

COMMISSION MEETING

before

AD HOC COMMISSION ON LEGISLATIVE ETHICS AND CAMPAIGN FINANCE

"Continue seeking agreement on what changes, if any, in current State laws and regulations governing conflicts of interest the Commission should recommend to the Legislature"

October 3, 1990
Room 334
State House Annex
Trenton, New Jersey

COMMISSION MEMBERS PRESENT:

Dr. Alan Rosenthal, Chairman
Albert Burstein
Patricia Sheehan
Michael Cole
Senator Donald T. DiFrancesco
Assemblyman Thomas J. Deverin
Assemblyman Garabed "Chuck" Haytaian

ALSO PRESENT:

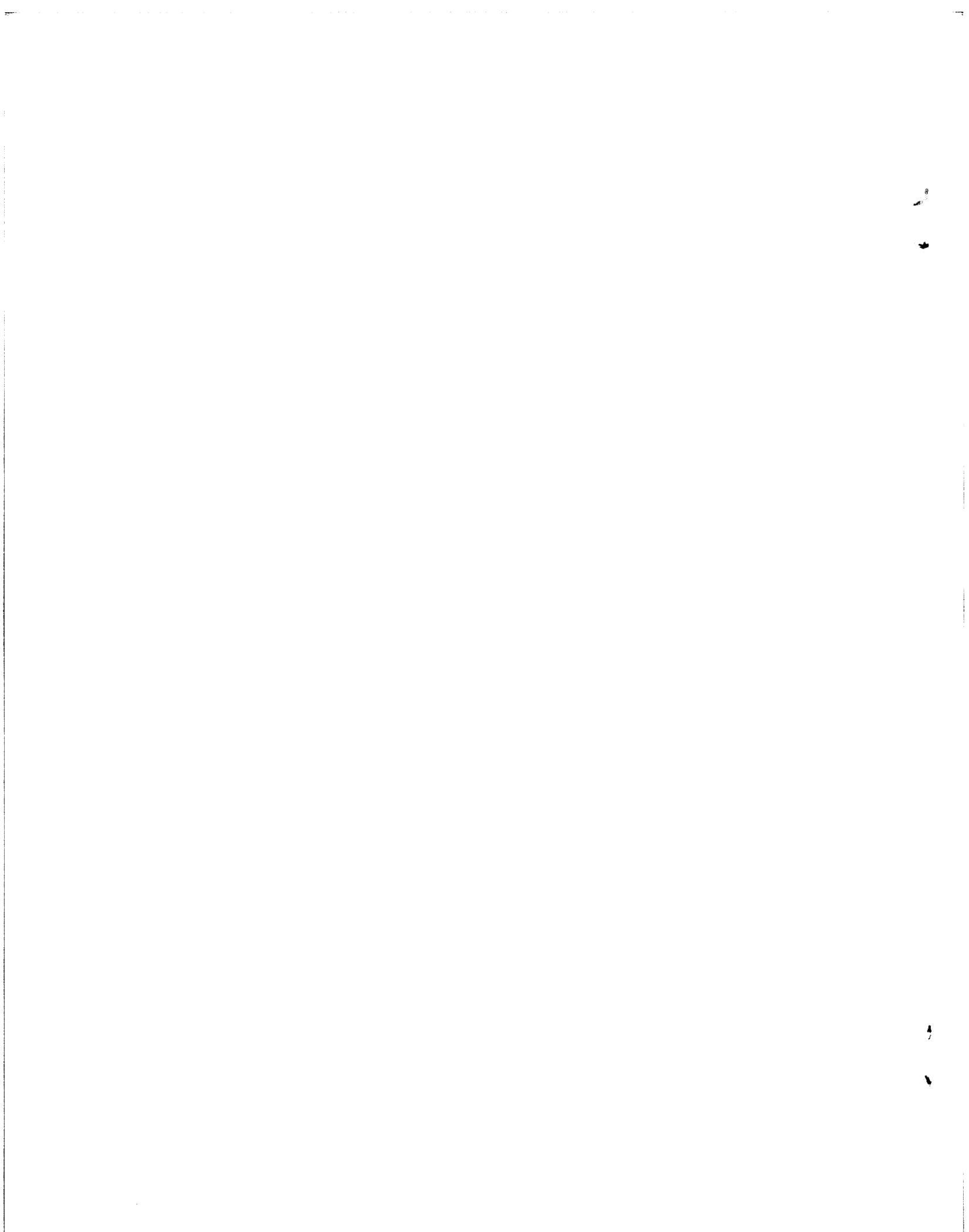
Marci Levin Hochman
Assistant Counsel
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New Jersey State Library

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Aide, Ad Hoc Commission on Legislative Ethics
and Campaign Finance

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Meeting Recorded and Transcribed by
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Hearing Unit
State House Annex
CN 068
Trenton, New Jersey 08625





New Jersey State Legislature

AD HOC COMMISSION ON LEGISLATIVE ETHICS
AND CAMPAIGN FINANCE

Alan Rosenthal
Chairman
Albert Burstein
Michael Cole
Patricia Sheehan
Thomas Stanton, Jr.
Carmen A. Orechio
Senator
Donald T. DiFrancesco
Senator
Thomas J. Deverin
Assemblyman
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Speaker of the
General Assembly

M E E T I N G N O T I C E

TO: MEMBERS OF THE AD HOC COMMISSION ON LEGISLATIVE
ETHICS AND CAMPAIGN FINANCE

FROM: ALAN ROSENTHAL, CHAIRMAN

SUBJECT: COMMISSION MEETING - October 3, 1990

Anyone who wishes further information on the Commission meeting may contact Marci L. Hochman, Aide to the Commission, at (609) 292-4625 or Frank J. Parisi, Aide to the Commission, at (609) 292-9106.

The Ad Hoc Commission on Legislative Ethics and Campaign Finance will hold its next meeting on **Wednesday, October 3, 1990** beginning at 1:00 p.m. and ending at 3:30 p.m. in Room 334 of the State House Annex, Trenton, New Jersey.

The purpose of the meeting will be to complete reviewing the preliminary draft of the Commission's report.

NOTE: A final meeting of the Commission has been tentively scheduled for **Wednesday, October 10th** beginning at 1 p.m in Room 341 (not 334) of the State House Annex for the purpose of voting on and releasing to the public the final draft of the Commission's report. Any member unable to attend the October 10th meeting should contact the chairman or staff as soon as possible.

Issued 9/27/90



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(MEETING OPENS AT 1:10 p.m.)

DR. ALAN ROSENTHAL (Chairman): Why don't we get started. As I mentioned, Mike Cole is due to arrive at about 1:30, or a little thereafter. Is that right?

MR. PARISI (Committee Aide): Yes.

DR. ROSENTHAL: Senator Orechio will probably not be here. Do you want to call the roll, Frank?

MR. PARISI: Okay. Assemblyman Haytaian?

ASSEMBLYMAN HAYTAIAN: Here.

MR. PARISI: Assemblyman Deverin?

ASSEMBLYMAN DEVERIN: Here.

MR. PARISI: Senator DiFrancesco?

SENATOR DiFRANCESCO: Here.

MR. PARISI: Senator Orechio is probably not going to make it. Tom Stanton is not going to be here.

Pat Sheehan?

UNIDENTIFIED MEMBER OF COMMISSION: She's here.

MR. PARISI: Mike Cole, delayed. Al Burstein?

MR. BURSTEIN: Here.

MR. PARISI: Chairman Rosenthal?

DR. ROSENTHAL: Here.

MR. PARISI: There are six members present. Mr. Chairman, you have a quorum.

DR. ROSENTHAL: What I would suggest to the Commission in terms of concluding our work is the following. We had tentatively scheduled a meeting for next week; two of the legislators would be absent from that meeting.

MR. BURSTEIN: I can't make it either, next week.

DR. ROSENTHAL: You can't make it either. I don't think we need a meeting. I think we will finish up our business today. We will vote on the adoption of the entire report and recommendations today. Consequently, we will be finished.

The staff then will draft the report, as expeditiously as possible. The final version -- or penultimate version -- will go out to members by Federal Express. If there are no major problems, that will stand as the report. If there are any typographical or other minor errors, the staff will correct them when you phone in.

A press release will be prepared, and the press release will be issued with the report. The press or anyone else can question any individual members of the Commission or what have you, but the report then will essentially be available when it is drafted, and we have given it a last review.

ASSEMBLYMAN HAYTAIAN: Mr. Chairman, may I request a copy go to Gregg Edwards, on my staff? I'd like to make sure that he gets it when I receive it.

DR. ROSENTHAL: Sure.

ASSEMBLYMAN DEVERIN: The same thing with Michelle?

ASSEMBLYMAN HAYTAIAN: Thank you.

DR. ROSENTHAL: We'll do that with the four staff representatives. So, members of the Commission will get a copy of the final draft, and barring any major defects, but not, you know, revising things again. That will be it.

Is that satisfactory?

SENATOR DiFRANCESCO: Now, if I -- if someone wishes to do a minority report--

MR. BURSTEIN: Oh, no.

ASSEMBLYMAN DEVERIN: Oh, for Christ's sakes.

SENATOR DiFRANCESCO: I'm just raising---

ASSEMBLYMAN HAYTAIAN: That would be-- You'd be the--

ASSEMBLYMAN DEVERIN: You'd be the only goddamned minority.

MS. HOCHMAN: Whenever you get it done.

DR. ROSENTHAL: Yeah, I think you would submit it to the staff.

SENATOR DiFRANCESCO: You would do that before they--

DR. ROSENTHAL: Before they conclude.

SENATOR DiFRANCESCO: You want this by?

DR. ROSENTHAL: Well, basically, I think our work at the Commission will be essentially done today. Then I would imagine that the staff can get the final report drafted and circulated and the responses in within 10 days, I would guess.

SENATOR DiFRANCESCO: Okay, so within a couple of days.

DR. ROSENTHAL: Yeah, so if you have minority comments--

SENATOR DiFRANCESCO: Marci is my staff person--

MS. HOCHMAN: I knew this was going to happen.

MR. EDWARDS (Minority Staff Aide): I prepared a minority report for Senator DiFrancesco back in April, and I think it's still--

SENATOR DiFRANCESCO: Don't tell them.

MS. SHEEHAN: Excuse me, Mr. Chairman?

DR. ROSENTHAL: Yes.

MS. SHEEHAN: Do you still plan to adjourn at 3:30 today?

DR. ROSENTHAL: Yes, or before if we complete our business.

The first issue I'd like to take up: We've gone through the responses that the Joint Leadership had to the legislative campaign finance sections. They have not had any questions about the ethics sections.

Do members have any questions about the ethics sections? I want to bring up two issues.

ASSEMBLYMAN DEVERIN: Yeah, I have. I don't know-- "C," under lobby. You require all laws pertaining to the disclosure of expenditures by lobbyists on legislators to be -- to cover all legislative staff.

MS. SHEEHAN: Tom, what page?

ASSEMBLYMAN DEVERIN: Page 8, C.

I don't know whether we talked about that last week, but I'm concerned because there are people on the staff who may have a small romance with some of the lobbyist members and are personal dates, etc., and so forth.

MR. BURSTEIN: Romance. Was there a section on romance there?

ASSEMBLYMAN DEVERIN: Page 8, C.

You know, it's not a matter of lobbying. It's a matter of a friendship dinner or a date dinner, or a let's go to lunch dinner -- do lunch together. Four or five of them may go out at one time.

MR. BURSTEIN: Tom, excuse me. What document are you referring to?

ASSEMBLYMAN DEVERIN: It's "Lobby," 2 under Lobby.

MR. BURSTEIN: Oh, Roman Numeral?

ASSEMBLYMAN DEVERIN: VIII.

MR. BURSTEIN: Oh, sorry. I haven't done Roman Numerals since I was in school.

ASSEMBLYMAN DEVERIN: For instance, he may be a classmate of somebody, or Michelle may have a thing--

ASSEMBLYMAN HAYTAIAN: Michelle, who are you going out--

SENATOR DiFRANCESCO: Who are you going to lunch with?

ASSEMBLYMAN DEVERIN: None of your goddamned business.

ASSEMBLYMAN HAYTAIAN: You sound like you're from Carteret, there. (members of Commission all speaking at one time; impossible to transcribe)

DR. ROSENTHAL: Now, Assemblyman Deverin, you would suggest what, could I ask--

ASSEMBLYMAN DEVERIN: That it should not-- That that "C" should be removed, that requires that all laws pertaining to disclosure of expenditures by lobbyists on legislators be extended to cover legislative staff. It's too broad, I think.

Does it mean partisan staff here, or staff in our office, or what? I mean, it's kind of broad and going a little overboard, I think. I don't remember us going over--

DR. ROSENTHAL: Why should staff be in a different position than legislators in terms of expenditures on staff?

ASSEMBLYMAN DEVERIN: Well, if it's a specific thing, you know, that may be if staff joins with me for luncheon to talk about so and so's legislation, okay, but staffs are pretty large, some of the staffs. I know of one case -- I'm not going to say who it is -- that they are dating each other.

SENATOR DiFRANCESCO: I know two of them who are getting married.

ASSEMBLYMAN DEVERIN: What do you do in a case like that, if they go out to dinner? How do you protect them-- What legislative personnel are we talking about, our personal aides or just partisan staff in here?

DR. ROSENTHAL: No, I think this would apply, as drafted, to all legislative staff. I think, in the cases of-- You know, I think the unusual cases of staff and a lobbyist dating or whatever, they'd either go dutch, or else they'd report the expenses and they'd have a reason.

ASSEMBLYMAN DEVERIN: How would he report the engagement ring, for instance? How would he do that? I mean, I'm not--

DR. ROSENTHAL: Well, the same thing could happen with a lobbyist dating a legislator. That's possible.

ASSEMBLYMAN HAYTAIAN: We don't have to worry about that.

DR. ROSENTHAL: You know, when I was in Florida, in the house next to me, a lobbyist and a legislator were living together. They later got married.

SENATOR DiFRANCESCO: Was he still a legislator?

MR. BURSTEIN: No, they both resigned.

DR. ROSENTHAL: Yeah. I think that could be explained.

ASSEMBLYMAN DEVERIN: I mean like, on legislative days, for instance, they go across the street for lunch.

SENATOR DiFRANCESCO: Well, Paul Anzano is engaged to Christine O'Brien.

UNIDENTIFIED MEMBER OF COMMISSION: Who?

SENATOR DiFRANCESCO: I'm giving you a real example: Paul Anzano is engaged to Christine O'Brien. I think that's-- She's a lobbyist, and he's a legislative staff person.

ASSEMBLYMAN DEVERIN: I'm not asking for a vote.

DR. ROSENTHAL: Does anybody--

MR. BURSTEIN: I don't think we ought to change it.

DR. ROSENTHAL: You don't think we ought to. I mean, I think we'll always find these kinds of exceptional circumstances, and they're going to have to be explained.

SENATOR DiFRANCESCO: I'll tell you something. When I was first in the-- I want to discourage this kind of thing, first of all.

DR. ROSENTHAL: Discourage what?

SENATOR DiFRANCESCO: When I was first in the Assembly -- do you remember? -- you had a staff person and we had a staff person that got married? And we always wondered whether she was telling him everything that we were doing, and when we found out that--

DR. ROSENTHAL: John Nostowski, (phonetic spelling) yeah.

SENATOR DiFRANCESCO: --he really was telling her everything.

MR. BURSTEIN: Yes, I know that. You anticipated every vote we had. I remember that. They're now divorced, incidentally, over that incident.

SENATOR DiFRANCESCO: They're now divorced, right.

ASSEMBLYMAN HAYTAIAN: What's the moral of the story?

DR. ROSENTHAL: The moral is--

SENATOR DiFRANCESCO: We want to discourage that.

DR. ROSENTHAL: Actually, I think that they probably should have to report expenses of under \$10.

If you have no strong feelings about it?

ASSEMBLYMAN DEVERIN: No, I just thought that I would bring it up.

DR. ROSENTHAL: But in general, I think that staff should be judged by the same standards as legislators. They are in a position to exercise influence.

ASSEMBLYMAN HAYTAIAN: Probably more so.

DR. ROSENTHAL: Particularly people like Gregg Edwards, who is reputedly the power behind the throne.

ASSEMBLYMAN DEVERIN: And Michelle is so pretty that all the lobbyists want to take her out.

DR. ROSENTHAL: One issue that came up--

MS. SHEEHAN: Alan, while we're on that page, I have two kind of nit-picking questions, I suppose. One, in that very first item, "I," it says, "require individual contributors to a candidate to disclose to ELEC." An individual contributor isn't part of the system of disclosing to ELEC. I mean, don't we want the legislator or whoever receives the contribution to disclose? But, I mean, Joe Jones, who gives \$25 or \$100, doesn't make a disclosure to ELEC, right?

SENATOR DiFRANCESCO: Right.

ASSEMBLYMAN DEVERIN: He makes it to the--

SENATOR DiFRANCESCO: As a contribution, you mean?

MS. SHEEHAN: I mean, I know we want the information, but we want it-- It has to be worded differently, I think.

MR. PARISI: Right. What happens is the individual discloses to the committee and the committee discloses to ELEC.

ASSEMBLYMAN HAYTAIAN: That's not clear, is what she's saying, and I agree with her.

MS. SHEEHAN: It's a language problem. And the same thing, I have a question on the page before, with "E": "No

limit on what can be given to the one committee or by the State, county, or municipal committee of a party, etc., etc., or a Federal political committee." I don't know what that means. That's my question, what does a Federal political committee mean?

ASSEMBLYMAN HAYTAIAN: The Republican National Committee, or the Democratic National Committee.

DR. ROSENTHAL: The Congressional Campaign Committee.

MS. SHEEHAN: So, it's not the NRA or national PAC?

DR. ROSENTHAL: It's a party committee.

ASSEMBLYMAN HAYTAIAN: A party committee. Maybe that should be--

MR. PARISI: National party committee?

ASSEMBLYMAN HAYTAIAN: Yeah, I think it should be. Well, national party or Congressional committee.

DR. ROSENTHAL: Congressional Party Committee, right.

MS. SHEEHAN: Thank you.

MR. BURSTEIN: On page 9, IX, I have a question about "F," subsection "F."

DR. ROSENTHAL: Not prohibit legislators from accepting goodwill gifts from registered legislative--

MR. BURSTEIN: In excess of \$25 a gift. Does that mean that you can accept anything you want above \$25, but you can't below? I'm not sure I understand the wording on that.

ASSEMBLYMAN HAYTAIAN: Where are we looking?

MR. BURSTEIN: Subsection "F", on IX.

MS. HOCHMAN: One of the things that was suggested was that it may not be best to phrase these -- even though that's the way the vote was actually taken -- "Do not do this," but to rather phrase them in the positive where it would say, "Continue the current standards relating to goodwill gifts," and then simply explain that the vote was taken in this and it was decided in the negative--

DR. ROSENTHAL: What would the revised language be then?

MS. HOCHMAN: There is no actual-- Oh, in terms of that. It would be for "F": "Retain the current provisions relating to the acceptance and reporting of gifts."

MR. BURSTEIN: Yes, that would make more sense.

MS. HOCHMAN: And similarly, in "G," that would be, "Retain the current provisions regulating State contracting," and "I" would be, "Retain the current post-employment restrictions on legislators and legislative staff."

MR. BURSTEIN: Right, because putting it in that negative mode is very confusing.

MS. HOCHMAN: Right, so that will be addressed.

MR. BURSTEIN: Okay, good.

DR. ROSENTHAL: And you have no problems, then, with restating those recommendations, "Retain," instead of the current language?

Let me bring up an issue. I got a phone call from a legislator who was questioning the disclosure requirements that we agreed to recommend on personal interests; enlarging the financial disclosure requirements to include the listing of assets, liabilities, forgiven debts, all sources of income, blah, blah, blah.

I told the legislator that I would bring it up again for the Committee's consideration. The argument, as you might imagine, is many of those requirements would infringe upon his business dealings, would provide information to competitors, to other people. It would identify people having nothing to do with the Legislature who might have debts, and therefore have an influence on their reputations, and he was disturbed by how such a provision would deter people like himself from running for the Legislature.

ASSEMBLYMAN DEVERIN: Which part of that, Alan?

DR. ROSENTHAL: Pardon me?

ASSEMBLYMAN DEVERIN: Which part of the statement?

DR. ROSENTHAL: That's "C." Subsection "C," which is basically applying Executive Order No. 1 to the Legislature in terms of the disclosure.

SENATOR DiFRANCESCO: Is it the debt provision that he's most concerned with? Is it the mortgage provision, the debt provision?

MR. BURSTEIN: Yeah, I had various questions about that when we had that discussion, and I still have reservations about it.

ASSEMBLYMAN DEVERIN: I have a couple of questions: One is, why should they know about my revolving charge account with Bambergers, or Master Charge, or Visa? What good is it doing? What specifically-- They ought to be exempt. And I don't remember to include specific dollar amounts of members. I thought we were going to do it the same as we did, except for the categories; in excess of \$5000, or in excess of \$1000. I didn't know that I was going to have to say I made \$5264 from so and so, or \$55,000--

I don't know of anybody-- Even Congress doesn't have to disclose specific amounts. They do it in a broad category: From \$100,000 to \$200,000, from \$50,000 to \$100,000.

DR. ROSENTHAL: This is the provision that we voted on. Do you have a record of the vote?

ASSEMBLYMAN DEVERIN: I probably voted yes for it, Al.

DR. ROSENTHAL: All right, I'm not-- No.

ASSEMBLYMAN DEVERIN: I probably don't remember that specific amount of money in there.

DR. ROSENTHAL: Well, this is your chance to, you know, look at it again.

MR. BURSTEIN: The provision, as an example: "All sources of income including directorships or fiduciary positions for which compensation has been claimed." I'm a trustee on some trusts, have been for quite some time; private people. Why should that be disclosed to anybody?

SENATOR DiFRANCESCO: Well, it's income.

MR. BURSTEIN: Sure, it's income. I don't mind revealing the categories of income, as Tom has pointed out, but I think to identify the individuals, clearly could cause a problem, particularly so for attorneys.

SENATOR DiFRANCESCO: Well, I agree with that. I agree with that. They only want to know what the income is. I thought the gist of our proposal was what--

MR. BURSTEIN: Sources.

SENATOR DiFRANCESCO: Well, we went beyond source and said specific amounts of income, but not necessarily designating every single individual source of that income. If you have a law practice, Alan, and you make \$100,000 from the law practice, then, you know, you're practicing law.

MR. BURSTEIN: Yeah, but was the intention-- I think this is what we've got to refine. Was the intention by this recommendation to itemize those sources? If I had a trusteeship, as I do--

SENATOR DiFRANCESCO: As distinguished from a law practice, for example.

MR. BURSTEIN: As distinguished from a law practice. Do I have to report that, identifying the individuals? The theory underlying the recommendation is or trying to reveal, at least for the general public, who might exercise influence upon us in the casting of votes. So, it's very difficult to separate out one class of people from others, when you have this type of restriction.

DR. ROSENTHAL: You can't. You can't. I mean, you know, the effort by such a disclosure provision is to find out that you are receiving a lot of money from a developer who has a legislative concern or interest. Given that disclosure, then the public can make its own judgment as to how independent you are of the developer. But in order to get a disclosure like

that which gives the opportunity to the public to make the judgment, you've got to get a lot of other disclosures that have nothing to do--

SENATOR DiFRANCESCO: Executor of an estate?

DR. ROSENTHAL: Yeah, they have nothing to do with it.

MR. BURSTEIN: Exactly. It's in a whole series of categories which really are unrelated to the legislative function, and that's what disturbs me about that recommendation, and always did.

MS. SHEEHAN: If we do categories, as Tom is suggesting, rather than specific dollar amounts, does that in any way ease--

MR. BURSTEIN: I don't know how we would put it into language. You might say, all those who are-- All sources of income from people who intend to influence you on legislative matters. (laughter)

It's a very difficult issue. I just don't know how to handle them.

MS. SHEEHAN: They're not charitable trusts, necessarily?

MR. BURSTEIN: I'm sorry?

MS. SHEEHAN: Not charitable trusts, necessarily?

MR. BURSTEIN: No, no. These are private trusts.

DR. ROSENTHAL: You either take it all, or take nothing.

MR. BURSTEIN: I think it's an either-or situation.

DR. ROSENTHAL: There's no way to kind of modify it and get the disclosure you're looking for and eliminate the disclosure that is unnecessary?

MR. BURSTEIN: Not that I know about.

DR. ROSENTHAL: Assemblyman Haytaian, you've been strangely silent.

ASSEMBLYMAN HAYTAIAN: I don't have any problem with it.

DR. ROSENTHAL: You don't have any problem with the language?

ASSEMBLYMAN HAYTAIAN: Nope. Then again, I don't have any problems with it because it doesn't personally affect me.

DR. ROSENTHAL: But, what about--

ASSEMBLYMAN HAYTAIAN: I don't think it should affect others, and if it does then they shouldn't be in the Legislature. It's as easy as that.

MR. BURSTEIN: Well, we're narrowing it down, pretty quickly.

DR. ROSENTHAL: So, you're saying they have to make a choice. They either have to disclose, or not run.

ASSEMBLYMAN DEVERIN: That's a good idea. Let it go.

DR. ROSENTHAL: What?

ASSEMBLYMAN DEVERIN: If he thinks it's good, I think it's good.

ASSEMBLYMAN HAYTAIAN: That's why we're silent. I didn't say a word.

ASSEMBLYMAN DEVERIN: But there is a problem with the specific amount. I'm not sure-- I mean, I'm not a lawyer. I'm retired. It would be difficult for guys like him, for people who are lawyers or people who are self-employed, that have four or five or six different clients. They are going to have to say--

DR. ROSENTHAL: How would you handle a provision like that?

SENATOR DiFRANCESCO: Me?

DR. ROSENTHAL: Yeah.

SENATOR DiFRANCESCO: The specific amounts of income?

DR. ROSENTHAL: Yeah. How would it affect you?

SENATOR DiFRANCESCO: It would affect me-- I assume, a law partnership, a specific amount of money I earn from that law partnership. Any other salaries I have -- I have a salary with the Township of Scotch Plains -- a specific amount, "X"

number of dollars. My wife works for an insurance agency. I put her name, makes "X" number of dollars with that insurance agency.

MR. BURSTEIN: But that doesn't disclose very much. The whole idea of disclosure is to see where influence lies, I would assume.

SENATOR DiFRANCESCO: If I'm on the board of directors -- which I'm not -- if I'm on the board of directors of a bank, how much money I earn as a result of that.

DR. ROSENTHAL: And any people who owe you money would be disclosed, too.

SENATOR DiFRANCESCO: Yeah.

DR. ROSENTHAL: Your debts would be disclosed, too.

SENATOR DiFRANCESCO: All my debts?

DR. ROSENTHAL: Yeah.

SENATOR DiFRANCESCO: All of my debts? Lots of paper, I assume. All the mortgages you mean -- on properties, mostly for mortgages.

DR. ROSENTHAL: Right, right.

ASSEMBLYMAN DEVERIN: All the charge accounts.

SENATOR DiFRANCESCO: Charge accounts. What do you mean by-- How does that become a reportable item?

ASSEMBLYMAN DEVERIN: If we follow this-- Debts--

SENATOR DiFRANCESCO: If you run a balance, that's-- Is that right, Marci?

ASSEMBLYMAN DEVERIN: A Master Charge, your balance on your Master Charge, balance on your Gulf--

MS. HOCHMAN: Well, one of the things, as I recall when we took the vote, was although we used the major categories that are in the Executive Order, there seemed to be a clear consensus among the members at the time that the threshold amount and the exceptions that might exist in the Executive Order are not necessarily what would be appropriate for the Legislature.

So, for example, if debts as a category was approved by the Commission for certain sources of income to be reported, that doesn't mean you couldn't have an exception when you draft the concurrent resolution that would say all the revolving charges wouldn't have to be disclosed because the Legislature--

SENATOR DiFRANCESCO: They're only disclosed if you have a balance at the end of the year, right; that negative balance? You've got to have a negative balance to disclose it. It's got to be a debt.

MS. HOCHMAN: Well, true.

DR. ROSENTHAL: Didn't we talk about an excess of \$10,000 balance? Doesn't the Governor ask for that, too?

ASSEMBLYMAN HAYTAIAN: That's what I thought it was.

MS. HOCHMAN: I think that they have lesser limits. Let me pull out the Executive Order.

DR. ROSENTHAL: Well, we didn't get down to the specific limits.

MS. HOCHMAN: We didn't get to the nitty-gritty.

DR. ROSENTHAL: But even without getting to the specific limits, we would basically be disclosing amounts of income and debt generally, and people who owed you. I mean, that-- The major things are that you would be disclosing a lot of stuff that doesn't pertain to your legislative activity.

MS. SHEEHAN: I think, though, that you've got to -- when you put this in final language -- indicate some specifics. I mean, one of the things that becomes a nightmare is a very complicated form that takes seven accountants and three lawyers to help you fill out. I think of the instance where Tom talks about a charge account. Well, you know, on the ninth of the month, I might owe \$1000 or \$2000 or \$100 or something. The bill is due on the twelfth; if I'm filing as of the fifteenth, I don't owe anything. If I'm filing as of the first, I have this outstanding debt.

I think we know what we mean, but when the person actually has to fill out the form, those kinds of things can become a nightmare.

SENATOR DiFRANCESCO: Yeah, we can deal with that, but what Al, I think, was driving at with me was -- what you were driving at is: If -- and I apologize for using this -- J&J-- I'm going to take three examples. I do review work for a particular bank, reviewing mortgage papers, and over the course of the year you make "X" number of dollars -- \$10,000 or \$15,000 total. You handle a variance for Johnson and Johnson in your law practice and they pay you \$10,000 for it. Those kinds of things will not be disclosed by my saying that I earn whatever it is from a law practice.

I think Al is saying, "Then why are you reporting it?" Is that what you're saying to me?

MR. BURSTEIN: Of course, as a matter of-- Exactly. As a matter of fact, one of the things that was highlighted in the series of reports about so-called ethical transgressions in the Legislature by the newspapers some while ago, was the fact that one of the legislators was representing a developer -- now an extinct species -- but nonetheless, at that time, a developer was a buzzword, down here.

But, how would that be disclosed? Because that would just be part of his law practice and just be lumped into the total source of income without the disclosure as to the specific individual. So, you're not really getting at that particular kind of influence by means of this recommendation which, in turn, causes me to wonder whether the recommendation is meaningful enough.

ASSEMBLYMAN HAYTAIAN: Let me throw out a situation that would involve a person like myself. I don't own a business; I'm not an attorney. I'm out of engineering; I'm in marketing now, and I'm working for someone. Does this say that I have to, now, disclose all of the clients that the person I work for has? I'm not quite sure of that.

I mean, I'm an employee. I'm not an employer. I don't own it.

DR. ROSENTHAL: No.

SENATOR DiFRANCESCO: No, it doesn't. You're salaried.

DR. ROSENTHAL: Just your source of income.

ASSEMBLYMAN HAYTAIAN: So, I think where it comes in is if you're self-employed, or the lawyer/legislator that's going to have a problem.

SENATOR DiFRANCESCO: Well, it's not just lawyers. I mean, I can apply that same theory to insurance agents, travel agents, public relations people. All those people have clients.

ASSEMBLYMAN HAYTAIAN: But not if they work for that person. It's if they own that business. So, I'm saying, "self-employed," or, "lawyer/legislator."

MR. BURSTEIN: Yeah, but if you carry your analogy a step further, Chuck, even in the situation where you're not the owner of the business and are simply an employee, your employment may be predicated upon satisfying a client of that business, who in turn might have some influence over what you do, just as much as any of these others do.

DR. ROSENTHAL: But that's not disclosed.

MR. BURSTEIN: But that's not disclosed, exactly. So, I'm not sure where you draw the line.

ASSEMBLYMAN HAYTAIAN: Well, that's why I throw it in because when the Chairman said, "You're quiet." I'm quiet because I know it's not going to affect me in that regard, but it will affect others, and we should be looking at the whole Legislature.

DR. ROSENTHAL: I think what's going on here, let's face it, is that a lot of information that might be relevant doesn't get disclosed that way, and it's virtually impossible to disclose it. A lot of information that is irrelevant does get disclosed, that is irrelevant but may be sensitive or in a

personal or outside occupational way embarrassing, does get disclosed. Maybe along with that-- And then there is some information that is relevant that also gets disclosed.

So, you're dealing with three categories: The stuff you don't catch, the stuff you do catch, and all of the rest of it that isn't really relevant.

ASSEMBLYMAN HAYTAIAN: Question: Because we've discussed this a number of times, we're getting now into a situation where financial disclosure is coming close to asking a legislator or a staff person to file their income tax return as part of disclosure. I mean, that's pretty well where -- we're almost there. Why not do that and then not worry about all of the other factors, because you're right: How far down the line do you go, and how far down does Donny have to go, and will he be in a position to ever serve in a Legislature under some of these requirements? I'm not sure.

I've never had a problem with saying, "Let's disclose our income tax forms." I mean, if you really want disclosure, there it is.

MR. BURSTEIN: Yeah, but if you think about it though, the income tax forms are not all that revealing. They have some of the same defects from a disclosure standpoint that everything else does. You don't report with specificity who your clients are. You will report who you get dividends from or have stock or other interests in.

ASSEMBLYMAN HAYTAIAN: Who your clients are. That's right. That's correct.

SENATOR DiFRANCESCO: I tell you, that might be even less specific than this reporting form. You don't have to put all of--

ASSEMBLYMAN DEVERIN: You know, we had a long discussion. The income tax form-- It's this, or some modification. That's exactly how it's going to come out. That would have to be done, I think, when we start dotting the "T's" and the "I's."

The only problem I have with it, is whether it is specific or not? But even that's not--

DR. ROSENTHAL: Well, I mean, I guess the issue is whether you get enough information, provide enough information to the public to balance out the fact that you will have some effect on who can run for the Legislature. The question is, will you be discouraging people from running for the Legislature because the disclosure requirements are too onerous, so in a citizen Legislature in particular, you can't, you know, serve in the Legislature and have everything disclosed?

What kind of a deterrent will that be? Who will not be able to run? A few people; a lot of people?

MR. BURSTEIN: You can't quantify it, obviously, but it's clear, objectively, that it is a deterrent, and the question is whether the benefit by having this kind of a disclosure requirement outweighs that deterrent. I don't think so. I really think that the value of that kind of disclosure is minimal; minimal. There are risks on both sides, but I just opt on the side of some measure of privacy.

DR. ROSENTHAL: Yes, Pat?

MS. SHEEHAN: I think that disclosure is difficult. I think that it's unpleasant, not because of some secret sin that's revealed so much as nobody is comfortable being the subject of cocktail party gossip, which is, by and large, what happens to these kinds of things. So, you know, I'm like Al, I'd like to err on the side of privacy if possible. But I think as a practical matter, disclosure is the new buzzword of the day in terms of apple pie, motherhood, etc. It's in the administrative branch. It's something that is talked about in Congress all the time, and so I think we have to recommend some kind of disclosure.

I can't see the Legislature continuing to be exempt from what everyone else is required to do, no matter how

unpleasant that is. But, having said that, however we can craft it so that necessary information is out and revealed, and private, personal business is eased in any way, I would be for that. Maybe Tom's categories help in that regard, I don't know, but--

SENATOR DiFRANCESCO: Alan, what are other states doing? Did you get a handle on that?

DR. ROSENTHAL: What are other states doing?

MS. HOCHMAN: New York is very intrusive in terms of personal information. Some states, in terms of the revelation of clients -- individual clients, I believe it's Connecticut -- they have a provision in their law which requires, I think, that clients who generate income in excess of a certain amount, be it \$10,000 or whatever, would have to be disclosed, unless there was some rule of professional conduct which regulated the profession which would prohibit that type of disclosure.

SENATOR DiFRANCESCO: So that takes out lawyers, again.

MS. HOCHMAN: I know that in the past, ELEC has suggested a regulation which would have necessitated a disclosure of individual clients over a certain amount of money, or a certain percentage of the business. That was several years ago -- maybe Fred could clarify this -- that that proposed regulation was not adopted ultimately, because there was a great deal of opposition to trying to do that with ELEC's disclosure statement.

SENATOR DiFRANCESCO: Well, Pat, how do you feel about that; the idea of providing that somebody list clients who generate fees over "X" number -- \$10,000, or something like that? Is that what you're driving at, that kind of thing?

MS. SHEEHAN: Well, I think anything that-- I mean, I don't see how we can--

SENATOR DiFRANCESCO: It goes beyond what we were--

MS. SHEEHAN: Yeah, I don't think we can leave the Legislature out there as the only entity left that doesn't

require some disclosure. I mean, clearly there can be concerns with regard to influence--

ASSEMBLYMAN HAYTAIAN: But we do have disclosure now. It's not that we're exempt. We do have it. It's to what extent we're going to go.

DR. ROSENTHAL: Well, I brought the issue up. I do not sense that there is a majority for reversing the initial Commission vote. If there is that sense, someone can make a motion to reverse the vote. I do not think that at this point we will be able to perfect much language and figure out this area, and my suggestion would be to go with the recommendation -- or vote again at the pleasure of the Commission -- to go with the recommendation and let it be modified in the legislative process.

My feeling about it is, I'm very uncomfortable with it. I do recognize that -- I agree with Pat -- that the standards and expectations are changing and that more and more states are going to more and more stringent disclosure requirements, and that it is almost necessary given the change in the political system. You can be unhappy, but it seems to me that a legislator in the future has got to make that sacrifice, or can't serve in the Legislature.

So, my suggestion is, having searched our souls and found nothing, that we move on. I feel that this is the best that we can do. If we could vote a percentage, I'm sure it would be 51% for, and 49% against, but we can't do that, as the members know.

We have two other issues that I think are major issues. One has to do with applying the contribution limits to county and local candidates as well as to legislative candidates, and we have a memo on that that you've been circulated that Fred Herrmann drafted.

The second issue has to do with political committees -- providing limitations to political committees whether those

political committees are advocating candidates in elections or whether those political committees are advocating ballot questions.

I think we can treat these-- Oh, and we have a third issue which is a more technical issue, but I'll bring the third issue up first; and that is, whether or not-- We decided that the quadrennial adjustment on campaign contributions -- the quadrennial adjustment for cost of living and inflation that will be done with regard to the gubernatorial election should be applied to the legislative contributions. There is a question as to whether we also meant that the quadrennial adjustment should also be applied to the personal interest, conflict of interest provisions, and that application would be specifically with regard to gifts, or it would be--

MS. HOCHMAN: There was a question, I think, as to whether it would apply to the financial disclosure thresholds.

DR. ROSENTHAL: Financial disclosure thresholds; that those thresholds would change quadrennially as campaign, you know, given the formula. My feeling is no, that the two are separable. We were talking only about campaign contributions.

SENATOR DiFRANCESCO: I think, if we ever have an Ethics Committee again, that that Committee can deal with that issue as they have in the past.

DR. ROSENTHAL: Any disagreement on that? So that applies only to campaign finance and lobbying.

Okay, the issue then-- There are two issues, and we'll take the first one. Do we want to apply the limits that we had specified in terms of individual corporate labor and political committee contribution limits, and disclosure to county and local candidates?

ASSEMBLYMAN HAYTAIAN: Yes.

DR. ROSENTHAL: And Assemblyman Haytaian had made that case powerfully and we had, you know, kind of looked into it.

ASSEMBLYMAN HAYTAIAN: I think, quite frankly, whatever provisions we intend to put into legislation for legislators should be put into elected officials at the county and local level, because this way, at least, we have a standard to go by in the State of New Jersey, and that's for all elected officials, period. I truly believe in that, and I'd make that motion so we'll have discussion.

SENATOR DiFRANCESCO: Will we separate these?

DR. ROSENTHAL: Separate what?

SENATOR DiFRANCESCO: Well, the question was: "Should the contribution limit be applied to local and county candidates?"

DR. ROSENTHAL: Right.

ASSEMBLYMAN HAYTAIAN: No.

SENATOR DiFRANCESCO: Chuck says, "Yes."

ASSEMBLYMAN HAYTAIAN: Well, no. Wait a minute. And he said the conflicts of interest provisions. I believe we're talking about everything.

SENATOR DiFRANCESCO: He did?

DR. ROSENTHAL: No, no, no. We're not dealing with conflicts of interest. We can do that separately. We were just doing on campaign contributions.

ASSEMBLYMAN HAYTAIAN: Oh, all right. I'll take back my motion.

DR. ROSENTHAL: But, don't you have a motion on campaign contributions; that they be applied to--

ASSEMBLYMAN HAYTAIAN: Yeah, I'd like-- I'll be quite frank with you. As I've said all along, whatever conclusions we come up with, in the form of our response to the Legislature, or the legislative leaders that we come up with provisions before legislation, that I truly believe whatever legislation we do come up with should be the legislative guidelines across-the-board, for elected officials in New Jersey. I truly believe that's what we should do.

SENATOR DiFRANCESCO: Are you making a motion on the campaign limits?

DR. ROSENTHAL: Can we make the motion just-- You can introduce another motion, but can we do it on the campaign contributions?

SENATOR DiFRANCESCO: Why don't you do that first, then we can--

ASSEMBLYMAN HAYTAIAN: I'll make that motion.

SENATOR DiFRANCESCO: Fine, second.

DR. ROSENTHAL: Discussion?

SENATOR DiFRANCESCO: We had a long discussion on that.

MS. SHEEHAN: It's to apply the \$1500.

DR. ROSENTHAL: Yeah, you know, I started out quite opposed to that view, and after thinking that over, and being lobbied intensively by professional-- No, but after thinking it over, I have come to think that's a very legitimate point of view. I would go along with that motion.

MR. BURSTEIN: You've persuaded me; your argument was eloquent.

DR. ROSENTHAL: I mean, my reservation was a lack of information, or really a lack of testimony by, you know, county and local officials. We really didn't get into that, and I still have reservations of those types. But I think that the idea of enacting contribution limits across-the-board is a good idea. There may be some adjustment made, again, as legislation is introduced and considered in the legislative process. It may be, that very large jurisdictions such as the larger cities or counties might need different limitations. I'm not convinced of that, and I think it is reasonable and relatively simple to advocate one set of contribution limitations.

ASSEMBLYMAN DEVERIN: For the moment, this is \$1500 for an individual, \$5000 for a PAC?

DR. ROSENTHAL: Right, \$1500 for an individual, and a corporation--

SENATOR DiFRANCESCO: It's \$1500 for a corporation?

DR. ROSENTHAL: Yeah, isn't it?

SENATOR DiFRANCESCO: It's treated like an individual, a corporation?

DR. ROSENTHAL: Right. So, it would apply to wherever we make recommendations for legislative candidates. It would apply to candidates at the county and municipal level as well. We are reconsidering the application of our contribution limits to county and municipal candidates.

MR. COLE: I know of no reason why we shouldn't apply them across-the-board, Alan.

DR. ROSENTHAL: So, the motion is to apply the contribution limits to county and municipal candidates as well as legislative candidates.

MR. PARISI: And the thresholds.

DR. ROSENTHAL: And the thresholds.

MR. PARISI: And disclosure.

DR. ROSENTHAL: And disclosure.

MS. SHEEHAN: Now, wait a minute. What does all that mean?

MR. PARISI: In other words, the--

MS. SHEEHAN: You've just broadened it so that I'm not--

MR. PARISI: --\$200 limit which triggers disclosure, which has been discussed by the Commission. That would mean contributions not only to legislators, but a contribution to any local candidate would trigger the \$200 disclosure. Basically, what this recommendation would do, would apply all sections of the reporting act -- apply equally to all sections of the reporting act -- so all candidates would be covered by these recommendations.

MR. COLE: But by disclosure, we're not dealing with financial disclosure?

DR. ROSENTHAL: No, we're not dealing with the ethics section. We're dealing only with campaign contributions.

MR. PARISI: When you're talking about disclosure, you're really just talking about information on the individual contributors, i.e. who their employers are, what their mailing address is, what their name is, and the amount of money that they've contributed, which are the recommendations for legislators, but these would be extended to all candidates, in all elections.

DR. ROSENTHAL: Do you want to state the motion, then?

MR. PARISI: Okay. The motion, as I understand it is: "Shall the campaign contribution limits and thresholds recommended by the Commission including the disclosure recommendations be extended to all county and local candidates?"

DR. ROSENTHAL: Do you want to call the roll?

MR. PARISI: Okay, is there any order of preference?
(no response) Okay.

Assemblyman Haytaian?

ASSEMBLYMAN HAYTAIAN: Yes.

MR. PARISI: Assemblyman Deverin?

ASSEMBLYMAN DEVERIN: Yes.

MR. PARISI: Senator DiFrancesco?

SENATOR DiFRANCESCO: Yes.

MR. PARISI: Patricia Sheehan?

MS. SHEEHAN: Yes.

MR. PARISI: Mike Cole?

MR. COLE: Yes.

MR. PARISI: Al Burstein?

MR. BURSTEIN: Yes.

MR. PARISI: Chairman Rosenthal?

DR. ROSENTHAL: Yes.

ASSEMBLYMAN HAYTAIAN: A wonder.

ASSEMBLYMAN DEVERIN: You're on a roll.

ASSEMBLYMAN HAYTAIAN: I'm on a roll the last day.

DR. ROSENTHAL: Now, a second issue that's--

MR. BURSTEIN: Excuse me, before we get off that. We've covered all political candidacies. What about something that is perhaps unique; and that is, local school board elections? Because, sometimes in hot contests where you do have a school board that is not appointed but rather elected, there can be expenditures of significant amounts of money. Do we intend to include disclosure and limitations for that?

DR. ROSENTHAL: I would interpret our resolution as including school board candidates.

MR. BURSTEIN: I think it ought to be made specific because when we talk about local and county candidates, that's not quite specific enough.

DR. ROSENTHAL: Any objections?

ASSEMBLYMAN DEVERIN: No, well, they're covered.

MR. PARISI: They're covered under the reporting act, now.

DR. ROSENTHAL: Right, so we're including candidates for school board.

MR. BURSTEIN: Yeah, okay, good.

DR. ROSENTHAL: The second issue had to do with contribution limits on political committees that are advocating ballot propositions, and that is responded to in Fred Herrmann's memo. There cannot, constitutionally, be any limitations on those committees, so Pat, Johnson and Johnson can keep giving a lot of money to all of the fine ballot propositions.

MR. COLE: I think last week, when we started to talk about this, I think Frank raised it, we were really dealing, I thought, Alan, with a different subject; and that was limiting the amounts that those committees could contribute to candidates for office, which under the way the report was worded, I think Frank's concern was, it wasn't covered. We wanted to make sure that, in terms of political committees' ability to contribute to candidates that they were subject to the same rules as PACs generally.

DR. ROSENTHAL: That was a different issue, too. They were both issues. We have dealt with the one issue of ballot questions and political committees or contribution limitations with regard to those political committees.

MS. SHEEHAN: They call it -- or Fred refers to ballot measure committees. In our language, as it's in the report, they would be political committees.

MR. PARISI: Political committees, that's correct.

MS. SHEEHAN: But, there can be no contribution limit if they're a ballot question political committee.

MR. PARISI: That's correct. There's a Supreme Court case, and I'll just cite it for the record.

MS. SHEEHAN: Right, okay.

DR. ROSENTHAL: Why don't you put that in the report, that we are not, obviously, recommending any contribution limitations for ballot question committees.

Now, what we have seemed to neglect is, not continuing political committees, but other political committees that advance candidates, but are not authorized by candidates. Now, what limitations can apply to them? They can be limited.

MR. PARISI: It's not under Federal law, now. Under the Federal election law, they can be limited in any calendar year to \$5000. I believe ELEC's recommendation was to also limit them to the same amount as a continuing political committee. Is that correct, Fred?

F R E D E R I C K M. H E R R M A N N, Ph.D.: (speaking from audience) That's the general idea, because if you don't, you have a loophole.

DR. ROSENTHAL: Right, therefore we would want to extend those recommendations to include the category that would be designated-- What's the best designation for that category?

DR. HERRMANN: You're talking about a political--

DR. ROSENTHAL: Just a political committee, rather than a continuing political committee?

DR. HERRMANN: Right, a political committee is defined in the statute.

DR. ROSENTHAL: Okay. So we would include political committee in those recommendations where we are referring to continuing political committees and individual contributions.

MS. SHEEHAN: And note the exclusion in the--

MR. PARISI: Now, that's only for political committees which are formed for the express purpose of advocating the election or defeat of a candidate, as opposed to a public question.

MS. SHEEHAN: Right, perfect.

DR. ROSENTHAL: Are there any other questions, Michael?

MR. COLE: I think we've covered what we've left open.

DR. ROSENTHAL: Now, you have one other issue, then, which you brought up, Assemblyman Haytaian; and that would be to address the conflicts of interest provisions.

ASSEMBLYMAN HAYTAIAN: Yeah, I've been of the opinion right from the start, as you well know, Mr. Chairman, that whatever we do on the legislative level, and legislation concerning campaign contributions, lobbying, conflicts of interest, should, in fact, be extended to both county and municipal levels. I just don't see the need to have any differences between the legislative level and the local level.

I know, because I was a former county official and I had to adhere to the ELEC requirements as a county freeholder, and they were the same requirements as legislators had to adhere to. Why should we have a difference now?

If someone says, "Well, now wait a minute. It's more difficult for them. They're really part-time." Well, I'm supposedly part-time, although you can't prove it by me anymore. I mean, I may be part-time in the work that I do now. I'm a full-time -- a double full-time legislator -- and part-time employee somewhere, but the problems are the same.

You take a large municipality. You take a Jersey City, or a Newark, or a Camden; those people are full-time. Why shouldn't they adhere to this? What's the difference?

DR. ROSENTHAL: Discussion?

ASSEMBLYMAN HAYTAIAN: Because we have a small municipality like Pahaquarry Township in Warren County that has eight residents, voters -- or eight voters and 23 residents -- that they shouldn't adhere. Well, okay. Probably wouldn't have anybody running, and we might as well abolish the municipality, then.

DR. ROSENTHAL: Yeah, okay, I think you are making a logical argument, and yet I'm really concerned because I think there is this balance between discouraging people from running for public office and having, you know, it laid out for the public to make sense of, if it can. I now recognize that at the legislative level, it is necessary. That you can still attract people to run for legislative office because, for some reason, it appeals to people, despite the invasion of their privacy.

SENATOR DiFRANCESCO: Ego.

DR. ROSENTHAL: Pardon me?

SENATOR DiFRANCESCO: It's ego.

DR. ROSENTHAL: Whatever it is, you people are willing to put up with the invasion of privacy. I'm not sure whether that, you know, the incentives are the same why you are running for the school board in, you know, many communities or running for the local council in many communities, and I guess my question is, are you then really going to discourage people from running for-- Then you really may have a dramatic effect on who runs and what kind of candidates you can recruit.

I'm a little worried about it. I don't know what's going to happen. Maybe nothing, but maybe a lot will happen.

ASSEMBLYMAN HAYTAIAN: The only problem you might have is a numbers problem. You have 120 legislators, so you can

control that, and since you are one of 120, Don says the ego trip, maybe so. You have 567 municipalities, and you have councilmen and mayors, and you have people serving--

My reaction to that is: What is the public interested in? Why were we formed? Because there was a public interest, I suspect, on ethics and disclosure. Don't you think that public is interested at the local level? I think they are more interested at the local level than they are on the legislative level, because they know who their mayor is, and they know, maybe their mayor is involved with someone locally, and they're saying behind close doors, "My God, what in the world is going on in City Hall?"

So, I think there is a lot more interest on the local level than there is on the legislative level, but because we're always in the news, we assume that we have to have these changes for the Legislature only. I don't believe that. I believe that it should be done on the county and local level as well.

MR. BURSTEIN: Is this just for elected, or appointed officials as well--

ASSEMBLYMAN HAYTAIAN: No, elective.

MR. BURSTEIN: --like boards of adjustment, planning boards; people like that would be exempt?

ASSEMBLYMAN HAYTAIAN: Yeah, only elected--

MR. BURSTEIN: Yet, they make some of the most significant decisions, however, with regard to local effort?

SENATOR DiFRANCESCO: There is a bill that Paul Contillo has sponsored and probably will become law that will require sources of income, financial disclosure, for those people also.

MR. BURSTEIN: Yeah, but you're asking for a good deal more, I assume.

DR. ROSENTHAL: If we apply the already--

MR. BURSTEIN: If you apply what has been recommended here, Contillo's requirements are going to pale in comparison. Isn't that a fair statement?

SENATOR DiFRANCESCO: Well, I wouldn't apply it to boards of adjustment or planning boards, or things like that.

MR. BURSTEIN: Yeah, but then, see, again, we're running into--

SENATOR DiFRANCESCO: You see, I represent 14 small communities and I know how hard it is to get candidates.

MR. BURSTEIN: Yeah, we're running into a lot of problems by doing this in a broad brush way, I think.

ASSEMBLYMAN DEVERIN: You know, if this is to be done, this ought to be done by legislation separate and apart from us. I don't think that we ought to-- If we do something to them and not to ourselves, then we could criticize. If we do to ourselves and not them there really is no criticism. I don't think we ought to make it definite--

You know, most little towns know their mayor. They know he owns the hardware store; they know he works in the copper works; they know he's a lawyer; they know what the guy does. They don't elect him because he's got a conflict of interest. They elect him because they-- Most local elections boil down to a personality contest, whether they like him against the other guy. If we make it this way, they're not going to get that local druggist, who suffers enough sometimes when he gets into politics; he makes a decision, and he loses all his customers.

No, it's unfortunate. We have four or five big cities. Maybe they ought to be addressed in a different manner, but if we do this for every little hamlet--

SENATOR DiFRANCESCO: Well, just cities--

ASSEMBLYMAN DEVERIN: No, this applies to every hamlet. It ought to be done by a separate piece of legislation. There ought to be public hearings on that, with

the local people coming before them to talk about it. I don't think we've had that kind of input that we should just say that now and do that now. Really and truly, I think we may do some damage, Chuck, if we move-- We may be overstepping our bounds and do some real damage, Chuck.

DR. ROSENTHAL: Pat, you've been a mayor.

MS. SHEEHAN: I couldn't agree more, for two points.

DR. ROSENTHAL: With who?

MS. SHEEHAN: With Tom. The point of the matter is that being a mayor of a community or a councilperson is one of those 80-hour-a-week part-time jobs. I mean, 24-hours-a-day. The snow isn't removed, the this, the that. You cannot keep up with the paperwork, and to impose this kind of a burden-- I mean, it's just one more straw in what's already a difficult situation, number one.

Number two, I do agree with Chuck that people, locally, are interested, but they've also got access. They know what the mayor is doing and where he or she is doing it, and so on, that they wouldn't necessarily have by Trenton which is 30 miles or 100 miles away from them. So I think that the public has an opportunity, has much more access to the information about the character and the activities of their local elected officials, precisely because they're local, number one.

Number two, I think the burden-- One more form is, on top of 4000 other forms that the State, in their wisdom, requires from local officials, would just break the back.

And thirdly, from the very beginning here, we've heard about the inability of ELEC to manage the information it now gets in a timely manner so that whatever information they have that's out there is of some meaning because it comes a month before the election instead of two years after the election. To suddenly -- and I think we've all supported all along, saying ELEC needs a funding source and so on -- but to say that

on the one hand, and add 567 municipalities and all their local officials to their management of paper, I mean, we'll be dead sure, no matter what the resources they have, we won't get the information. They won't be able to process it.

I just don't think we can take on the local at this point.

DR. ROSENTHAL: Mike?

MR. COLE: I agree with Chuck. I don't know how you can make an argument that there shouldn't be clear ethics and conflict rules that apply to officials at every level of government. I think that makes eminent sense. The problem I have is, are the people that this will be directed at, we haven't heard from, and I have a little hesitancy in just exporting a whole set of rules that we've had for the Legislature and that we understand perhaps a little better and we have legislative membership on this Commission, wholesale, onto local government. I think if we were going to do that we would have to invite the League, and the Conference of Mayors, and local officials before I'd be prepared to make a judgment on what parts of those should be applied, but I think the concept of having--

ASSEMBLYMAN DEVERIN: Then you agree with both of us?

MR. COLE: Yeah, I guess I do. I think the concept of having clear rules is one that I can--

SENATOR DiFRANCESCO: We're talking about financial disclosure, really, aren't we?

MR. BURSTEIN: Yeah, it's the extent of the recommendations that we have made, I think, is the sticking point for me, certainly, to impose upon local officials. I just think it is so onerous to start off with, even for the State legislators, but to impose that now upon local officials, I just--

MR. COLE: I didn't think we were just talking about financial disclosure. I thought we were talking about the

ethics rules. So, we're talking about compatibility questions. We're talking about the ability to do business, and under what standards. We're talking about a whole slew of issues that we've never heard from them on.

ASSEMBLYMAN HAYTAIAN: Mr. Chairman?

DR. ROSENTHAL: Yes.

ASSEMBLYMAN HAYTAIAN: As I remember, we came together as a Commission by virtue of a letter from the legislative leaders saying that there have been allegations -- stories -- about legislators. We all remember the stories. I don't remember any legislator, by the way, being indicted because of those stories, or even being questioned to the extent where there are conflicts that are -- or were supposed -- but haven't been proven, as far as I know. Maybe I'm wrong. But yet, take a look at all the local officials that we know that have been indicted because of conflicts: The Mayor of Wayne; the former Mayor, back down the road, of Camden. And I can bring out all of the other mayors and local people. Not one legislator that I know of has been brought up on any charges, yet we're throwing this on legislators and saying, hey, wait a minute, something is wrong with the Legislature because there have been a number of newspaper articles. I think that's the reason that we're here.

Now, I agree with that. We should have rules, and we should have more disclosure, and we should have the statute changed, but I also believe that we should do it on the local level because we have more problems -- if we really search our souls, we have more problems on the local level than we do at the legislative level.

MR. BURSTEIN: I think that the examples that Assemblyman Haytaian has pointed to to support his argument really point to a contrary argument; and that is, that the people who have been indicted, and I think in every case convicted, were convicted of crimes of bribery, of acceptance

of money in order to get municipal favor. I don't think anything that we can write is ever going to change that. People who have thievery in their heart are going to be thieves no matter what we write on paper, what laws are adopted. What we're trying to do, I think, is strike a reasonable balance between assurance to the public that there is sufficient disclosure on the part of their elected officials, to enable them to make informed judgments about those officials as opposed to the need to have as many people as possible participate in the public process.

I think that kind of balances what we've been talking about all afternoon, here, so far. I just don't think we ought to move ahead on Chuck's proposal until it's far better thought through.

ASSEMBLYMAN DEVERIN: Mr. Cole is right, Mr. Chairman. We haven't heard from any of the local people. We may hear from Pahaquarry -- or wherever the hell it is he's talking about, with the eight people. You know, we ought to-- We've heard from legislators. We've heard from lobbyists. We've heard from ourselves. In some instances we may have come from Mr. Herrmann's testimony, but I don't think we ought to make this that broad without getting some kind of input from these cities.

DR. ROSENTHAL: Assemblyman Haytaian, do you want to introduce a motion?

ASSEMBLYMAN HAYTAIAN: Well, I don't want to go down in defeat again. I mean, I'm riding high. I won one.

DR. ROSENTHAL: You have a very good record today. That's right. You won with a unanimous vote.

ASSEMBLYMAN HAYTAIAN: I don't want, on the last day, to go out on a losing note.

DR. ROSENTHAL: You're not sure how these people will vote. (laughter)

ASSEMBLYMAN HAYTAIAN: I've got a pretty good idea.

ASSEMBLYMAN DEVERIN: Do you want to take a secret ballot?

DR. ROSENTHAL: I think we will move on and that is certainly an issue that the Legislature will want to address, and will address. I feel more comfortable moving on.

I have no other issues to bring up on the basis of staff work, on the basis of discussions last week or on the basis of Leadership response. If there are no other issues to bring up, I suggest we vote on the adoption of the Commission Report, thereby concluding our business.

The staff -- Michael Cole wasn't here -- the staff will then draft the final report, incorporating the changes we made last week and this week, and that report will be circulated to members, and if there is any problem we will meet again; if not, that will stand as a final report. It will be released with a press release to the press when it is perfected.

Pat?

MS. SHEEHAN: Somewhere, could we say, or make reference in the report -- I think we did it in that one instance about the single committee, where the regulations would have to be reworked, so that the authorized committee will be-- And what I would ask is, somewhere else, in general, in the introduction or somewhere, that it would be our hope that those who implement the legislation that comes out of this, that the various forms that are required, that it be clarified, simplified, and timely in some way.

DR. ROSENTHAL: The implementation--

MS. SHEEHAN: I mean, I think some of these forms can become a Chinese puzzle, and I'd like us to be on record for clarity.

SENATOR DiFRANCESCO: Well, are we going to deal with Fred Herrmann's request? You people have all made reference to Fred's request for money. Are we going to deal with that?

ASSEMBLYMAN HAYTAIAN: Yeah. I think we ought to discuss that as a recommendation in the report.

SENATOR DiFRANCESCO: Are we going to make that a recommendation of some sort?

DR. ROSENTHAL: We have a recommendation.

MR. COLE: I think we have. It's in there.

MR. BURSTEIN: Not in dollar terms, but I think, in general.

DR. ROSENTHAL: In terms of increasing the support.

ASSEMBLYMAN HAYTAIAN: Yeah, but it doesn't say anything. It really doesn't say anything. We should be somewhat specific when it comes to permanent funding to the level that they are going to need.

DR. ROSENTHAL: Where is that recommendation? It's recommendation "M", on page VIII. "Strengthen by increased appropriations the administrative capacity of ELEC so that it can make available in a timely and appropriate manner the campaign finance information reported to it."

If you recall, we had a recommendation that there should be fees.

MS. SHEEHAN: Page 19, Chuck.

DR. ROSENTHAL: That recommendation was voted down, because I think of, opposition largely lead by Michael Cole, who doesn't want ELEC to have any money.

ASSEMBLYMAN HAYTAIAN: Alan, I'm afraid that when the Legislature looks at this, they are going to say, "Yeah, that's nice," and that will--

ASSEMBLYMAN DEVERIN: Well, make a suggestion. What would you suggest?

ASSEMBLYMAN HAYTAIAN: Well, I would suggest-- Well, I did make a suggestion. I said that we should have an amendment -- a constitutional amendment -- to allow funding to be on a permanent basis. I mean, we're asking now, with these recommendations if they do come to fruition -- and I hope they do -- we're going to be asking ELEC to do a lot of work. They can't do the work they have to do now, because it's just impossible to do.

SENATOR DiFRANCESCO: Can I ask, are you satisfied with this?

ASSEMBLYMAN HAYTAIAN: And we're going to ask them-- This is what happens on the State level, with a mandate. We're telling a local entity -- or a Commission now, in this regard -- to do something, but hey, we don't know if we can fund you. You can't operate that way, and then get it done right. And then we're going to be criticized for not compiling the information, for making sure that people adhere to the rules and regulations of the statute.

I think that's wrong. I think we ought to have a source of permanent funding, and it should be spelled out.

MR. COLE: We ask a lot of people, in and out of government, to do a lot of important things. We ask DYFS to take care of children, and Human Services to run institutions for the disadvantaged. You can make the argument in every instance, that you should have a constitutional amendment to make sure they are funded adequately. You'd have a Constitution that read like an appropriations act.

DR. ROSENTHAL: We would be in California then.

MR. COLE: It wouldn't serve anyone's purpose, and you would really hurt the flexibility of government, not enhance it. I think we've said that everything we're recommending, if you pass that and don't give ELEC adequate money to enforce it, then you might as well have done nothing.

We've said that in one voice, and I think we've said it pretty strongly. I don't think a constitutional amendment would add anything to it. I think it would be a bad idea from a governmental standpoint.

ASSEMBLYMAN HAYTAIAN: Michael, do you really believe that that recommendation on page 19 is real forceful? That the Legislature -- knowing the Legislature, you're a former counsel-- You know how they are going to react. I think I know how the legislators are going to react. They'll say, "Oh,

that's real nice. How much are we going to give them this year?" Then, next year's budget, "Well, how much are we going to give them next year?"

They don't have a constituency, by the way. ELEC doesn't have a constituency. In fact, most people want to stay away from ELEC. When you talked about different groups, they have constituencies. They can get the dollars. They can have people be advocates. ELEC doesn't have that. How are they funded now, by fines?

DR. HERRMANN: By appropriations.

ASSEMBLYMAN HAYTAIAN: How much, not enough?

DR. HERRMANN: Not enough that's right.

ASSEMBLYMAN HAYTAIAN: And it hasn't been enough since '73.

ASSEMBLYMAN DEVERIN: Every department in State government is funded by appropriation, and where they get their appropriation increase, they come before the Appropriations Committee and say, "Hey, you gave us 40 more goddamned things--" Oops. "Forty more things to do, and we have to have the money."

Now, this with ELEC, you can't possibly set a specific amount of money now. You can't say we have to appropriate \$7 million to them when they may only need \$4 million. But, you know, if this has any credibility to it and it's going to be accepted, if you pass a law saying you have to do this, there has to be some kind of appropriation to follow up the law, or this would all be wasted. I don't know how you could possibly say, now, Chuck-- What would you suggest, a \$5 million appropriation? You can't bind the Appropriations Committee to do that. There has to be a reason for that.

DR. ROSENTHAL: I agree that I would like to strengthen that recommendation. I would not like to freeze anything in the Constitution or have ELEC independent of the

Legislature, obviously, but I still believe it would be useful to recommend to the Legislature that they develop a system of fees that would help support that function.

Now the Legislature does not have to appropriate the money from those revenues to ELEC. They can take it and appropriate it to anything they want, but I think there then tends to become a justification for the function and for expending money on the function if there is revenue coming in from the function. I think you can make suggestions to the Legislature as to how to raise revenue. We're making suggestions to the poor guys as to how to govern their lives and what to report and who to eat with and all of that sort of stuff, so why can't we--

ASSEMBLYMAN DEVERIN: Who to marry. (laughter)

MR. COLE: We certainly can make recommendations as to how to raise revenues, but I quarrel with the second part of the proposition, that because something is a revenue generator, that automatically makes it easier to obtain appropriations for it. Motor Vehicles, for years and years; from the 1930s -- has been a major revenue source to the State as a whole, yet for all but maybe four or five years of its existence as an agency, it's been woefully underfunded, only a fraction of what it takes in.

I think -- and I quarrel with Chuck -- ELEC has quite a good constituency. It has the Minority Leader strongly supportive. It has a number of legislators-- I think you make your case by demonstrating that you have a mission -- the Legislature has given you a mission -- and without the money, you're simply not going to be able to do it. If the Legislature wants to raise fees to obtain that money, fine.

ASSEMBLYMAN DEVERIN: The best example of trying to sustain yourself with fees is the JUA. You know, they buried it yesterday; they should have buried it a long time ago. So, I don't think that, you know-- Fees may be something the Legislature might consider, but I don't know how you would--

DR. ROSENTHAL: You're suggesting that if we had fees for ELEC, they will go the way of JUA, maybe?

ASSEMBLYMAN HAYTAIAN: Could we get Fred to answer a question? I mean, it's a late date-- But '73 is when ELEC started, is that correct?

DR. ROSENTHAL: Do you want to come up to the table for this? (addressing Dr. Herrmann)

ASSEMBLYMAN HAYTAIAN: Because I think this is very important. If this is going to have any meaning -- and the legislation to follow is going to have any meaning at all, this is very important.

DR. ROSENTHAL: I think we all agree that unless ELEC can administer and implement and monitor a lot of the provisions that we're recommending, it isn't going to make any difference.

ASSEMBLYMAN HAYTAIAN: That's right. I know-- Al had his hand up, I'm sorry.

MR. BURSTEIN: It seems to me that we are rearguing an issue that has long been settled, but wholly aside from that -- and I quite agree with the things that have been said contrary to Chuck's position -- there can be an increase in the strength of our recommendation that would take something like this form: We have made a series of recommendations to the Legislature that would, each in turn, require a larger functioning on the part of ELEC. Accordingly, we strongly urge that the Legislature, if they are to adopt these recommendations, commensurately increase the capacity of ELEC to handle the new responsibilities. Something along those lines.

DR. ROSENTHAL: And pull it out of that section and put it in as a separate concluding section.

MR. BURSTEIN: Yes, I think it would highlight it and would have some force beyond just a recommendation within the main body.

ASSEMBLYMAN HAYTAIAN: That's fine.

DR. HERRMANN: Yeah, that's fine.

ASSEMBLYMAN HAYTAIAN: Because the question that I wanted to ask -- and I'll ask it now -- is, this year, during appropriations, did you have an ability to come and talk to the legislators and say you need "X" amount of dollars?

ASSEMBLYMAN DEVERIN: He sent what's his name, Herman -- Berman. Berman handled the whole--

DR. HERRMANN: I have two "r"s and two "n"s in mine. No, that's correct.

ASSEMBLYMAN HAYTAIAN: The problem that I point out is that he may not have that ability in the future as happened this year, and therefore he's not going to be able to plead his case. And I would agree, he or anyone else there. And I think that we have to make sure the Legislature understands that.

DR. ROSENTHAL: It's up to the Legislature. If the Legislature agrees to hear from the Treasurer and not from the Department, you know, members, and ELEC, that's the Legislature's prerogative.

ASSEMBLYMAN HAYTAIAN: I didn't intend to get into that.

DR. HERRMANN: Nor does ELEC.

ASSEMBLYMAN HAYTAIAN: But, what I did intend to point out is that we have to reinforce that and make it stronger, and that's fine.

DR. ROSENTHAL: I agree, and I think Al suggested a way of making it stronger and I certainly can live with that.

DR. HERRMANN: We appreciate the support, and I think that was an excellent suggestion. I like what Mr. Haytaian had to say, and I think we'll develop that more with the Legislature, certainly, but I think by putting it at the end, would be terrific.

MR. BURSTEIN: Alan, if we're beyond that at this point, there's something further I wanted to ask about more

than anything else, and that has to do with the steps subsequent to the issuance of the final report. We have four legislative members and obviously something is going to have to be done in the way of the preparation of a series of bills, not just one, because I think it affects different parts of the statutes, if you take our total series of recommendations; whether there can be some assurance that there will be a recommendation or that there will be steps taken to put this into bill form?

DR. ROSENTHAL: Well, I mean, speaking, you know, personally, I don't think there's any assurance of anything in the legislative process. I think that we have been requested by the presiding officers to explore the subjects and make recommendations. The presiding officers will get our report, as will members of the Legislature, and then it seems to me that it is up to individual members of the Legislature and to the Leadership to decide what legislation to introduce.

I would imagine there would be legislation introduced and I'm not sure how coordinated that effort will be, but I think that our role as a Commission, you know, is concluded, you know, when we finally come out and make the report public. As individuals we can lobby and we can advocate, and we can even oppose it.

SENATOR DiFRANCESCO: I think Senator Orechio is going to introduce all the bills.

MR. BURSTEIN: What you've just said is hornbook law, to coin a phrase, but what I was referring to is the fact that we have four legislators on this Commission and that, for the most part, at least, maybe not in its entirety, they have gone along with these series of recommendations in this oncoming report and whether we can anticipate, unless there is some violent opposition on the part of the Leadership, that much if not most--

SENATOR DiFRANCESCO: No, they'd be stronger even.

MR. BURSTEIN: --would be put into bill form.

SENATOR DiFRANCESCO: Yeah, I can't speak for Senator Orechio, but I think he, in our house--

ASSEMBLYMAN HAYTAIAN: Probably Deverin and I-- If I'm allowed to be the sponsor, it would either be the cosponsor, I'm sure we will.

ASSEMBLYMAN DEVERIN: I would be very surprised, Al, if there wasn't a follow-up.

ASSEMBLYMAN HAYTAIAN: Absolutely.

ASSEMBLYMAN DEVERIN: There may be some arguments about what the opinions of the thing are. I think, I would be very surprised if there wasn't legislation started.

SENATOR DiFRANCESCO: And I think, Al, you mean specifically along the lines of this report.

MR. BURSTEIN: That's correct.

ASSEMBLYMAN DEVERIN: I can anticipate anywhere from three to five bills that would cover most of these things.

SENATOR DiFRANCESCO: I think Al is looking for a bill that covers -- bills that cover each and every recommendation.

ASSEMBLYMAN DEVERIN: Yeah, yeah. Some will be done in bill form, some will be done by resolution form, some will be done-- I'm certain that that will be done.

SENATOR DiFRANCESCO: Not more, not less, I think that's appropriate.

ASSEMBLYMAN HAYTAIAN: Absolutely.

ASSEMBLYMAN DEVERIN: I would be very disappointed if I sat here all summer long doing this, and we didn't do something about it. I doubt very much if the Leadership, or anybody else, would allow that to happen. I don't think that-- You know, commissions have been formed before and you know, they were dead on arrival, as some people have been known to have said.

MR. BURSTEIN: Yeah, that phrase, you shouldn't have used that, Tom. It has a tone down here that's bad.

ASSEMBLYMAN DEVERIN: Yeah, I know. And I'm not using it. Strike that, and the other thing I said.

I would doubt very much, in fact, it's-- We will probably start as soon as the recommendations are made, as soon as everybody has a chance to digest them.

MR. BURSTEIN: Fine.

SENATOR DiFRANCESCO: We'll put the bills in.

I have a question on the report, and this might be a dumb question, I don't know, but in the report we make references to the items-- For example, some of the items that I made a motion on or I suggested, are specifically saying-- You know, we're specifically saying, "Do not do this." Is that appropriate?

DR. ROSENTHAL: You're saying, should we have what are essentially negative, or maintain statute as it is included as recommendations?

SENATOR DiFRANCESCO: Right.

DR. ROSENTHAL: Well, I mean, we modified that language. It's no longer "do not," but it's sort of maintain the current conflict of interest, you know, the conflict of interest requirement and--

SENATOR DiFRANCESCO: Do we have to do that?

DR. ROSENTHAL: No, we don't have to do that. It's up to the Commission. We can-- The argument is that they were important considerations, and that we spent a lot of time in deciding whether to, you know, keep the conflicts of interest prohibitions, or to go on, and that that should maintain what we have as a recommendation. That argument can be made.

ASSEMBLYMAN DEVERIN: You would leave an awful void if you didn't.

SENATOR DiFRANCESCO: Well, I'll give you an example. The State contract thing, you know; I suggested that we prohibit legislators from having State contracts. That motion didn't pass but--

MS. SHEEHAN: Marci has new language for that though.

DR. ROSENTHAL: It would be retain the current system of State contracts. Now, are there any other opinions on this? I think the Senator is expressing a reservation that other people might have, as well.

SENATOR DiFRANCESCO: Well, the next time I ever bring it up, somebody is going to say, "Well, God, you know, the Commission recommended that we definitely not change that."

ASSEMBLYMAN DEVERIN: Well, there would be a void if you didn't.

SENATOR DiFRANCESCO: We've making recommendations.

DR. ROSENTHAL: You could explain in the text that we considered in the text, but not as a recommendation. You could explain in the text that we considered--

SENATOR DiFRANCESCO: One of my motions was 4 to 4, a tie.

DR. ROSENTHAL: --you know, changing the, you know, post legislative employment provisions, but we decided to leave them as they were for the following reasons. That could be in the text, but it wouldn't have to be a recommendation.

SENATOR DiFRANCESCO: Well, I guess, my question was, what do you normally do?

DR. ROSENTHAL: Now, we've got about three or four--

ASSEMBLYMAN DEVERIN: Are you saying that whatever we voted on and we voted it down, you don't want in there?

SENATOR DiFRANCESCO: Right.

DR. ROSENTHAL: He's saying he doesn't want it in there as a recommendation, but you would not object to having it in there as a consideration.

SENATOR DiFRANCESCO: Oh, no. As you were saying-- As you would consider, which is not unusual.

DR. ROSENTHAL: Is there any strong feeling about that?

MR. COLE: I think the latter.

ASSEMBLYMAN DEVERIN: Either way.

MR. COLE: The latter way is probably the better way to do it actually.

DR. ROSENTHAL: What latter way?

MR. COLE: Which is to say, we also considered changes in this, that, and the other thing--

ASSEMBLYMAN DEVERIN: But made no decision.

MR. COLE: --and decided not to do it; decided not to make the recommendation.

DR. ROSENTHAL: But to take it out of the recommendations?

MR. COLE: Out of the numbered recommendations, and just treat it in text.

DR. ROSENTHAL: Is there agreement to do it that way? Take the retained ones out of the list of recommendations, include them in the text that the Commission considered and voted on and decided to keep the current system.

That is actually consonant with how public financing is treated, because in public financing it's not a recommendation not to adopt public financing -- although we voted not to recommend public financing -- but it's explained in the text, that we decided not to go for public financing at this time.

So the three or four recommendations under Conflicts, which in the -- which would be: Do not modify the definition of personal interest. Do not prohibit legislators from accepting goodwill gifts. Do not modify the current provision regulating State contracting, and do not increase post employment restrictions; come out of the list of recommendations, but be explained in the text of things that we considered voting on and decided not to change.

SENATOR DiFRANCESCO: Yeah, I don't want people to think, "Take all the gifts you can get." I don't recommend that.

DR. ROSENTHAL: Okay. Any other considerations, concerns?

MR. COLE: Well, we just mentioned that gift provision, goodwill gifts. I don't think-- A couple of points on that. I don't think we've talked, given definition to what we mean to be goodwill. As I understand it, really, all we're saying there is we're not going to prohibit people from accepting sustenance type of gifts -- food, liquor, things like that -- that may exceed \$25--

DR. ROSENTHAL: Right.

MR. COLE: --because everything else is prohibited anyway. When I read the report, that didn't jump off the page at me, so I would suggest maybe a little more explanation may be in order.

DR. ROSENTHAL: Okay. But basically we are not changing current statute.

MR. COLE: Oh, I agree with the conclusion.

DR. ROSENTHAL: Yeah, but you want greater clarity.

MR. COLE: I just think it needs to be explained.

DR. ROSENTHAL: Okay.

SENATOR DiFRANCESCO: We were wondering about your vote.

MR. COLE: I don't think it makes sense for you to have to inquire if a meal costs \$30 or \$25, in terms of whether you can eat it.

ASSEMBLYMAN DEVERIN: Alan, when you have a reunion of this Committee 10 years from now, don't invite DiFrancesco.

DR. ROSENTHAL: Yes?

MS. SHEEHAN: In the same vein, I think that -- particularly given the letter we got from whoever it was we got, last time, that that business of-- It's really a language problem, but that in terms of testimonials for a legislator where the money goes to him, even though he or she sends it to charity, we're not talking about that -- we are talking about that -- that has to be disclosed, but in terms of charities,

that, in effect, use a legislator as a fund-raiser, that, we're not talking about that, I would just ask that you kind of look that language over again.

DR. ROSENTHAL: Clarify it.

MS. SHEEHAN: I think it's still kind of hazy.

DR. ROSENTHAL: Well, will someone make a motion that the members of the Commission adopt the report subject to--

Shall the Commission adopt the draft report as the final report, subject to the agreed upon changes made by staff?

MR. COLE: I'll make the motion.

MR. BURSTEIN: Second it.

DR. ROSENTHAL: Let me just announce we are going to try to get a vote from Senator Orechio who can't be here and from Tom Stanton who has been kept informed of what's going on, so even though they are not here they will be included in the final vote.

SENATOR DiFRANCESCO: They'll be polled by telephone.

DR. ROSENTHAL: They will be polled, right.

MR. PARISI: Okay. Assemblyman Haytaian?

ASSEMBLYMAN HAYTAIAN: Yes.

MR. PARISI: Assemblyman Deverin?

ASSEMBLYMAN DEVERIN: Yes.

MR. PARISI: Senator DiFrancesco?

SENATOR DiFRANCESCO: Yes.

MR. PARISI: Mrs. Sheehan?

MS. SHEEHAN: Yes.

MR. PARISI: Mr. Cole?

MR. COLE: Yes.

MR. PARISI: Mr. Burstein?

MR. BURSTEIN: Yes.

MR. PARISI: Chairman Rosenthal?

DR. ROSENTHAL: Yes.

MR. BURSTEIN: Move we adjourn, sine die?

DR. ROSENTHAL: Before we adjourn I want to thank you all. It's been a pleasure and a privilege serving with you. It's been very informative. I think we learned a lot from the witnesses, from the experience, and from one another. I come away from this with great respect for each of you as individuals and with respect -- which I've always had -- for the legislative process. I have confidence -- to answer your question, Al -- that this, what we have done, will make a difference, and I think the legislative Leadership and the members of the Legislature will act on our recommendations, and Fred Herrmann -- even if he doesn't get another penny -- will implement all of the additional requirements, and I think the system will be a little better as a result of our meeting through a very delightful summer.

I want to thank you, and I certainly want to thank -- prematurely perhaps -- Frank Parisi and Marci Hochman, for--

MR. BURSTEIN: Let's wait until we get the report.

DR. ROSENTHAL: Yeah, with a proviso that we, you know -- subject to the final report, but I think it's been a really fine effort: attendance, concern, energy. And it's been good.

MR. BURSTEIN: I think we ought to thank you as the Chairman for having seen this through, because I can't recall anybody who could ever have persuaded so many people, week after week after week, to come down here and the attendance has been extraordinary considering the period of time involved, so I do think that is a tribute to your leadership and the fact that this was very well put together, very efficiently, and we knew when we came we had an agenda lined up to do something.

DR. ROSENTHAL: Thank you.

ASSEMBLYMAN DEVERIN: I, too, Mr. Chairman. I speak as the Dean of the Assembly. I've been through commissions and public hearings, and the attendance is amazing. I don't remember myself coming to every meeting in anything I've ever been in, and I think as Chairman you do a great job.

DR. ROSENTHAL: Thank you.

ASSEMBLYMAN DEVERIN: I think the Legislature should be very happy with this report and should adopt it just as it's written. I think, you're right. It would be a sad mistake not to take the recommendations. I think the public is looking forward to it. I think everyone is looking forward to it, and it's going to happen.

And I again congratulate you as Chairman, and it's nice being with everybody. Mr. Haytaian, the first time we didn't fight in years. (laughter) And my dear friend, Donny.

ASSEMBLYMAN HAYTAIAN: Mr. Chairman, let me also say thank you for your Chairmanship. You did an excellent job. I go away happy that we, I think, accomplished what we set out to accomplish. Unfortunately, on a personal basis, I'm sorry that I didn't win more votes, but we'll worry about that in the Legislature when the Legislature's term opens.

I sincerely mean that. You did an excellent job.

DR. ROSENTHAL: Thank you. Thanks.

(MEETING CONCLUDES AT 2:40 p.m.)

APPENDIX

Alan Rosenthal, Chairman
Ad Hoc Commission on Legislative Ethics and Campaign Finance
October 3, 1990

Hearing: Final recommendations

Comments: Frank McLaughlin, Ocean County

This communication is handwritten, a reminder of the past, when pens communicated the feelings and ideas of the writer sealed with a closing signature. The write-motors through the process of expression and attempts to measure thoughts, a quiet asterisk, assuring that the message intended is delivered.

Why do I mention this fading exercise of past vintage? For the action has changed in today's market of technological wizardry, the current political arena, and more significantly in the techniques of the political players, legislators and other political leaders, where the participants are sensitized playmates of computer lists, tallies, polls, profiles, strategies, and slogans.

They pay homage now to campaign specialists who translate data into colorfully graphic illustrations, machine-gun-discharged through 15-second sound bites, and delivered in barrage form like lasered missiles aimed to maim the opposition and lure the public eye.

Is this sophisticated method of campaigning more effective? Is it necessary? Is the office holder not swallowed up in the unfinished symphony syndrome of habitual day-to-day fundraising/campaigning?

Finally, does the well purposed public servant slowly lose sight of the election contract with his constituents to guard the public trust?

Unfortunately, each of these questions evokes some disturbing elements. I shall not attempt to enter debate on any of the above queries, excepting the final question.

Your special ad hoc committee has attempted to correct many nagging campaign/ethics glitches throughout its deliberations this past summer/early fall. A number of noteworthy recommendations designed to improve the process have been advanced.

- Restrictions on unspent campaign funds are a beginning, but these sanctions hardly stretch the limits!
- Accountability for free trips has been shifted to legislative leadership, away from individual legislators, and this is surely an improvement. Funds would here to be used other than related to holding office.
- Limit of one campaign committee per candidate in another worthwhile recommendation.

However, still unaddressed are the following serious flaws in the campaign reporting/ethics codes.

Ethics

Where does the campaign end and the oath of office begin? Year round fund raising, "stockpiling" campaign funds year-to-year, accepting practices of legislative advantage elevated recently by the computergate "embarrassment", and allowing questionable perimeters when dealing in or on an opponent in a campaign, these are muddied waters flowing in a channel of outraged public sentiment.

As a concerned citizen speaking for many voices that are totally unaware of the responsibility charged to your committee, please allow consideration of other changes extending the limits of debate. Perhaps some of these suggestions are mooted in a manner unknown to this writer, nevertheless, they are forwarded for your future discussions.

1. Timelines for reporting contributions throughout the year beyond present scope should be incorporated to avoid "eleventh hour stuffing" of contributions. It may necessitate greater oversight costs, but the dollars would be well spent.
2. Lobbyists should be expected to adhere to somewhat similar type reporting timelines as legislators. Provide a checks and balance system -
3. Full disclosure of where the monies roam during both primary and general elections should include state committees with similar new, more rigid timelines.
4. Stockpiling might be controlled by mandating the limits any office holder may carry into the next year, especially a year preceding the election. Excess would revert to charity, the general treasury, or original donors.
5. Deadlines for ads, commercials prior to election day could be controlled by invoking a last week blackout on a new material. Newspapers and broadcast media would cooperate. Unusual last minute developments could be handled as regular news.
6. A standing election evaluation notary would be created, an arm of Elec, and would include equal members of both political parties, advocacy groups, at-large citizens. This committee would evaluate election conduct and publicly quasi-notarize their findings during primary and general Campaign.

The following areas would be targeted:

- a) literature
- b) radio/TV/newspaper ads
- c) press releases

If misinformation, unfair messages, or violations of reporting deadlines were witnessed, this SEEN committee would be authorized to publically report specifics to all parties.

As Stephen Salmore alluded to during his presentation to your committee, if contributions were indeed disclosed quickly and completely by candidates, the air of secrecy surrounding campaigns would be removed.

The participants in the political arena of the 90's are more suspect than ever before. Voter frustration has been heightened over the past few years, not by increased top but through a creeping distrust of the election process. Incumbents may fall victim to such festering frustration in larger numbers than ever before! The cry is now, if the umpire is unwilling to charge a fair rate, the weary traveller will lead him outside to the same cold of winter he is experiencing.

One final note, can this ad hoc commission charged with making recommendations on legislative ethics and campaign finances afford to adjourn its work at this point in time when the vehicle is clearly out of control?

Hopefully, my comments will at the minimum reaffirm the reality that the citizens of this state are maintaining a longer retention span on issues that affect them.

Legislators should take the lead, not follow the lead!

Please send copy of final report
Franklin D. Roosevelt

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Thanks you for the opportunity
to be heard.