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Governor Christie Proposes Rigorous Ethics Reforms Package

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Proposals Strengthen Laws Governing Pay to Play, Dual Office Holding and Employment, Financial Disclosure, "Wheeling" of Campaign Contributions

Trenton, NJ -- Governor Chris Christie today unveiled a series of rigorous ethics reform measures that reflect his commitment to change the culture of government, demand accountability and maintain the integrity of office holders and employees and the electoral process at all level of government to better serve the people of New Jersey.

The ethics plan released today represents the first specific policy proposals of the broader Christie Reform Agenda outlined by the Governor yesterday. Additional reforms to address the areas of pension and benefits, economic development and job creation, and education will be released in the coming weeks.

Among the proposals advanced today by the Governor during a Town Hall meeting in Raritan Township:

- · Omnibus ethics legislation which ends dual government employment and dual office holding, requires forfeiture of pensions by convicted public officials, prohibits use of campaign funds for criminal defense costs, and redefines conflict of interest for legislators by making recusal mandatory for direct financial conflict (no more selfevaluation to determine whether the member "feels" there is or is not a conflict) and strict disclosure of legislative conflicts of interest.
- · A comprehensive legislative reform package which imposes a uniform standard for awarding contracts at all levels and branches of government in New Jersey, and expands the reach of the pay-to-play law to make public labor unions subject to the same contribution and disclosure obligations as other entities doing business with the State. The bill also restricts the practice of "wheeling," or the transfer of political donations to circumvent campaign financing laws.

Also today, the Governor conditionally vetoed A-2768 to strengthen financial disclosure and to require the Legislature and its senior staff to file the same financial disclosure statements required of the Executive Branch. The original bill sought only to prevent the Governor and State Ethics Commission from extending the filing deadline for financial disclosure statements.

"Ethics reform in New Jersey has been a patchwork of half measures that failed to be fair and uniform, left gaping loopholes for special interests to maneuver through and fell far short of what the public demands," Governor Christie said. "These measures are about good, open and honest government, where the playing field is level for everyone and the rules are unambiguous."

A day after his inauguration, Governor Christie signed an executive order which limited political donations by labor unions that had contracts with the state, saying that unions should be subject to the same restrictions as corporations or individual donors. That executive order was overturned in-part by a state appeals court which -- without passing judgment on the intent of the executive order -- said legislation would be required to enact the restrictions.

"This is undeniably a matter of important public policy," Governor Christie said. "This pay-to-play reform package strengthens New Jersey's existing laws to protect the integrity of our electoral process in a way that preserves the public's confidence in the system. Special interests should not be in a position of deciding elections by flooding the political process with money."

The pay-to-play reform proposal also restricts the practice of "wheeling," by eliminating many of the exemptions on contribution limits for county or municipal political committees. The proposal - which has strong supported from the Election Law Enforcement Commission - would curtail the unlimited transfer of campaign money between committees and from committees to candidates in different parts of the state, which can unfairly impact local races.

Furthermore, the Governor's pay to play reforms address the "Fair and Open Contract" exception by extending pay to play requirements to contributions made to legislators and county or local elected officials. Under the proposal, if a business makes a reportable contribution to any of those individuals, the business cannot receive a contract in excess of \$17,500 -- as the law currently applies only to political contributions to a governor.

More information on Governor Christie's ethics reform plan can be found in the fact sheet, included below and as a PDF attachment to this email.

Christie Ethics Reform Plan: Creating a New Climate that Demands Accountability and Results

Governor Christie has put forward a series of rigorous ethics reform measures that are in step with his commitment to



change the culture of government in New Jersey and demand accountability to better serve the people. These comprehensive reforms are tough, but fair and guided by common sense, which is what the people of New Jersey expect. The proposed measures include:

 A New, Detailed Annual Financial Disclosure Statement From Both The Executive And Legislative Branches

Governor Christie issued a conditional veto of, and called upon the legislature to pass, A-2768. The conditionally vetoed bill would set in statute a May 15th deadline for the filing of financial disclosure statements (FDS) and sets the filing requirements of an FDS in law – making them permanent. The Governor's conditional veto also requires, for the very first time, members of the legislators and their senior staff to file the same FDS as the executive branch. Governor Christie's conditional veto of A-2768 increases transparency by expanding the statutory requirements of financial disclosures to more closely track federal guidelines. Changes include:

- Expanded value classes for asset and income disclosure (a maximum category of 50M instead of the current 500K);
- · Inclusion of members of the Legislature and the Legislature's professional staff;
- Filers required to provide detailed disclosure of all assets, real property, and contractual arrangements with former and future employers:
- Required disclosure of all parties for whom compensation was received to promote, oppose or prepare legislation;
 and.
- Codification of all disclosure requirements listed on current state FDS forms as well as certain information presently
 required to be disclosed on federal disclosure forms (e.g. expanded value classes ranging up to \$50,000,000.00)
- A Full Ban On Dual Office Holding That Ends Grandfathering. Governor Christie's plan eliminates dual office
 holding, and institutes a specific end to the grandfathering period at the conclusion of 2010-2011 Legislature rather
 than the current open ended grandfathering period that permits dual office holding to persist.
- A Ban On Dual Employment For All State, County And Local Officials And Employees. All employees would be prohibited from drawing a salary at a 2nd government position - state, county or local.
- An Effective Conflict Of Interest Standard For Legislators. Governor Christie's plan redefines conflict of interest
 disclosures for Legislators to require mandatory recusal and strict disclosure of legislative conflicts of interest. This
 puts an end to self-evaluation of whether a Member of the Legislature "feels" there is a conflict.
- Real Penalties For Those Who Violate The Public's Trust. Governor Christie's plan puts in place real consequences for public officials who break the law:
 - Requiring Pension Forfeiture For Public Officials Convicted Of Crimes That Involve Or Touch Upon The Public Office.
 - Requiring Forfeiture Of Campaign Funds For Officials Convicted Of A Crime For First Through Fourth Degree Offenses.
 - Ban On Use Of Campaign Funds For Criminal Defense Costs.
- Comprehensive Legislation To Fix Pay-To-Play, Effectively Restrict "Wheeling" And Close Loopholes In Restrictions On The Awarding Of Government Contracts. The Governor's plan includes sweeping legislation that will increase transparency and the integrity of the electoral process by fixing loopholes and shortcomings of current pay-to-play restrictions. Governor Christie's proposals will:
 - Restrict The Practice Of "Wheeling" by imposing contribution limitations on county and municipal committees for committee-to-committee contributions and committee contributions to out-of-county or out-ofmunicipality candidates.
 - Impose A Uniform Set Of Contract Award Standards on all levels of government and all branches of state
 government. Governor Christie's proposal would end the "fair and open contract" exception for businesses that
 make reportable campaign contributions at the legislative, county and municipal levels, yet are able to receive
 contract awards valued greater than \$17,500 with local governments a practice that is not permitted at the
 state/gubernatorial level.
 - Close Pay-To-Play Loopholes by leveling the playing field with changes to law that would make labor unions subject to the same contribution requirements which apply to other entities doing business with the state.

As a complete package, Governor Christie's Ethics Reform plan will increase transparency in government, accountability to the public from elected officials and strengthen New Jersey's existing laws to ensure that the electoral process is conducted with integrity – a critical step in gaining and keeping the public's trust in their government. Governor Christie has said from the beginning that we need to create a new climate in Trenton that fundamentally changes the way our government is perceived by both New Jerseyans and everyone outside New Jersey. He aggressively began this process in January 2010 by:

- Signing EO-15, directing a comprehensive review of all state authorities, boards and commissions and taking immediate action to reform abusive fiscal practices signed.
- Signing EO-7 which modifies prior Executive Orders implementing "pay-to-play" restrictions.
- Signing EO-8, which orders and directs the Department of the Treasury publish quarterly reports on all State
 expenditures, which they are already doing.
- Debuting YourMoney.NJ, an online government transparency center and increasing transparency of government priorities and performance with the online Governor's Performance Center.
- Calling for additional, critical reform measures to overhaul the Delaware River Port Authority and bring accountability to
 the hundreds of boards, commissions and authorities that form the until now invisible and unaccountable layers of
 government in New Jersey.

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• Christie Ethics Reform Plan [pdf 63kB]

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