name of the candidate.



COMPLIANCE DIVISION

COMPLIANCE SECTION

Even though 2010 was not a legislative election year, the Compliance Division continued to be very busy, again turning in a winning performance.

In addition to the multi-faceted day-to-day activities undertaken by the Compliance Division, staff pursued numerous responsibilities that fell outside the

knowledge of the Commission's work, enthusiasm to serve the public and creative energy to her new role.

Cost Cutting Measures

The State has been experiencing severe fiscal and budgetary stress and it is important for agencies to undertake measures that cut the cost of government while at the same time maintaining the same level of services.



From left: Joseph Barish, Bettie Michael, Monica Triplin-Nelson, Todd Wojcik, Samira Wood, Linda White, Maite Urtasun, Nancy Fitzpatrick, Kim Key, Christopher Vigale, Danielle Hacker, Marcus Malmignati, Linda Lopez, Milene Matos, Titus Kamal, Michel Donato-Suarez, Desiree DeVito, and Amy Davis.

realm of daily functions. For example, compliance manuals, electronic filing software, and treasurer training materials were updated. And, in furtherance of a lobbying project undertaken annually, the Compliance Division produced statistical information summarizing spending by governmental affairs agents and their clients.

Evelyn Ford, former Director of the Compliance Division, retired in 2010 after 25 years of service to the Commission. Evelyn set a high standard for excellence and was committed to the highest ideals of public service. In October, Amy Davis, became the new Compliance Director. Amy has worked for the Commission since 1997 in the areas of Compliance, Review and Investigation and Special Programs. Amy brings a vast

To that end, the Compliance Division enabled the Commission to save money by making all forms and manuals available on-line. By making materials available through the Commission's website, money and staff time were conserved because forms and manuals were not routinely mailed to thousands of filing entities.

Other monetary savings were realized by conducting training at the Commission's offices in Trenton, as opposed to renting facilities off-site. Moreover, training was available to campaign treasurers through the Commission's website. In 2010, a total of 186 treasurers received a training certificate and identification number.



COMPLIANCE DIVISION continued

Assisting Law Enforcement

The staff of the Compliance Division continued to assist the U.S. Attorney's Office, the FBI, the Attorney General of New Jersey, and other law enforcement agencies with regard to numerous investigations that in some way involved issues of campaign financing or lobbying.

Compliance

As noted, legislative elections were not held last year. However, county, municipal, school board, and fire district elections were held. In the context of these elections over 5,554 candidates and committees filed thousands of reports in 2010. These reports were filed electronically or scanned to the website, in turn, providing prompt campaign financing data to home page visitors. In addition, political party committees, legislative leadership committees, and PACs filed reports with the Commission. A total 1,286 of these entities filed reports in 2010. These reports, similarly, were scanned and readied for public review.

Governmental affairs agents (lobbyists) and represented entities also file reports with the Commission. As of the close of 2010, there were 981 registered governmental affairs agents filing close to 7,000 reports throughout the four quarters of calendar year 2010.

In total, 30,658 reports were filed by candidates, committees, lobbyists, and business entities in 2010.

The Compliance Division did an outstanding job of promoting compliance with the disclosure laws throughout 2010. Through direct mail, telephone assistance, seminars, and consultations, the Compliance Division achieved a significant level of compliance with the campaign financing and lobbying disclosure laws. Routine reminder and delinquent filing notices were mailed out to candidates, treasurers, and governmental affairs agents prior to and following important filing dates. Staff answered 5,720 telephone calls from the regulated community so that immediate assistance with filing inquiries could be provided.

A very important component of the Compliance Division's effort was the informational seminars conducted over the course of the past year. The Compliance staff conducted 18 training seminars for treasurers and candidates, and 4 seminars for governmental affairs agents. In the coming years, the Compliance Division plans to continue efforts to insure total and complete compliance with all disclosure laws. Training sessions designed to educate the regulated community as well as the press and public are but one weapon in the arsenal.

Strict compliance with the Open Public Records Law (OPRA) is an important priority for the Commission, both in terms of assistance to filing entities and to the cause of transparency in government. The Compliance staff responded to 25 OPRA requests resulting in 3,386 photocopies of records.

Task Force

In December, a new task force was created within the Compliance Division to review current technology and create more innovative training for the Compliance Division's filing community.

The Compliance staff is very excited about this project and continues to strive to provide quality customer service to our numerous filers.

Conclusion

In 2010, the Compliance Division continued its commitment to providing support and assistance to the regulated community through its educational outreach and training programs. At the same time, the Compliance Division made certain that public disclosure of reports in a timely fashion remained a top priority. By delivering these services in an exemplary fashion, the Commission continued to maintain its reputation as one of the most constituent-friendly agencies in State government.



COMPLIANCE DIVISION continued

SPECIAL PROGRAMS SECTION

Administration of New Jersey's publicly-financed gubernatorial elections requires constant evaluation and planning. Therefore, even though the next gubernatorial election occurs in 2013, the Commission undertook activities in 2010 that will form the basis of the next public financing program.

During 2010, a hearing was held on April 20th. Seven people offered testimony at the hearing. Many topics were discussed including: the gubernatorial debates, impact of 527 groups participating in the gubernatorial race, replacing the ballot statement program with more effective advertising, possible enhancements to the electronic filing software and a mechanism to award additional public funds to a publicly-financed



From left: Christine Aquilante, Laura Jurkiewicz, Lou Solimeo, Amy Davis, and Scott Fagerty.

Hearings

After each publicly-financed gubernatorial election, the Commission seeks comment from gubernatorial candidates, their treasurers, gubernatorial debate sponsors, other interested individuals, and the public at a hearing devoted to public financing. Since the inception of New Jersey's gubernatorial public financing program in 1977, the comments received at hearings have been invaluable to the Commission in formulating recommendations for legislative action, revising Commission regulations, and improving internal program operations and procedures.

gubernatorial candidate running against a self-funded gubernatorial candidate. Some of the recommendations for legislative change derived from the comments received at the hearings are discussed in the Legislative Recommendations Section of this report.

Comments received at the hearing also form an important part of the Commission's review of the complex gubernatorial public financing regulations. During 2011, the Commission will begin to examine the primary and general election regulations to identify rules requiring clarification and to draft new rules. This process will culminate in the proposal of new rules and amendments in the New Jersey Register and with public hearings on the proposed changes well in advance of the 2013 gubernatorial election.



COMPLIANCE DIVISION continued

Expenditure Review

As it has at the conclusion of past publicly-financed gubernatorial elections, during 2010 the Commission used the State's competitive bidding process to select an independent accounting firm to review the bank accounts maintained by the 2009 publicly-financed gubernatorial primary and general election candidates. The Commission views this process as an important compliance tool because each gubernatorial campaign knows in advance of the election that it will be subjected to an in-depth examination of its expenditure activity. The accountants were asked to verify that matching funds were spent only for the specific purposes permitted in the Campaign Reporting Act. These include purchase of media time, printing and mailing of campaign literature, and payment of the cost of producing material aired or displayed on radio and television and in newspapers and other periodicals.

The accountants were also asked to confirm that the campaigns complied with the \$5 million primary election expenditure limit and the \$10.9 million general election spending limit. Unlike candidates for other elected offices, publicly-financed gubernatorial candidates are not permitted to retain funds or to transfer those funds to a future election. The Campaign Reporting Act and Commission regulations require that a publicly-financed campaign return to the State any funds remaining, up to the total of public funds which the campaign received, after all obligations are satisfied. The Commission will review the results of the accountants' report during the coming year and will monitor the 2009 campaigns to insure that any available funds are refunded to the State.

Inaugural Committee Information

Contributions to the gubernatorial inaugural event are capped at the statutory limit of \$500 per contributor. Reports are filed by the inaugural event committee 45 days after the inaugural event and on quarterly intervals thereafter. During 2010, Commission staff reviewed and computerized more than 2,584

contributions, totaling \$1.07 million, to Governor Chris Christie's 2010 inaugural event. This contribution information is available as part of the Commission's contribution database and is available on the Commission's website, along with copies of the inaugural event committee reports.

Pay-to-Play

Approximately 2,043 business entities filed the Business Entity Annual Disclosure Statement (Form BE) regarding public contracts and contributions made to New Jersey candidates and committees. The reports filed every March 30th are a major part of State efforts to deter corruption; the reports disclosed 21,418 public contracts totaling \$6,061,890,860.70. Business entities also reported 9,675 contributions worth \$11,061,452.70. The Special Programs Section also provided filing assistance and answered questions concerning the law. Information regarding pay-to-play activity is provided by the Commission on its website and can be accessed through a variety of search mechanisms aimed at providing detailed information for the State's citizenry.

Conclusion

As in 2005, the Commission utilized electronic filing for the 2009 gubernatorial election with its Gubernatorial Electronic Filing System (GEFS). Commission staff has already begun to revise GEFS to improve it for the 2013 election.

During 2010, through the public hearing process, independent review of gubernatorial expenditures, and continuing enhancement of its computer systems, the Commission took important steps to establish a foundation for the 2013 gubernatorial election and to serve the interests of New Jersey citizens and candidates.



LAW DIVISION

LEGAL SECTION

The Legal Section is responsible for formulating advisory opinions, drafting regulations, and enforcing the disclosure laws under the jurisdiction of the Commission. All complaints, final decisions, advisory opinions, and regulations are issued through the Legal Section. These



From left: Theresa Lelinski, Gail Shanker, Carol L. Hoekje, Michelle R. Levy, and Amanda Haines.

matters are posted on the Commission's website, thereby providing the public with convenient access to important legal concerns. In this way, the Legal Section contributes to the central mission of the Commission, which is to provide complete and accurate campaign and lobbying information while discouraging violations of the Campaign Contributions and Expenditures Reporting Act (the Act). The Legal Section staff also provides guidance to the Commission staff concerning the law and the regulations.

New Jersey Supreme Court Decision

The New Jersey Supreme Court issued a unanimous decision on March 8, 2010, upholding the Commission's ruling in its Advisory Opinion 01-2008. In that Advisory Opinion, which was also upheld by the

Appellate Division, the Commission had advised that the use of campaign funds for defense of a criminal indictment did not constitute an "ordinary and necessary" expense and therefore was not a permissible use. The New Jersey Supreme Court held that ELEC's interpretation of the statute, N.J.S.A. 19:44A-11.2(a)(6), is not plainly unreasonable, and that an "ordinary" expense of holding public office does not include legal costs incurred defending against an indictment charging official corruption.

Complaints

In 2010 the Commission issued 91 complaints, including 60 complaints for nonfiling in the 2009 primary election, four complaints for nonfiling in the 2009 municipal election, and 22 complaints for late and nonfiling of the legislative agent quarterly reports in calendar year 2009. Additionally, four complaints were issued against candidates and committees for late and nonfiling of information in 2006 and 2007 calendar years and elections.

Moreover, one complaint was issued against a state political party committee alleging the making of expenditures as in-kind contributions supporting a gubernatorial candidate in the 2009 general election in a manner prohibited by the Act.

The New Jersey Supreme Court held that ELEC's interpretation of the statute, N.J.S.A. 19:44A-11.2(a)(6), is not plainly unreasonable, and that an "ordinary" expense of holding public office does not include legal costs incurred defending against an indictment charging official corruption.



LAW DIVISION continued

Final Decisions

At the conclusion of each case in which it has issued a complaint, the Commission issues a final decision, which may impose monetary penalties. The Commission issued 119 Final Decisions in 2010 for violations spanning elections and calendar years from 1998 to 2009. The total fines received in calendar year 2010, which included amounts received as payable on cases from earlier years, totaled \$108,041.47. All complaints and final decisions are posted on the Commission's website.

Regulations

The Commission completed the process of readopting its regulations (N.J.A.C. 19:25) with amendments pursuant to the periodic sunset review process. The Commission also adopted one new rule, N.J.A.C. 19:25-26.10 ("Recordkeeping; period of retention"), to require recordkeeping by business entities filing annual disclosure statements with the Commission.

Advisory Opinions

To provide guidance to the regulated community, the Act authorizes the Commission to issue opinions regarding legal requirements under the Commission's jurisdiction that may impact future campaign or lobbying activities. These advisory opinions are issued to individuals having standing and are posted on ELEC's website.

The Commission issued Advisory Opinion No. 01-2010, concerning use of campaign funds by an officeholder. The Commission advised that use of campaign funds to reimburse travel expenses incurred in connection with an unanticipated legislative calendar change was a permissible use of funds as an ordinary and necessary expense of holding public office.

The Commission also considered a new issue in Advisory Opinion No. 02-2010, concerning settlement by a candidate committee of outstanding obligations. In this

request, the candidate had incurred legal fees to defend a postelection challenge to the results of the election. The proposed settlement was made as a result of negotiation arising out of litigation instituted by the creditor law firm. The Commission advised that under the particular circumstances of the request, the proposed settlement of the debt for less than the amount owed does not result in a reportable "contribution." The Commission emphasized that its determination was based upon the unique facts of the case as follows: the debt was incurred postelection and for defense of the results of the election, the candidate could not have anticipated such expenditure during the campaign, evidence was provided that the law firm made bona fide and commercially diligent efforts to collect the debt, and the proposed settlement agreement was the result of an arms-length negotiation between the parties.

Other Litigation

The Commission through its outside counsel, James Wyse, Esq., defended a federal court lawsuit filed by a potential independent gubernatorial candidate in the 2013 elections, challenging the requirements concerning participation by qualified candidates in interactive debates, see N.J.S.A. 19:44A-45 and N.J.A.C. 19:25-15.49. The Commission's motion to dismiss the complaint for lack of standing, was granted by the Court on January 25, 2011. Dealmagro v. N.J. Election Law Enforcement Comm'n, No. 10-4149 MLC (D.N.J. Jan. 25, 2011).

Conclusion

Interpreting and enforcing the provisions of law are critical elements of effective administration of the campaign and lobbying financial disclosure entrusted to the Commission and to its Legal Section. The Section's staff consists of four attorneys and the Director. Despite this less than optimum staffing, the Legal Section continues to meet its challenges in a professional and responsible manner, to enforce the laws fairly and uniformly, and to treat all Respondents with the due process they are afforded under the law.



LAW DIVISION continued

REVIEW AND INVESTIGATION SECTION

The work of the Review and Investigation Section is crucial to fulfilling ELEC's central mission—ensuring financial disclosure by campaign entities, lobbyists, and businesses holding public contracts. It is, in essence, the watchdog for the watchdog agency.



From left: Matthew Krinsley, Lovinsky Joseph, Christopher Guear, Brett Mead, Christopher Mistichelli, and Shreve Marshall.

Candidates and others know not to ignore basic requirements to notify the public about their activities. ELEC has authority over civil matters. Cases that involve criminal matters are referred to the Attorney General's Office.

While its authority is limited to civil complaints, ELEC and its Review and Investigation Section has been a diligent partner to the F.B.I., the U.S. Attorney's Office, and the Attorney General's Office in efforts to combat corruption.

Requests for Investigation

In 2010, the Commission received a total of 108 requests for investigation. Out of those requests, a total of 71 were presented to the Commission for its determination as to whether or not to open a review. Last year, the Commission opened 50 percent or 35 of the Requests for Investigation that had been received from the public or other State agencies.

The Commission did not have jurisdiction over 20 requests while 17 were administratively resolved or held pending receipt of additional information.

Members of the public can request an investigation by submitting to the Commission a completed Request for Investigation Form. The form can be obtained by accessing the Commission's website at www.elec.state.nj.us.

Requesters have the ability to download the Request for Investigation Form and prepare their request directly on the computer before printing and mailing it in to the Commission. Requests for investigation that are made to ELEC, a nd over which the Commission has jurisdiction, are presented to the Commission within 90 days of receipt. At a meeting of the Commission, the Commission members determine whether or not to open a review of the allegations.



LAW DIVISION continued

Investigations

During 2010, the Commission closed 41 investigations. The investigative activity continues to involve the timely reporting of contribution and expenditure information, adherence to contribution limits, timely reporting of 48-hour notices, the requirement to maintain records of contributions and expenditures, and the requirement to provide political identification or “paid for by” information on advertising materials.

An important investigation concerned the alleged non-filing of quarterly reports by a continuing political committee (CPC). As a result of this investigation, the continuing political committee filed late the requisite quarterly reports. Review of these quarterly reports disclosed that the CPC filed late contribution and expenditure information and also focused on the CPC’s receipt of excessive contributions and failure to refund the excessive portion within 48 hours.

The Report Review Subsection undertook and completed two report review projects. The first project involved review of campaign reports filed late by candidates that participated in the 2009 May municipal election. The second report review project examined campaign reports filed by candidates seeking election to county-wide offices in the 2009 primary election. The most common reporting violations identified by the report review staff were: failure to file 48-hour notices, prohibited contributions from LLCs and LLPs, failure to include employer and occupation information on aggregate contributions greater than \$300, and missing address information for expenditures. The Report Review Subsection contacted candidates and treasurers regarding the deficiencies pertaining to their filings and requested that amended reports be filed with the Commission.

In calendar year 2010, during the course of conducting the investigations, the Section issued 16 subpoenas to financial institutions for all records relating to campaign or organizational depositories.

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 such 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, Review and Investigation passed on recommendations to the Legal staff which resulted in the issuance of 64 complaints for non-filing of reports. These complaints included 4 from the 2009 municipal election and 60 from the 2009 primary election.

Other Activities

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 which presents a challenge when enforcing the filing requirements of all of the candidates and other entities from throughout the State that are required to file with the Commission.

Conclusion

In 2010, the Review and Investigation Section staff continued to enforce its large volume of active cases while monitoring current violations that occurred throughout the year. It is staff’s commitment to assure that all reporting entities provide the public with the mandatory disclosures required by law.



OPERATIONS DIVISION

INFORMATION TECHNOLOGY SECTION (IT)

Good news for the Commission and the IT Section came in early November when the Commission's website was recognized as the "Best Official New Jersey Website" by the Documents Association of New Jersey



From left: Maryanne Garcia, Brian Robbins, Lou Solimeo, Anthony Giancarli, Carol Neiman, Ken Colandrea, Kim Roman, Peter Palaitis, and Aydan Altan.

(DANJ). The Commission's website was chosen based on meeting the following criteria:

- The site contributes to the expansion of knowledge, gives evidence of innovation in presentation, or demonstrates a creative approach in its treatment;
- The site has a relevance for New Jersey's citizens;
- The site contributes to enhancing the quality of life for New Jersey's citizens;
- The site contributes to an understanding of state or local government processes or functions;
- The title reflects actual contents, the site achieves its intended purpose, and the format is appropriate to the contents;
- The information available is written in a lucid style comprehensible to non-specialists;
- The site is easy to navigate and/or provides a search engine; and

- The site is generally pleasant to access due to physical appearance, layout, organization, use of color, or ease of use.

In another promising development, the Commission's IBM/FileNet imaging system was certified through the New Jersey Division of Archives and Record Management. This certification makes the scanned image of any report filed with the Commission the original document. Additionally, the supervisor of the Imaging Certification Unit called the Commission's disaster recovery documentation the best ever presented to that agency. The supervisor said she intends to use the ELEC's documentation template as a model for the State.

During 2010, the IT staff continued to provide YouTube video coverage of public service announcements. Staff also created a series of news videos that were released in conjunction with the analytical news releases on campaign finance statistics. Additionally, the IT staff was instrumental in compiling the numbers for money raised and spent for the videos and many news releases.

For the first time, the annual lobbyist reports were scanned into viewable images and displayed on the website.

Maintenance and Support

The Office of Treasury Technology (OTT) migrated the Commission's email to their server and took over the administration of the Commission's email system. This was done in keeping with the State's consolidation plan.

Even after the gubernatorial election of 2009 was over, the IT Section remained focused on major improvements to the Gubernatorial Electronic Filing System (GEFS). Because the program is written in an older, increasingly obsolete language, and the



OPERATIONS DIVISION continued

Commission already has filers for the 2013 cycle, the IT Section started a re-write of this program as well as a refresh of the program's electronic filing server. We're hoping to have this update completed by the end of March 2011.

ELEC's support staff applied upgrade patches to the IBM/FileNet system this past year while rolling out client upgrades needed for the email migration to the OTT's email system.

The IT support team provides assistance not only to the Commission staff, but also to the public for issues with electronic filing and website searches of reports and databases. When necessary, they also help Pay-to-Play filers.

Data Entry Staff

For the second consecutive year, the hard-working Data Entry staff added information on thousands of contributions from every local election to the local contributor database. New Jersey now is one of the few states in the nation where members of the public can search donations to local officials.

In addition, the staff keyed in tens of thousands of other contributions for the legislative and gubernatorial elections; the state, county and local political party committees and legislative leadership committees. The Data Entry staff also reviewed the electronically filed contributor detail for completeness.

When the annual lobbyist reports are filed each February, the Data Entry staff shifts priority to these annual filings and makes it possible for the many summary reports to be available on the Commission's website in a very short amount of time.

Work In Progress and Future Strategic Planning

The IT development staff will be completing the GEFS maintenance upgrade. The development staff worked closely with consultants to learn .NET programming skills that are needed to revamp the system.



Standing from left: Tamico Flack, Brenda Brickhouse, Susan Danley, Tamika McCoy, and Helen Kelly.
Sitting from left: Darlene Kozlowski, Pam Kinsey, and Shirley Bryant.

By mastering this newer programming language, the staff also will be able to upgrade the R-1 Electronic Filing System (REFS) and complete many other custom programs used by the Commission.

On the horizon is the electronic filing of the governmental affairs agents/lobbyists annual reports to be followed by the electronic filing of the governmental affairs agents' quarterly filing.

Each year the Commission updates its strategic planning documentation. That documentation is then used as a guide to prioritize its many programs and equipment to be upgraded and refreshed. Still on the list is the upgrade to the IBM/FileNet P8 system and the rewrite of ELECTrack, the Commission's legacy systems.

Conclusion

The Commission, through its IT Section, continues to maintain its excellent reputation as demonstrated this past year by receiving the Documents of Association of New Jersey annual award for the "Best Official New Jersey Website." Additionally, the IT Section continues striving to maintain industry standards while being fiscally responsible in these difficult economic times.



OPERATIONS DIVISION continued

FINANCE AND ADMINISTRATION

During 2010, 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 handled and overseen by the Section are budget planning and analysis, purchasing/procurement, personnel and payroll administration, mail processing, and facilities management. Additionally, the Finance and Administration Section oversees copier, fax and all other



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

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, analysis, and management of the Commission's budget. This task has been affected by additional difficulties in recent years, and 2010 was no exception. As a result of the fiscal crisis facing the State, the Commission had to deal with severe budgetary constraints throughout the year. Through Treasury budget reductions and efficiencies, the Commission's fiscal year 2011 Direct State

Services appropriation of \$ 4.191 million was \$164,000 lower than the fiscal year 2010 appropriation of \$4.355 million. This put additional pressure on Finance and Administration Section staff to ensure the accurate budgeting and management of expenditures.

Certainly these types of fiscal constraints could potentially have had a negative impact on Commission operations, especially considering the

Commission's commitment to fully implementing all of the reform and ethics laws passed during the last few years. During 2010, 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, in order to keep the Commission functioning at an optimal level.



OPERATIONS DIVISION continued

Personnel Administration

Another major area of responsibility for the Finance and Administration Section is the coordination and management of personnel activities for the entire Commission. As with the administration of the budget, the personnel area has also been severely impacted by the fiscal crisis facing the State. A statewide hiring freeze continued during 2010, with the hiring of essential staff only being allowed upon approval of an exemption request. Finance and Administration Section staff successfully worked with the Civil Service Commission during 2010 to fill the critical position of Compliance Director, after the Commission's long-time Section Director retired.

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 reception, mail processing, overseeing machinery and equipment maintenance, and acting as the Commission's liaison with the building management company. During 2010, 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 2010, the Section operated within the parameters established by the Department of Treasury and the Governor's Office, and continued to handle all responsibilities effectively.

In FY 2012, the Commission anticipates an appropriation of \$ 4,281,000 based on the Governor's Budget Message.

Comparison of Fiscal Years 2010 and 2011 Original DSS Appropriations

	<u>FY-2010</u> <u>Appropriation</u>	<u>FY-2011</u> <u>Appropriation</u>
Personnel	\$3,867,000	\$3,758,000
Printing & Supplies	60,000	45,000
Travel/Training	7,000	5,000
Telephone	49,000	58,000
Postage	57,000	56,000
Data Processing	197,000	171,000
Professional Services	50,000	40,000
Other Services	40,000	30,000
OIT	11,000	11,000
Maintenance for Equipment	2,000	2,000
Furniture/Equipment	0	0
Commissioner Per Diem	<u>15,000</u>	<u>15,000</u>
Total Operational	\$4,355,000	\$4,191,000

2010 Evaluation Data

Disclosure Reports (Total).....	30,658
<i>Campaign & Quarterly</i>	22,032
<i>Lobbyist</i>	6,583
<i>Pay-to-Play</i>	2,043
Investigations.....	41
Complaints.....	91
Public Assistance Requests.....	10,496
Photocopies.....	3,386
Fine Collection	\$108,042
Lobbying Annual Fees.....	\$353,175
Campaign Fundraiser	
Annual Fees	\$8,000



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
- Lynnann B. Ware, Commissioner

2001

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

2008-2009

- Jerry Fitzgerald English, Chair
- Peter J. Tober, Vice Chair
- Albert Burstein, Commissioner
- Judge Amos C. Saunders, Commissioner

2010

- Jerry Fitzgerald English, Chair
- Judge Amos C. Saunders, Vice Chair
- Albert Burstein, Commissioner
- Ronald DeFilippis, Commissioner

2011

- Ronald DeFilippis, Chairman
- Walter F. Timpone, Vice Chairman
- Judge Amos C. Saunders, Commissioner
- Judge Lawrence Weiss, Commissioner (Appointed)
- Jerry Fitzgerald English, Commissioner (Retired)

EXECUTIVE DIRECTORS

1973-1976	David F. Norcross
1976-1981	Lewis B. Thurston, III
1981-1984	Scott A. Weiner
1984-2009	Frederick M. Herrmann
2009-Present	Jeffrey M. Brindle

LEGAL COUNSEL

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

CONSULTANT

1973-1978, 1982, 1986-1988
Herbert E. Alexander



Steve Kimmelman
Research Assistant



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.
- **Office of Lieutenant Governor** established by P.L. 2009, c. 66 – effective date June 26, 2009.



Elbia Zeppetelli and Renee Zach



ELEC's HOME PAGE

Log on to: view Reports; search for Contributors; obtain Treasurer Training education; secure Publications and Forms; access Complaints, Final Decisions, and Advisory Opinions; and, retrieve Campaign Financing and Lobbying Data from the past decade.

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Note: An after hours recording is posted whenever the office is closed.

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NEW JERSEY CAMPAIGN FINANCING AND LOBBYING DISCLOSURE
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• BREAKING NEWS •

Commission Meeting & Minutes

The next Commission Meeting is Tuesday, March 15 at 10:00 a.m.

Public Session Minutes from Tuesday, January 18, 2011. [Read further >>](#)

Gubernatorial Fund Needs You!

As you prepare to file your state income tax returns for 2010, please consider checking "Yes" on the Gubernatorial Elections Fund checkoff box. [Read further >>](#)

Summary information, regulations and forms concerning the Gubernatorial Public Financing Program.

News Releases

Data summarizing the Annual Reports of Lobbying Activity for the 2010 calendar year period will be available in ELEC's public records room on Wednesday, March 9, 2011. [Read further >>](#)

New enforcement actions are now available for review February 16, 2011 on the website of the New Jersey Election Law Enforcement Commission. [Read further >>](#)

Public Information

View reports and search the campaign finance database. View Summary Expenditure data from governmental affairs agents' quarterly and annual reports and much more.

For ELEC Filers

Browse for information about filing requirements, access forms, manuals, electronic filing options, contribution limits, training schedules and more.

Pay-to-Play

At its meeting on March 23, 2010, the Commission adopted ~~new~~ **and Amended Pay-to-Play Regulations**. These regulations will become effective on April 19, 2010. For more information, please review the proposal and adoption notices on the Commission's website under "Legal Resources."

Legal Resources

Search and view complaints and final decisions, advisory opinions and regulations. Use the fill-in advisory opinion and investigation request forms.

About ELEC

Find information about ELEC, members and key staff, meeting and minutes, ELEC publications, press releases, agency news, related sites and how to contact us. Browse through the "White Paper" series.

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ELEC-TRONIC NEWSLETTER

ELEC-Tronic is a monthly publication by the Commission. Since its inception in July 2009, it has produced 22 issues providing substantive information about trends in campaign finance, lobbying, and pay-to-play. To subscribe to the newsletter, please visit our website at: <http://www.elec.state.nj.us/>.

ISSUE 18 DECEMBER, 2010

ELEC-Tronic

AN ELECTION LAW ENFORCEMENT COMMISSION NEWSLETTER
"Furthering the Interests of an Informed Citizenry"

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 Ronald DeFilippis, Chairman
 Walter F. Timpone, Vice Chairman
 Jerry Fitzgerald English, Commissioner
 Amos C. Saunders, Commissioner
 James P. Wyse, Legal Counsel

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Election Law Enforcement Commission, P.O. Box 185, Trenton, NJ 08625
www.elec.state.nj.us (609) 292-8700 - Toll Free Within NJ 1-888-313-ELEC (3532)

Comments from the Chairman

Ronald DeFilippis

Now that the election season is over it's time to recap financial activity undertaken by non-federal candidates and political entities.

During the course of the general election, the Commission produced several analyses of campaign financial activity involving campaigns for office in the Garden State.

These analyses included financial activity exhibited by candidates for municipal and county offices and for legislative office in three districts holding special elections.

Analyses were also produced which involved financial activity among the "big-six" committees (two state party committees and four legislative leadership committees) and the 42 county committees.

There were special elections held in the 5th, 14th, and 3rd legislative districts. Altogether the twelve candidates vying for State Senate or Assembly raised \$2.6 million and spent \$2.6 million.

It was the campaign in the 14th district, traditionally a swing district including parts of Mercer and Middlesex counties, that led the way.

In the contest for State Senate, Republican State Senator Thomas Goodwin, Democratic Assembly-woman Linda Greenstein, and Independent Bruce C. MacDonald, reported receiving \$1.7 million and spending \$1.7 million.

It is interesting to note that the 14th district was included in the pilot Clean Elections Program in 2007. Compared to 2007 fundraising was up by 23 percent and spending by 59 percent.

The "big-six" committees continued to be active this year as well. In total the two state party committees raised \$3.1 million and spent \$2.9 million through the third quarter of 2010.

For the first nine months of the year, Democrats outraised Republicans \$1.7 to \$1.5 million. They also outspent the Republican committees, spending \$1.5 million versus \$1.3 million.

However, there was one difference and that occurred in the third quarter. Between July 1st thru September 30th Republicans outraised the Democratic committees, \$608,304 to \$375,411. Democrats continued to outspend Republicans during the third quarter, \$670,551 to \$551,532.

... Continued on page 2.

INSIDE THIS ISSUE

- 1 Comments from the Chairman
- 2 Walter F. Timpone – named Vice Chairman
- 2 Executive Director's Thoughts
- 3 ELEC - Best Official Website
- 4 Senate State Government Committee Hearing Testimony
- 5 State of Connecticut: State Election Enforcement Commission – Visits ELEC
- 6 Michelle R. Levy "Profile"
- 7 Seminar Training Dates
- 7 2011 Commission Meeting Schedule
- 8 Dates to Remember