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April, 2018

# 2017 ANNUAL REPORT



**NEW JERSEY ELECTION LAW  
ENFORCEMENT  
COMMISSION**

**P.O. BOX 185  
TRENTON, NJ 08625-0185  
(609) 292-8700**



## COMMISSIONERS & SENIOR STAFF

### Commission's Office

New Jersey Election Law Enforcement Commission  
25 South Stockton Street, 5<sup>th</sup> Floor  
Trenton, New Jersey

(609) 292-8700 or  
Toll Free Within NJ 1-888-313-ELEC (3532)

Website: <http://www.elec.state.nj.us/>  
Facebook: <https://www.facebook.com/NJElectionLaw>  
Twitter: <https://twitter.com/elecnj>



Clockwise: Chairman Eric Jaso, Commissioner Stephen Holden, Executive Director Jeff Brindle, Deputy Director Joseph Donohue, Director of Review and Investigation Shreve Marshall, Deputy Legal Director Amanda Haines, Compliance Director Stephanie Olivo, Legal Director Demery Roberts, Legal Counsel Edwin Matthews, and Commissioner Marguerite Simon.



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The essence of Democracy is an informed electorate. It is the fulfillment of this goal that the New Jersey Election Law Enforcement Commission (ELEC) embraces as its valued mission.

Established in 1973, ELEC monitors the campaign financing of all elections in the State. Whether the election is for Governor or Mayor, member of the Legislature or a City Council, candidates and campaign organizations are required to file with the Commission contribution and expenditure reports.

The Commission also administers the law requiring candidates for the Governorship and Legislature to make public their personal finances prior to election day. Moreover, ELEC administers those sections of the law, which establish a filing obligation on the part of lobbyists and their clients. Finally, ELEC is responsible for enforcing various aspects of the Pay-to-Play law, particularly as it pertains to disclosure.

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

A major part of New Jersey's system of elections, the Election Law Enforcement Commission has upheld a tradition of fair, but energetic, administration of the State's financial disclosure laws. That tradition is strong today and will remain so in the future.

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## HOW TO CONTACT ELEC

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### Hours of Operation

Commission: 9:00 am-5:00 pm, Monday - Friday  
Public Room: 9:15 am-4:45 pm, Monday - Friday

### By Phone

General information and Help Desk at: (609) 292-8700  
Toll Free within New Jersey: 1(888) 313-ELEC (3532)

### By Fax

48-hour notices only: (609) 292-7662, (609) 292-7664  
Other reports will not be accepted by fax.

Administration Division: (609) 777-1448  
Executive: (609) 292-4301  
Legal Division: (609) 777-1457  
Review & Investigation: (609) 943-5280  
Electronic Filing: (609) 341-2882

### By U.S. Mail

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### By Commercial Delivery Service

New Jersey Election Law Enforcement Commission  
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## THE COMMISSION

### **Eric Hector Jaso, Chairman**

The state Senate on March 13, 2017 unanimously confirmed the nomination of Eric H. Jaso of Morristown to the New Jersey Election Law Enforcement Commission (ELEC).

Jaso, a Republican attorney, was nominated on September 8, 2016 by Governor Chris Christie.

Jaso is a partner at the law firm of Spiro Harrison in Short Hills. His practice focuses on complex litigation matters, including civil and criminal cases, primarily in the Federal courts.

From 2003 to 2008, Jaso served as an Assistant U.S. Attorney in the U.S. Attorney's Office in New Jersey. Prior to that, he served as counselor to the Assistant Attorney General of the Criminal Division at the U.S. Department of Justice in Washington, D.C.

Previous government appointments included serving as Deputy General Counsel at the U.S. Department of Education, working as Deputy Special Counsel to the New Jersey Senate Judiciary Committee investigating racial profiling, and serving as Associate Independent Counsel during the "Whitewater" investigation of former President Bill Clinton.

Jaso also serves as a public member of the New Jersey Urban Enterprise Zone Authority.

In 2011, he was chosen by Republicans to serve on the commission that redrew the boundaries of New Jersey's U.S. House Districts.

Jaso has taught appellate advocacy as an Adjunct Professor at Seton Hall Law School.

He earned his law degree at the University of Chicago. He received his bachelor's degree in Government with honors from Harvard.

His professional memberships include: Hispanic Bar Association of New Jersey; National Hispanic Bar Association; Federalist Society; and Association of the Federal Bar of the District of New Jersey.

Jaso lives with his wife and son in Morristown, New Jersey.



*Eric H. Jaso, Chairman*



## THE COMMISSION continued

### **Stephen M. Holden, Commissioner**

The state Senate on March 13, 2017 unanimously confirmed the nomination of Stephen Michael Holden of Merchantville to the New Jersey Election Law Enforcement Commission (ELEC).

Holden, a Democratic attorney, was nominated December 12, 2016 by Governor Chris Christie.

Holden is Deputy General Counsel of the Delaware River Port Authority. He retired as a Superior Court judge upon reaching mandatory retirement age of 70 in 2013 though he later performed temporary service as a recall judge.

Between 1987 and 2003, during a period when he was a solo practitioner, he served as Counsel to the state Senate as well as Senate Parliamentarian.

During an earlier career as an educator, he was a teacher in the Philadelphia school system, an assistant professor at both Glassboro State College (now Rowan University), and Rutgers University, as well as an assistant dean and assistant professor at Bryn Mawr College.

Holden earned his law degree at Rutgers University Night School of Law. He obtained Ph.D. and M.S.S. degrees at Bryn Mawr College, and a B.S. degree with honors at Temple University.

He sits on the Audit, Ethics and Compliance committee of the Board of Directors of Cooper Health System. He also sits on the board of Bryn Mawr College Graduate School of Social Work and Social Research.

Holden is married with two daughters—one a public-school arts teacher, the other a nurse.



*Stephen M. Holden, Commissioner*



## THE COMMISSION continued

### **Marguerite T. Simon, Commissioner**

Marguerite T. Simon became the 32<sup>nd</sup> person appointed to the New Jersey Election Law Enforcement Commission since its creation in 1973 when the State Senate on June 29, 2017 unanimously approved her nomination.

She replaces Lawrence Weiss, who died while serving on the commission in 2011. Simon is a Democratic attorney who was nominated February 27, 2017 by Governor Chris Christie.

Simon serves as counsel to the firm of Javerbaum Wurgaft Hicks Kahn Wikstrom & Sinins PC of Springfield and Englewood Cliffs. Her practice is primarily concentrated in alternate dispute resolution. She serves as a mediator and arbitrator in private party and court appointed matters.

She also served as a state Superior Court Judge in Hackensack from 1984 until her retirement in 2004 when she was Presiding Judge of General Equity.

She has taught classes and seminars at the New Jersey Judicial College, Institute for Continuing Legal Education, and Bergen Community College.

Among her awards are Super Lawyer, New Jersey, Alternative Dispute Resolution, 2010 to present; and Professional Lawyer of the Year, New Jersey Bar State Bar Association and Bergen County Bar Association, both 2006.

Simon obtained her law degree from the University of Virginia School of Law in 1961. She received her undergraduate degree from Barnard College in 1958.

Her professional affiliations include: Bergen County Bar Association, New Jersey State Bar Association and Women Lawyers in Bergen County.

She is married to Donald Howard. Together they have four children and ten grandchildren. She lives in Edgewater and Cape May.



*Marguerite T. Simon, Commissioner*



## THE COMMISSION continued

### **Jeffrey M. Brindle, Executive Director**

Jeffrey M. Brindle's experience as a regulator, as well as in various governmental and electoral capacities, allows him to bring a rare and broad-ranging perspective to the position of Executive Director.

Executive Director Brindle has authored 20 in-depth, analytical white paper reports on campaign financing and lobbying, many of which had a major influence on legislation. He also has published more than 140 articles in newspapers, magazines, and periodicals, including "Campaigns and Elections," "The New York Times," "Politickernj.com," "InsiderNJ.com," "NewJersey Newsroom.com," Public Integrity, "The Star-Ledger," "League of Municipalities Magazine," and "Spotlight."

As Executive Director, Brindle has worked to reduce the backlog of outstanding enforcement cases and speed up enforcement efforts.

He started the ELEC-Tronic newsletter in 2009 to help expand the agency's public profile, and has been a major contributor to the 106 issues that have appeared through April 2018.

Brindle has taken several initiatives to enhance ELEC's basic mission of disclosure. He instituted a database of local political contributions, making New Jersey one of the few states in the nation that provides access to such information. He greatly expanded the number of analytical press releases published on a regular basis by the agency. He also saw to it that more than 400 press releases prepared between 1983 and 2005 were made accessible on the ELEC website.

Annual reports, minutes and advisory opinions dating back to the agency's creation in

1973 also have been made available to the public through the agency's website, which, in 2010, was recognized as "Best Official New Jersey Website" by the Documents Association of New Jersey.



*Jeffrey M. Brindle, Executive Director*

As Deputy Director, Brindle authored the report on the Clean Elections Pilot Program, prepared several Cost Analysis Reports, and wrote a major report on the Commission's technological needs.

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

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

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

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



## THE COMMISSION continued

### **Edwin R. Matthews, Legal Counsel**

Edwin R. Matthews was selected to be the Commission's Legal Counsel and began serving in that capacity in November, 2012.

Mr. Matthews is a partner with the Summit, New Jersey law firm of Bourne, Noll & Kenyon. He specializes in the areas of civil litigation, municipal law, appellate practice, personal injury, products liability, and tax appeals.

Upon graduation from Law School, Mr. Matthews served as a Law Clerk for Associate Justice Mark A. Sullivan of the New Jersey State Supreme Court and as an Assistant United States Attorney for the District of New Jersey. He was twice recognized by the United States Attorney General for Sustained Superior Performance. Mr. Matthews has in the past served the Township of South Orange Village, as a member of its governing body, as its Municipal Court Judge, and as its Village Counsel.

Mr. Matthews, a Certified Civil Trial Attorney, is admitted in the State of New Jersey; United States District Courts for the District of New Jersey, the Southern District of New York, and the Eastern District of New York; United States Courts of Appeals for the Third Circuit and Second Circuit; the United States Supreme Court; and the State of New York. He has been designated Mediator for the United States District Court for the District of New Jersey as well as the New Jersey State Court Mediation Program. He has served as an Arbitrator for the Federal Court in New Jersey as well as a number of counties in the state court system. He served as a Member of the Committee on Character, appointed by the New Jersey Supreme Court (1993-2009.) His membership in a number of bar associations includes serving as a member of the Board of Trustees of the Trial

Attorneys of New Jersey since 1986 and as its President from 2004 to 2005.



*Edwin R. Matthews  
Legal Counsel*

Mr. Matthews has lectured frequently at seminars on trial tactics, product liability, the Rules of Procedure and the Rules of Evidence. He is a Master of the Worrall F. Mountain Inn of Court and has been an adjunct faculty member of the School of Law and a Master of the Inn of Court at

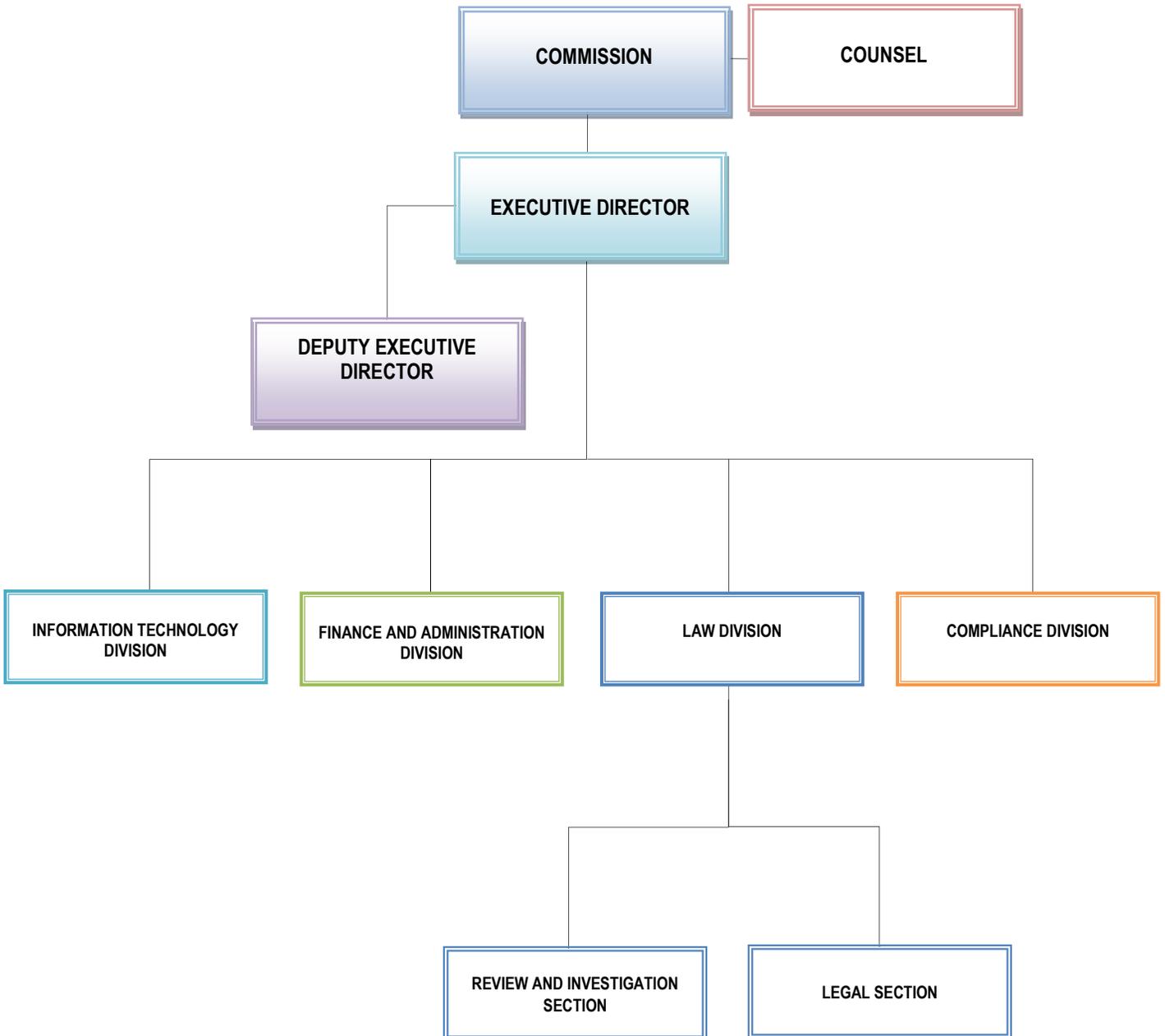
Seton Hall University School of Law.

Mr. Matthews served in the United States Marine Corps where he attained the rank of Captain. He was awarded the Bronze Star Medal with Combat V, Navy Commendation Medal with Combat V, two Purple Heart Medals, Combat Action Ribbon, and the New Jersey Distinguished Service Medal for service in Vietnam. Mr. Matthews has been recognized as a New Jersey Super Lawyer in the editions for 2009 through 2018. The New Jersey Commission on Professionalism presented him with its Professionalism Award in 2010.

Mr. Matthews received an A.B. degree from the College of the Holy Cross and J.D. degree from Seton Hall University School of Law.



## COMMISSION ORGANIZATION





## COMMISSION STAFF

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**AMANDA HAINES, ESQ., DEPUTY LEGAL DIRECTOR**

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Tia Dinh, Esq.

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Candice Kashani

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Scott Miccio, Esq.

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Maureen Tilbury

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## MESSAGE FROM THE CHAIRMAN

In March 2017, ELEC held its first meeting since April of the previous year. Due to Governor Christie's nomination and the Senate's confirmation of former judges Stephen M. Holden and Marguerite T. Simon (and me) in early 2017, ELEC once again had sufficient Commissioners to exercise all its statutory authorities.

Having only one Commissioner for that period had rendered ELEC unable to render final decisions or issue regulations, two of its most vital functions. Although ELEC staff continued to conduct investigations, issue complaints, and otherwise prosecute cases, many matters remained in limbo.

During the interregnum, ELEC staff also continued to undertake many of the functions of the Commission, including preparing for the Gubernatorial Public Financing Program for the 2017 election cycle. Including the primary and general elections, a total of \$19,706,601 was dispersed to five candidates who participated in the program. Although the winning candidate, Governor Phil Murphy did not participate in the program during the election primary. He did participate during the general election, receiving \$9,300,000 million in matching funds.

His opponent in the general election, then Lieutenant Governor Kim Guadagno, participated in both the primary and general elections, receiving \$2,254,295 and \$3,700,485 respectively.

The program requires qualified gubernatorial candidates to participate in two debates in both the primary and general elections. In the general election, candidates for Lieutenant Governor are required to participate in one debate.

The Commission selected the Performing Arts Center in Newark, William Paterson University and Montclair State/NJTV to sponsor the debates. Each sponsor worked with various co-sponsors, including print and broadcast media.

ELEC's Director of Compliance Stephanie Olivo, Esq., along with public financing staff, deserve credit for administering the program efficiently.



*Eric H. Jaso, Chairman*

In 2017, the Commission won a major victory in a civil case against Joseph DiVincenzo, the Essex County Executive. The case, which began with the issuance of a complaint in 2013, alleged that DiVincenzo had failed to report tens of thousands in campaign funds that were used for personal purposes. DiVincenzo challenged ELEC's authority to prosecute the case without a quorum of Commissioners able to vote, and an Administrative Law Judge initially agreed, dismissing the complaint. In September 2017, a state Appellate Court overturned that

decision, siding with ELEC in holding that the Commission had legal authority to prosecute the case even without a full complement of Commissioners. The matter concluded with DiVincenzo agreeing to settle and pay a significant fine of more than \$20,000

While that case took four years to complete, its successful conclusion was due to the tenacity of ELEC's Legal staff, headed by Demery Roberts, and the lead attorney in the case, Amanda Haines.

The Legal Division continues to handle an increasing volume of complex cases. To handle that heavy caseload, ELEC reorganized the Legal staff with ten attorneys.

This reorganization was accomplished by not backfilling vacancies due to resignation or retirement, and by shifting staff resources to address the changing needs of the Commission.

In this day and age, the key to successfully managing a governmental agency, especially one whose mission is disclosure, is its Information and Technology function.



## MESSAGE FROM THE CHAIRMAN continued

Fiscal year 2015 brought with it a special appropriation of \$2 million for the purpose of overhauling and upgrading ELEC's computer system.

That financing enabled implementation of a new state-of-the-art system that includes electronic filing of lobbyist quarterly reports, electronic filing for political parties and PACs, enhanced electronic filing for candidates, access from iPads, and a new and simplified ELEC home page.

Thanks to the efforts of IT Director Anthony Giancarli, IT staff, and staff from other sections, the project is 90 percent complete. The finishing touches are now being put on the electronic filing module for parties and PACs, soon to be operational.

With ELEC's main mission being public disclosure, accountability to the public is a critical goal of the Compliance section.

During 2017, approximately 35,814 reports were scanned and processed. Despite the fact that all candidate reports are on-line, hard copies are still made available to the public. Though decreasing in number, 2,565 photocopies of reports were still provided.

Consistent with the Commission's mission of disclosure, a compliance rate of over 90 percent was again accomplished in 2017. Moreover, the Compliance Division continued to comply with the requirements of the Open Public Records Act (OPRA) in providing information to the public in a timely manner. Finally, besides conducting on-site and off-site training seminars, the Compliance staff stands ready to assist the public via telephone and in person.

ELEC's Review and Investigation section was also reorganized, adding two additional staff investigators plus two administrative assistants.

Working closely with the Legal Division, the Review and Investigation section continued its efforts in thoroughly investigating would-be violators of the

various statutes and regulations under the Commission's jurisdiction. During 2017, the Commission's seven investigators completed 37 investigations that resulted in penalty recommendations.

Deputy Director Joe Donohue again produced important analytical press releases on campaign finance issues, lobbying, and pay-to-play. His work tracing spending activity by gubernatorial and legislative candidates and independent groups during the fall campaign would, if he were still a reporter, win him a Pulitzer prize.

While Executive Assistant Elbia Zeppetelli expertly facilitated the work of the Executive section, Chris Mistichelli, Director of Finance and Administration, deserves plaudits for his seamless orchestration of the Commission's relocation to its new offices at 25 South Stockton Street, Trenton, New Jersey in early December. In addition, Chris and his staff did an excellent job handling the Commission's continuation budget and human resources' needs.

Finally, I would be remiss in not mentioning the retirement from the Commission of my predecessor, longtime Chairman Ron DeFilippis. Chairman DeFilippis remained dedicated to the Commission, serving as the lone Commissioner in 2016. Through seven years on the Commission, former Chairman DeFilippis contributed significantly to its success as one of the best agencies in State government.

Both Commissioners and staff are pleased that ELEC is once again a fully-functioning agency, devoting its resources and talents to improving and ensuring transparency in New Jersey's state and local campaign financing and lobbying. Thanks to the hard work and dedication of former Chairman DeFilippis and ELEC's staff during the 2016 interregnum, we new Commissioners were able to get quickly up to speed, and ELEC was once again able to fully discharge its duties to the public in an important election year.



## EXECUTIVE DIRECTOR'S REMARKS

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In mid-December the Commission moved to new offices at 25 South Stockton Street, Trenton, N.J.

For me, as for others, the move was bitter sweet.

Since its inception in 1973 the Commission had been located at 28 West State Street, Trenton, N.J.

Admittedly, before leaving, I had an overwhelming sense of nostalgia. Many memories flashed before my eyes. I recalled staff members, past and present, our children visiting, Mr. Wilson, longtime building maintenance manager, holiday luncheons, and past and present Commissioners and Commission meetings.



*Jeffrey M. Brindle, Executive Director*

But it was time to leave. It was time to leave the past behind and walk through the door to the future. It was time to enter the newly renovated New Jersey Network (NJN) building, brightly painted, newly carpeted. Moving into our new offices was a sweet reminder that the future is bright for the Commission and State of New Jersey. Along with the move came a renewed sense of excitement, doused with optimism for that which the Commission can accomplish for the people of our State.

One such accomplishment actually began before the Commission moved to its new offices. In 2017, the Information Technology staff largely completed a major upgrade to its website. Supported by a \$2 million special appropriation in fiscal year 2015, staff instituted a new gubernatorial electronic filing program as well as modernized e-filing software for non-gubernatorial candidates.

In addition to upgrading the system's infrastructure, improvements included a new and simplified homepage designed to direct users to the various and sundry sources of information available on the website. To make matters even better, electronic filing software for political parties and continuing political committees (PACs) is due to be completed this year.

A big sigh of relief greeted the new year as well. After a year without enough commissioners to hold a meeting, Governor Christie nominated, and the Senate confirmed former Assistant U.S. Attorney Eric Jaso and former Superior Court judges Stephen Holden and Marguerite Simon to join stalwart Chairman Ron DeFilippis on the Commission.

The staff had soldiered on in 2016, continuing to undertake most of the functions required of the Commission, including investigations, compliance, and public financing. But it was a tremendous relief to be fully operational, particularly in the area of final decision matters.

The year 2017 witnessed an election for Governor and Legislature as well as a multitude of local contests. As has been the trend over the last several years, spending by independent groups continued to grow and become more influential over New Jersey elections. A record \$48 million was spent by these groups in an effort to influence the outcome of the gubernatorial and legislative elections.

By way of example, this growing leviathan totally eclipsed spending by state and county political parties combined, \$48 million to \$27 million.



## EXECUTIVE DIRECTOR'S REMARKS *continued*

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In an effort to address this issue, I and other staff members continued to lobby for initiatives that would reform campaign finance laws and bring balance to New Jersey's electoral system.

Accordingly, we pushed for legislation that would require disclosure by independent groups, strengthen political parties, and reform pay-to-play.

Regarding independent groups, the Commission's proposals include registration and disclosure by independent organizations. The proposals also include disclosure of public contractor donations to outside groups.

Proposals involving political parties include increasing contribution limits on donations made to them, exempting political parties from pay-to-play, allowing parties to participate in gubernatorial campaigns, allowing parties to contribute to each other, and loosening federal rules on party state accounts.

Finally, with regard to pay-to-play, the Commission has called for one state law across the board, an end to the fair and open loophole, enhanced disclosure, political action committees (PACs) to be included under the law, and an increase in the contribution limit applicable to public contractors from \$300 to \$1,000.

As the result of working with legislators from both sides of the political aisle, legislation was introduced by Assembly Minority Leader Jon Bramnick, Democratic Senator Troy Singleton, and Assemblyman Andrew Zwicker.

If enacted, these proposals would change the electoral landscape by offsetting the influence of independent, often anonymous groups and strengthening the more accountable political parties.

As noted above, the year 2017 ushered in primary and general election campaigns for Governor. Integral to these contests was once again the Gubernatorial Public Financing Program.

With the assistance of the gubernatorial public financing staff, the program once again met its twin goals of allowing viable candidates of limited means to run for the State's highest office and to eliminate even the appearance of corruption.

Public financing staff carefully monitored and reviewed submissions for public funds from five candidates participating in the primary and two participating in the general election. Altogether \$20 million was issued to the candidates, allowing them to participate in the publicly-financed debates and run effective campaigns.

New Jersey's Gubernatorial Public Financing Program has been a model for the nation. It continued in that capacity in 2017.

Another below the surface activity continued to be undertaken in 2017. The reorganization and shifting of staff to accommodate the changing needs of the Commission.

This reorganization, which has witnessed the hiring of additional lawyers, bringing the Legal section to ten attorneys, and the shifting of staff to the Investigative section, has been accomplished within budget, and, in fact, by actually saving tax payer money.

The savings have been accomplished by not backfilling certain positions that were vacated by retirements and resignations.

Finally, after seven years as Chairman of the Commission, including one during which he was the only sitting Commissioner, Ron DeFilippis resigned from the Commission in 2017.

I would be remiss in not extending, on behalf of the Commission, my heartfelt thanks for his dedicated service to the Commission and the people of New Jersey.



## LEGISLATIVE REVIEW & RECOMMENDATIONS

### INDEPENDENT SPENDING REACHES ALL-TIME HIGH IN NEW JERSEY ELECTIONS



Joseph W. Donohue, Deputy Director

Fueled by what may have been the costliest state legislative election in American history, spending by independent special interest groups set several new firsts in the 2017 state elections.

Among the milestones:

- The estimated \$14.4 million expended in the Third Legislative District state senate race appears to be the most ever spent by independent groups in a legislative district in New Jersey or elsewhere in the U.S.
- The \$23 million spent in the legislative campaign was the most ever in the Garden State.
- The \$24.5 million in independent spending connected to the gubernatorial elections also was a new high.
- The combined total of \$47.5 million in independent spending on state elections in 2017 shattered yet another record.

All this came just one year after independent groups spent a whopping \$27 million on statewide ballot questions in 2016- again, an unprecedented benchmark.

Compared to 2005, independent spending in 2017 was up 11,458 percent. Nearly one out of four dollars spent on state campaigns came from independent sources.

While these numbers are jaw-dropping, the increase in spending is not necessarily the

biggest issue. After all, candidates and party committees still spent \$144 million.

What the bipartisan ELEC spotlighted as a major concern starting in 2010 is that, under the state’s distressingly outdated campaign finance law, nearly all this money could have been spent without voters knowing where the money came from.

Spending in State Elections – 2005 Versus 2017			
Year	2005	2017*	Change-%
Gubernatorial Candidates	\$ 87,724,988	\$ 54,328,897	-38%
Legislative Candidates**	\$ 33,328,310	\$ 62,643,117	88%
Big Six	\$ 19,667,905	\$ 13,348,131	-32%
Counties	\$ 19,009,467	\$ 14,059,504	-26%
Subtotal-Traditional Committees	\$159,730,670	\$144,379,649	-10%
<b>Independent Committees</b>	<b>\$ 411,224</b>	<b>\$ 47,530,869</b>	<b>11,458%</b>
Grand Total	\$160,141,894	\$191,910,518	20%
<b>% Independent Committees</b>	<b>0.3%</b>	<b>24.8%</b>	

\*Preliminary \*\*Assembly-only election in 2005

At least for the time being, voters have been fortunate that several independent groups taking part in New Jersey elections have voluntarily disclosed their donors and spending. But that could change any time if the spenders decide to “go dark.”

Legislators from both parties have worked with ELEC to develop bills that would close this massive loophole and to enact other reforms to try to shift influence over campaigns from independent groups back to party organizations.

In the state Senate, Senators Troy Singleton (D-7) and Linda Greenstein (D-15) have introduced S-1500, which requires full disclosure by independent groups while raising contribution limits for candidates and parties. The companion bill in the Assembly is A-1524, co-sponsored by Assemblymen Andrew Zwicker (D-16) and Daniel Benson (D-14).

Also, in the state Assembly, Minority Leader Jon Bramnick (R-21) and Assembly members Anthony Bucco (R-25) and Holly Schepisi (R-39) have introduced A-1957, which contains similar provisions.



## LEGISLATIVE REVIEW & RECOMMENDATIONS continued

### TWO ELEC RECOMMENDATIONS BECAME LAW IN 2017

Former Governor Chris Christie enacted two bills last year that were based on ELEC recommendations.

The Governor signed legislation (A-4875/S-1996) on July 21, 2017. It saves hundreds of thousands of dollars in spending each gubernatorial election year by ending the distribution of printed ballot statements of gubernatorial candidates to voters.

Instead, the ballot statements now are available on the websites of ELEC, the New Jersey Division of Elections, and all 21 county clerks.

Chief sponsors were Assemblywoman Elizabeth Maher Muoio and Assemblyman Reed Gusciora (both D-15) and Senators Jeff Van Drew (D-1) and James Beach (D-6). Hunterdon County Clerk Mary Melfi was a key supporter of the legislative initiative and helped win its passage. The legislation was approved 73-2 in the Assembly and 35-0 in the Senate.

Governor Christie signed another bill (S-1404/A-4423) on May 1, 2017 requiring that governmental affairs agents (lobbyists) file a notice of representation and disclose fees if they represent a state, county or local governmental entity.

Senate Majority Leader Loretta Weinberg (D-37) was the primary sponsor of the Senate bill. Primary sponsors of the Assembly bill include Assemblymen Gordon Johnson (D-37), Daniel Benson (D-14) and Raj Mukherji (D-33). The legislation was unanimously approved by both houses.

### PRIORITY RECOMMENDATIONS

**Enact legislative changes to strengthen political parties. These include raising contribution limits to adjust for inflation, exempting party entities from pay-to-play contribution limits, allowing state parties to spend directly on gubernatorial elections and ending the ban on party transfers during primaries.**

Potential Benefit: The rapid rise of independent groups has seriously weakened political parties, which are more accountable and transparent because they have long been required to file detailed disclosure and spending reports. Taking steps to shift money away from independent groups to parties should benefit voters by leading to more disclosure, which is one of the simplest, cheapest ways to keep official abuses in check.

**Full disclosure of Super PAC, 527 and 501(c) committee activity. Also, strengthen political parties as part of an effort to offset influence of independent groups.**

Potential Benefit: Super PACs and non-profit groups organized under Section 527 and Section 501(c) of the IRS code have become active players in political campaigns nationally and in New Jersey. Current state law requires little or no disclosure by these groups. The law fails to reflect multiple U.S. Supreme Court rulings upholding as Constitutional the full disclosure of contributions and expenditures if these groups take part in an election.



## LEGISLATIVE REVIEW & RECOMMENDATIONS continued

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**Simplifying and standardizing “pay-to-play” laws by having just one law that applies to state, county and municipal contractors, ending the “fair and open” loophole, lowering from \$50,000 to \$17,500 the threshold for annual disclosure by contractors, raising from \$300 to \$1,000 the amount contractors can contribute, and including special interest PACs under the law. Contributions by contractors to independent groups should be disclosed.**

Potential Benefit: A thick layer of laws and executive orders have created a bewildering maze for trying to limit pay-to-play abuses. It creates confusion and difficulty for both the regulated community and regulators along with needless legal costs. Extending the prohibition that applies to state contractors to county and municipal contractors should greatly reduce the “pay-to-play” influence of business entities.

**Enact legislation authorizing public financing in the event of a special gubernatorial election.**

Potential Benefit: Would ensure that candidates involved in a special election can avail themselves of public financing just like candidates in regular election years.

**Enact legislation that would require any state and local candidates in New Jersey setting up legal defense funds to disclose their contributions and expenditures in reports filed with ELEC.**

Potential Benefit: Closes a gap in current law, which requires no such disclosure.

**Requiring school board candidates to file candidate certified statements (A-1 forms) if they raise no contributions or make no expenditures.**

Potential Benefit: School board candidates are the only candidates except for write-in candidates who are not required to make such a declaration. Given that spending on school elections grew steadily during the past decade, fuller disclosure by candidates seems warranted.

**Expand the 48-hour notice requirement for continuing political committee (PACs) expenditures to require that they file notices for expenditures made to May Municipal, Runoff, School, and Special Elections.**

Potential Benefit: More disclosure, since an increasing amount of money is being spent on local elections.

**When candidates spend campaign funds on dinners or other meetings, they must keep detailed records about who attended the event, what was purchased and why they considered the expense “ordinary and necessary.”**

Potential Benefit: More disclosure for the public and less chance that a candidate will misuse campaign funds for personal use.

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

Potential Benefit: Current law requires disclosure by lobbyists who try to influence state officials, but not those who try to influence county or municipal officials. This expansion of disclosure requirements will make the public better aware of influence peddling at local levels of government. Also seek statutory authority to require lobbyists to provide more details on their quarterly reports when they lobby on substantive matters on their quarterly reports. This might include date and location of meeting, name and title of official or officials who took part in the meeting, and the specific reason for the meeting.



## LEGISLATIVE REVIEW & RECOMMENDATIONS continued

### **Change the filing date for personal financial disclosure statements to improve efficiency.**

Potential Benefit: Personal financial disclosure forms of candidates discourage conflicts of interest by revealing information about the wealth and assets of those who seek elected office. Providing candidates with more time in which to carefully complete these forms, along with a less confusing due date, will enhance compliance and disclosure with the law.

### **Discourage the proliferation of affiliated PACs in New Jersey.**

Potential Benefit: This legislation would make it more difficult for groups and individuals to evade the contribution limits and “pay-to-play” laws by establishing multiple PACs.

## **OTHER INITIATIVES**

### **Cost Savings and Efficiencies.**

- Eliminate the gubernatorial spending qualification threshold.
- Lengthen Commissioner terms to six years from three years and select the Commission Chairman or Chairwoman for a fixed term.

### **Strengthen Campaign Finance, Personal Financial Disclosure and Lobbying Laws.**

- Enact legislation that gives statutory force to Commission prohibition against the use of campaign funds to pay legal bills that arise from criminal allegations.
- Enhance penalties for impermissible use of candidate committee funds.

- Conform the penalty provisions of the Personal Financial Disclosure law to the “New Jersey Campaign Contributions and Expenditures Reporting Act” (Campaign Act).
- Require disclosure of occupation and employer information for contributions from individuals in excess of the \$300 disclosure threshold on reports filed by an Inaugural event committee.
- Increase the penalties for public financing violations to conform to penalties for other Campaign Act violations because the public financing penalty amounts have not been changed since 1974.
- Conform the penalty provisions of the Lobbying Disclosure law to those of the Campaign Act.
- Ban the use of partnership funds for the purpose of making contributions.
- Require that the name given to a candidate’s campaign depository account contain the name of the candidate.
- Require grassroots lobbying materials to list the name and address of the committee that paid for them.



*Steve Kimmelman  
Research Assistant*



## STATUTORY HISTORY OF ELEC

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**Commission** created by P.L. 1973, c.83 (N.J.S.A. 19:44A-1 et seq.) – “The New Jersey Campaign Contributions and Expenditures Reporting Act” - effective date: April 24, 1973.

**Gubernatorial Public Financing Program** established by P.L. 1974, c.26 (N.J.S.A. 19:44A-27 et seq.) - effective date: May 6, 1974.

**Gubernatorial Public Financing Program Extending to Primary Elections** signed by Governor Brendan Byrne (*Chapter 74*) – effective date: July 23, 1980.

**Personal Financial Disclosure Program** established by P.L. 1981, c.129 (N.J.S.A. 19:44B-1 et seq.) - effective date: May 1, 1981.

**Lobbying Program** established by P.L. 1981, c.150 (N.J.S.A. 52:13C-18 et seq.)-effective date: May 22, 1981.

**Continuing Political Committee Quarterly Reporting** established by P.L. 1983, c.579 (amendments to N.J.S.A. 19:44A-1 et seq.) - effective date: January 17, 1984.

**Lobbying Reform** established by P.L. 1991, c.243 (amendments to N.J.S.A. 52:13C-18 et seq.) - effective date: January 1, 1992.

**Campaign Finance Reform** established by P.L. 1993, c.65 (amendments to N.J.S.A. 19:44A-1 et seq.) - effective date: April 7, 1993.

**Street Money Reform Law** established by P.L. 1993, c.370, (codified as N.J.S.A. 19:44A-11.7) - effective date: January 7, 1994.

**Uniform Recall Election Law** established by P.L. 1995, c.105, (codified as N.J.S.A. 19:27A-1 et seq.) - effective date: May 17, 1995.

**Political Identification Law** established by P.L. 1995, c.391, (codified as N.J.S.A. 19:44A-22.2 and 22.3) - effective date: February 1, 1996.

**Contribution Limit Changes** established by P.L. 2001, c.384 (amendments to N.J.S.A. 19:44A-1 et seq.) - effective date: January 8, 2002.

**Campaign Financing Reform Initiatives** established by P.L. 2004, c.19, 21, 22, 28, 29, 30, 31, 32, 33, 123, and 174 (amendments to N.J.S.A. 19:44A-1 et seq.) - effective dates from June 16, 2004 through January 1, 2006.

**2005 Clean Elections Pilot Project** established by P.L. 2004, c.121 - effective date August 11, 2004.

**Lobbying Law Expansion** established by P.L. 2003, c.255 (effective April 13, 2004) and P.L. 2004, c.20, 27, 34, 36, 37, and 38 (amendments to N.J.S.A. 52:13C-18 et seq.) - effective dates April 13 through August 16, 2004.

**Pay-to-Play Contracting Reform** (amendments to N.J.S.A. 19:44A-1 et seq.) established by P.L. 2004, c.19 (codified as N.J.S.A. 19:44A-20.3 through 20.12) - effective January 1, 2006; P.L. 2005, c.51 (codified as N.J.S.A. 19:44A-20.13 through 20.25) - portions retroactive to October 15, 2004 and portions effective January 1, 2006; and, P.L. 2005, c.271 (codified as N.J.S.A. 19:44A-20.26 and 20.27) - effective January 5, 2006.

**2007 Clean Elections Pilot Project** established by P.L. 2007, c.60 - effective date March 28, 2007.

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

**Solicitation Ban on Public Property** established by P.L. 2011 c.204 – effective date January 17, 2012.

**Eliminates the Requirement of Candidates to File Duplicate Copies of Campaign Treasurer’s Reports with County Clerks** established by P.L. 2014, c.58 and N.J.A.C. 19:25-8.12 - effective January 1, 2015.

**Requires Governmental Affairs Agents to Disclose Compensation Received from State or Local Government Entities** established by P.L. 2017, c.49 and N.J.A.C. 52:13C-21 - effective May 1, 2017.

**Requires Gubernatorial Ballot Statements to be Posted Online** established by P.L. 2017, c.177 and N.J.A.C. 19:44A-37 – effective July 21, 2017.



# COMPLIANCE DIVISION

## COMPLIANCE DIVISION

The Compliance Division manages compliance programs for all matters within the jurisdiction of the agency. With the primary purpose of assisting the regulated community,



Front row: Marcus Malmignati, Mary Sansone, Kim Key, Gianna Leonardo, and Daniel Horowitz.  
 Back row: Maite Hopkins, Michael Maloney, Walter Leavey, Jr., Desiree DeVito, Jason Snyder, Stephanie Olivo, Michel Donato-Suarez, Monica Triplin-Nelson, Christopher Vigale, Nancy Fitzpatrick, Titus Kamal, Milene Matos, and Carl Skurat.

staff is available in person and over the phone to provide guidance regarding statutory and regulatory requirements relative to campaign finance, lobbying, pay-to-play and the gubernatorial public financing program. Assistance is provided to individuals that are candidates for public office and their treasurers, political committees and continuing political committees, governmental affairs agents and those represented by them and business entities contracting with public entities. The assistance provided culminates with reporting by those regulated for disclosure to the public. Staff also assists the interested public with instruction on the use of the website to search and locate available data and reports, and with Open Public Records requests.

In 2017 all statewide elections were in play and the gubernatorial public financing program kicked off very early in the year. In the latter part of 2016, temporary staff were hired, updates were performed to electronic filing programs and updates to regulatory guidance materials, and informational seminars were held for the upcoming gubernatorial election. Compliance staff trained representatives of 10 campaigns for the gubernatorial public financing program in 2017. Four candidates participated in the program during the Primary Election and two candidates took part during the General Election. Approximately \$6.7 million in public funds was disbursed during the Primary, and just over \$13 million during the General, totaling almost \$20 million for both elections.

PUBLIC FUNDS RECEIVED BY GUBERNATORIAL CANDIDATES		
CANDIDATE	AMOUNT	ELECTION
Guadagno	\$ 2,254,294.84	Primary
Johnson	\$ 2,055,175.40	Primary
Wisniewski	\$ 1,299,886.52	Primary
Ciattarelli	\$ 1,096,760.00	Primary
Murphy	\$ 9,300,000.00 (Max.)	General
Guadagno	\$ 3,700,485.10	General
<b>Total</b>	<b>\$19,706,601.88</b>	



**COMPLIANCE DIVISION continued**

Under the public financing program, ELEC selects sponsors of debates held during the primary and general elections. The Commission received 15 sponsorship applications- three for the primary, 12 for the general. There were four debates prior to the Primary election and three before the General election. Democratic candidates Jim Johnson, John Wisniewski, Phil Murphy and Raymond Lesniak, and Republican candidates Kim Guadagno and Jack Ciattarelli each participated in two primary debates sponsored by Stockton University and NJTV in partnership with NJ Spotlight. Prior to the general election, candidates Murphy and Guadagno participated in two debates sponsored by NJ Performing Arts Center in partnership with ABC, Univision, Rutgers University, the League of Women Voters and NALEO, and William Patterson University in partnership with CBS, the Record and Gannett. Lieutenant gubernatorial candidates Democratic Sheila Oliver and Republican Carlos Rendo participated in a debate sponsored by Montclair State University and NJTV.

Under an ELEC recommendation that was adopted by the Legislature, the ballot statement program was streamlined during the 2017 gubernatorial election, saving hundreds of thousands of dollars. The statutory change allowed the statements to be posted online instead of printed on paper ballots distributed by the county clerks to registered voters. Six gubernatorial candidates submitted statements that were posted on ELEC’s website, the Division of Elections and the websites of each county.

In addition to the gubernatorial public financing program, compliance staff continued to serve the needs of the regulated community and the public on other matters it oversees. These include election cycle reporting by candidates, joint candidate committees and political committees, which included candidacies for state

senate and assembly for the primary and general, for local primary and general, school board, fire district, May Municipal and a few special elections related to school boards and public questions; inaugural committees; quarterly reporting relating to political party committees, legislative leadership committees and continuing political committees; registration of governmental affairs agents; annual and quarterly lobbying disclosure; and registration of professional campaign fundraisers and quarterly fundraising activity.

During the year, 5,979 candidates and committees filed approximately 27,279 disclosure reports. An average of 899 registered governmental affairs agents filed 6,023 reports disclosing their annual, quarterly and other lobbying activity. Moreover, 25 professional campaign fundraisers were registered in 2017 and filed 83 reports. There were 1,667 registered continuing political committees that filed reports throughout the year.

Compliance staff also assists business entities in the filing of required disclosures for compliance with Pay-to-Play laws. In 2017, 2,160 business entities electronically filed 2,429 Business Entity Disclosure Forms, which are viewable on ELEC’s website. The forms disclosed 20,841 public entity contracts worth \$8,718,861,794, and 8,093 contributions to candidates and committees totaling \$8,972,587.88.

<b>REGULATED GROUP</b>	<b>NUMBER</b>	<b>REPORTS FILED</b>
Candidates and Committees	5,979	27,279
Public Contractors	2,160	2,429
Lobbyists	911	6,023
Professional Fundraisers	23	83
<b>Total</b>	<b>9,073</b>	<b>35,814</b>



## COMPLIANCE DIVISION continued

The reports filed with ELEC are received electronically or are scanned by compliance staff to be viewable by the public on ELEC's website. Compliance officers review every report to associate the reports to the appropriate filing entity for easy web searching and review for compliance with the applicable law and regulations. Compliance staff creates correspondence upon their report review pointing out corrections that would assist the filer to comply with the applicable rules for proper disclosure. In addition to specific correspondence pertaining to reports filed, direct mail reminders, delinquent and non-filer letters are sent to those regulated to help them understand the rules, filing requirements and due dates associated with particular filing obligations. Compliance staff creates regulatory guidance documents, gives informational seminars, responds to telephone inquiries and assists individuals that appear in-person.

The Compliance Division aspires to provide excellent customer service to both the regulated community and the public. Whether compliance is assisting over the phone, in a seminar or at a conference or convention, every effort is made to provide information and instruction on properly completing the disclosure forms and to provide the public with accurate and meaningful disclosure of information to promote the intent of the law and regulations. Compliance staff can be made available outside the office to provide informational seminars or training sessions, or to attend conferences or conventions. Providing helpful, courteous service each day to the regulated community and the public is our highest priority.

PUBLIC ASSISTANCE	
Seminars	38
Seminars Participants	354
Trained Treasurers	375
Telephone Assistance	9,609
Public Room Assistance	184
Open Public Records Responses	36

Compliance staff continuously attempts to review disclosure reports for assistance with data collection for analytical press releases. It also regularly seeks improvements to forms and ELEC's website to better accommodate the regulated community. Recently, compliance staff was able to implement suggested improvements to many of the forms to request the candidates and/or committees to provide an email and website address. The inclusion of a candidate's or committee's website and/or email address would be beneficial to both the public and those running for public office.



## LAW DIVISION

### LEGAL SECTION

The Legal Section is responsible for preparing advisory opinions and regulations, and interpreting and enforcing the disclosure laws under the jurisdiction of the Commission.



From left: Nichole DeFazio, Tia Dinh, Theresa J. Lelinski, Gail L. Shanker, Amanda S. Haines, Demery J. Roberts, Scott Miccio, Candice Kashani, and Ben Kachuriner.

Complaints, final decisions, advisory opinions, and regulations are posted on the Commission's website, thereby providing the public with timely and convenient access to legal resources. The Legal Section staff also provides guidance to the Commission staff in all aspects of the Commission's work concerning the law and the regulations.

### COMPLAINTS

The Campaign Act authorizes the Commission to issue complaints alleging violations of the Campaign Act and seeking monetary penalties. The Legal Section issued 227 complaints in 2017. Of the 227 complaints, 19 resulted from investigative matters, and 208 from non-filer recommendations arising from the municipal, primary and general elections. Also, 194 cases were open as of the end of 2017. These complaints concerned use of campaign funds,

failure to file 48-hour notices, receipt of excessive contributions, and late and non-filing of contribution, expenditure and depository information by candidates and continuing political committees. The Legal Section workload also included motion practice and an administrative hearing before the Office of Administrative Law.

### FINAL DECISIONS

At the conclusion of each case in which it has issued a complaint, the Commission issues a final decision, which may impose monetary penalties. The Commission issued 210 final decisions in 2017 for violations of the Campaign Act. A total of \$93,553.24 was received in fines, including amounts received as payable in cases from earlier years.

### REGULATIONS

The Commission uses its rulemaking authority to clarify statutory requirements and to provide guidance to filing entities and the public. The official text of the Commission Regulations is prepared by the Office of Administrative Law, and appears in the New Jersey Administrative Code at N.J.A.C. 19:25-1.1 et seq. The text of the Regulations is also posted on the Commission's website.

In 2017 the Commission readopted N.J.A.C. 19:25-1.1 et seq. as the Regulations were set to expire on March 25, 2017. Commission Regulations were also amended to incorporate the cost index adjustments for the following: gubernatorial contribution limit; the threshold for candidate qualification to receive public matching funds; the threshold amount of contributions for which no public matching funds are awarded; the gubernatorial expenditure limits; the maximum public funds that may be given to a qualified



## LAW DIVISION continued

gubernatorial primary or general election candidate; and, filing thresholds for non-gubernatorial candidates and committees. The cost index adjustments are required by the Campaign Act to be made every four years and follow the calculation of such adjustments in the 2017 Cost Index Report that was issued by ELEC on July 1, 2016. Commission Regulations were supposed to be amended to adjust the required limits and thresholds in 2016 to be effective in 2017. As ELEC did not have the required number of Commissioners to hold a meeting, the amended Regulations could not be adopted until February of 2018. Although the Regulations were not amended until 2018, in 2017 ELEC applied the adjusted amounts to the publicly financed gubernatorial program and the adjusted threshold amounts to the non-gubernatorial candidates and committees.

### ADVISORY OPINIONS

To provide guidance to the regulated community, the Campaign Act and Commission Regulations authorize the Commission to issue opinions regarding legal requirements under the Commission's jurisdiction that may impact future campaign or lobbying activities. These advisory opinions are issued to individuals having standing and are posted on ELEC's website. The Commission issued two advisory opinions in calendar year 2017. Advisory Opinion 01-2017 (AO 01-2017) directed that campaign funds could not be used to establish a scholarship program as the establishment of a scholarship program is not a campaign or office holding expense. AO 01-2017 also advised that pursuant to Commission regulations, a tuition payment is considered to be a personal use of campaign funds.

The Commission also issued Advisory Opinion 02-2017 (AO 02-2017) in response to a request submitted by the New Jersey State Democratic Committee (NJSDC), a political party committee. AO 02-2017 instructed that the proposed joint fundraising committee, consisting of the NJSDC and the candidate committees of the Democratic candidates in the 2017 gubernatorial primary and general elections, was not permitted

by the Campaign Act, and that proceeds from the proposed joint fundraising effort would not be eligible for qualification and match pursuant to the Gubernatorial Public Financing Program. AO 02-2017 further advised that the NJSDC may transfer contributions to a gubernatorial candidate in a general election and these contributions would be eligible for match provided that the procedure in N.J.A.C. 19:25-15.32 through 19:25-15.38 is followed.

### APPELLATE DIVISION DECISION

In its appeal of the deemed-adopted final decision in ELEC v. DiVincenzo and Martinez, the Commission challenged the administrative law judge's opinion that dismissed the complaint and found that a 2-0 vote was insufficient to authorize complaint action. Unable to review the initial decision due to vacancies on the Commission, the ALJ's decision became a deemed-adopted final decision on April 25, 2016. In a published opinion issued September 8, 2017 (451 N.J. Super. 554), the Appellate Division reversed the deemed-adopted decision and determined that the 2-0 vote to issue the complaint was valid as it satisfied the common law quorum requirement (a majority of the current membership). The Court found that the Campaign Act's fixed quorum was limited to the Commission's final resolution of a matter, including the imposition of a penalty. On remand, the matter was resolved via a consent order and final decision approved by the Commission in November of 2017.

### CONCLUSION

Interpreting and enforcing the provisions of law are critical elements of effective administration of the campaign and lobbying financial disclosure entrusted to the Commission and to its Legal Section. The Legal Section continues to meet its challenges in a professional and responsible manner, to enforce the laws fairly and uniformly, and to treat all Respondents with the due process they are afforded under the law.



## LAW DIVISION continued

### **REVIEW AND INVESTIGATION SECTION (R&I)**

The Review and Investigation consists of a Director and six investigators.



*Back row: Marcus Malmignati, Shreve Marshall, Brett Mead, Christopher Gear, and Matthew Krinsley.  
Front row: Tamico Flack, Pam Kinsey, Laura Jurkiewicz, and Danielle Hacker.*

The Review and Investigation Section closed 37 cases in calendar year 2017. 25 of these cases were referred to the Legal Section for the issuance of a complaint, all of which recommended issuance of multi-count complaints that will result in the imposition of substantial monetary penalties. The investigative caseload continued to concern such basic reporting obligations as: the timely and complete disclosure of contributions and expenditures and quarterly reporting obligations of candidates, the receipt of excessive contributions, coordinated expenditures, political identification requirements, and reporting requirements for persons and entities allegedly engaged in election advocacy.

### **REQUESTS FOR INVESTIGATION**

Any member of the public can request an investigation by completing the Confidential Request for An Investigation form, which can be found on the Commission's web site,

[www.elec.state.nj.us](http://www.elec.state.nj.us).

Requests for An Investigation continue to be a major source of information regarding alleged violations of the Reporting Act as many members of the public hold accountable their elected officials. When submitting a Request, it is helpful if the complainant provides as much information as possible, including

copies of campaign literature, photographs of campaign signs and any other information that may support the alleged reporting violation. Any Request received is reviewed within 90 days of receipt. Requests cannot be filed by facsimile.

The Commission received and responded to a total of 126 Requests for Investigation in calendar year 2017, with 79 presented to the Commission to determine whether or not an investigation should be initiated. The Commission did not have jurisdiction over 9 requests and 38 requests were handled administratively by staff.



## LAW DIVISION continued

The Commission also initiates investigations as a result of staff's review of reports filed with the Commission and in response to news articles. In calendar year 2017, the Commission determined to open a total of 38 new investigations. The Commission does not release any information to the public that indicates how it may have learned of a specific reporting violation, nor comment on how it initiates an investigation.

### INVESTIGATIONS

In order to complete these and other investigations, the Section issued 117 subpoenas in calendar year 2017. These subpoenas were issued to entities and financial institutions for records of a campaign or organizational depository to corroborate the financial information reported by respondents or to obtain accurate information to assist the respondents with their filing obligations. In some instances the Commission issued subpoenas to command witnesses or the subject of the investigation to provide sworn testimony.

### ADMINISTRATIVE HEARING AND OTHER LEGAL SUPPORT

The Section's investigators also review the Commission's files for records of candidates and entities participating in an election who have failed to file any reports.

The R & I section also assists the attorneys in the Legal Section with follow-up enforcement activity such as locating addresses for sheriff's service of complaints and in the preparation of cases for hearings before the Office of Administrative Law. In this instance, the investigator is required to prepare as the State's witness in the cases in which the respondents do not waive their right to such hearings. The

investigators are also called upon to review amended reports filed by respondents in response to Commission complaints.

 <p style="text-align: center;"><b>CONFIDENTIAL</b> REQUEST FOR INVESTIGATION STATE OF NEW JERSEY NEW JERSEY ELECTION LAW ENFORCEMENT COMMISSION P.O. Box 185, Trenton, NJ 08625-0185 (800) 292-8700 or Toll Free Within NJ 1-888-319-ELEC (3632) Website: www.elec.state.nj.us</p>	<b>FORM RFI</b>	
	FOR STATE USE ONLY	
<p>The New Jersey Election Law Enforcement Commission ("ELEC") investigative authority is limited to violations of the Campaign Contributions and Expenditures Reporting Act, N.J.S.A. 19-44A-1 <i>et seq.</i>, the Personal Financial Disclosure Act, N.J.S.A. 19-44B-1 <i>et seq.</i>, and the Legislative and Governmental Processes Activities Disclosure Act, N.J.S.A. 52-13C-18 <i>et seq.</i> ELEC does not have jurisdiction over the conduct of an election, the balloting process, or the misapplication or use of Government (taxpayer) funds for campaign purposes.</p>		
<p><b>Person(s) Bringing Request: (Print or Type)</b></p>		
Name: _____	Daytime Phone: ( ) _____	
Address: _____	Evening Phone: ( ) _____	
Name: _____	Daytime Phone: ( ) _____	
Address: _____	Evening Phone: ( ) _____	
Name: _____	Daytime Phone: ( ) _____	
Address: _____	Evening Phone: ( ) _____	
<p><b>Individual/Entity that is the subject of this request for investigation:</b> (Please list all persons/entities that are the subject of your request for investigation.)</p>		
Candidate or Committee/Entity Name	Office Sought/Election type and year	Successful (select one)
_____	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No
_____	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No
_____	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No
_____	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No
_____	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No
Election District/Municipality	County	
_____	_____	
<p>Indicate which of the above entities files with ELEC _____</p>		



## INFORMATION TECHNOLOGY DIVISION

### INFORMATION TECHNOLOGY DIVISION (IT)

2017 was an exciting, challenging year for ELEC's IT Section.



*From left: Maryanne Garcia, Shirley Bryant, Peter Palaitis, Susan Danley, Brenda Brickhouse, Lou Solimeo, Aydan Altan, Elias Amaya, Anthony Giancarli, Bettie Michael, Kim Swartz, Ken Colandrea, Helen Kelly, and Brian Robbins.*

A major highlight was the unveiling of a vastly improved website. ELEC prides itself in being one of the best disclosure agencies among the 50 states. The new website will hopefully continue and even enhance that legacy. Using the latest technology and current best practices, ELEC staff and consultants developed a website that is easier than ever to use while providing more powerful capabilities. Starting at the home page (<http://www.elec.state.nj.us>), users can find most information they need at the “click of a button.” Additionally, the contribution search interface contains interactive features that are quick, easy and informative. For instance, people can use a map to search by location whether statewide, county or legislative district. Users also can now “drill down” into the initial search results for more information. For the first time ever, people can now search for candidate expenditure information.

The new website was deployed just in time for the 2017 gubernatorial race. ELEC is responsible for administering the public financing program where qualifying candidates receive two dollars for each dollar raised. The Gubernatorial Electronic Filing System (GEFS), first used in the 2001 Governor's race, is a program that helps candidates manage and submit their contribution and expenditure information. Each submission contains hundreds of supporting documents including images of each check and internet contribution received by the campaign. The current electronic filing system is a PC-based software system. ELEC is planning to upgrade this application to a web-based system in 2018.

Software and hardware technology is ever-changing. Keeping up with these changes can be very challenging. One of the major challenges ELEC faces is to ensure its applications continue to run properly as the state Office of Information Technology modernizes its 15-year-old software infrastructure. OIT's servers host many of ELEC's applications, which enable candidates, treasurers, lobbyists and public contractors to electronically fill out and submit reports. While the switch should bring more security, better performance and improved reliability, applications must be fully tested prior to the final shift to the new system. All this must be done without disrupting ongoing operations.



## INFORMATION TECHNOLOGY DIVISION *continued*

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Another maintenance project accomplished in 2017 involved an upgrade of ELEC's Oracle database. Moving to a newer version of a relational database management system (RDBMS) such as Oracle demands careful planning and implementation. Organizational data represents the most vital asset of any enterprise. Extreme care must be taken to safeguard and protect it. Proper disaster recovery measures must be employed including a reliable backup system.

The IT staff worked meticulously to migrate to the newer Oracle system. The plan called for an upgrade from the outdated Oracle 10g version to Oracle's latest 12c DB System. Due to operational concerns, the migration plan required a two-step process. The first step was to move to version 11g, which was completed in 2017. The final upgrade to 12c will be completed in 2018.

In a year that already was very busy, ELEC's IT staff faced a unique challenge—ensuring that the agency's new offices would be ready for occupancy in December. Although relatively small, ELEC maintains its own data center with over 20 physical and virtual servers. Moving a data center of this size, while also setting up personal computers and printing devices for agency staff, involves careful planning. Thanks to the hard work of the IT staff, computer systems were unplugged on a Friday at ELEC's former offices and were partially operational the following Monday afternoon in the new location. The entire network was fully functional by the next morning.

As ELEC advances into the future, a decision has been made to update the existing PC-based electronic filing software to an online browser-based system. After much deliberation, eFile365 has been chosen to perform this service.

This system can be accessed by any operating system, tablet, or browser-enabled device and will be hosted on a cloud computer environment. By the end of 2018, all candidates and committees will be able to file their reports electronically.

### **DATA ENTRY SECTION**

ELEC has a very dedicated data entry staff. Since candidates began electronically filing R-1 reports in 2006, the staff has taken the information they provide and checked it for accuracy and data integrity. As ELEC transitions into full mandatory electronic filing by 2020, the staff will transition from physically keying information into the database to analyzing data for consistency.

The Data Entry also processes Registration and PIN applications for anyone desiring to file an electronic report with ELEC. These Registration and PIN numbers are used to electronically sign a filed report. The staff processed 1,682 requests this year.



# HOMEPAGE



State of New Jersey  
New Jersey Election Law Enforcement Commission

Governor Phil Murphy • Lt. Governor Sheila Oliver

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### Press Releases

- [Pay-to-Play 2017](#)  
April 9, 2018
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April 6, 2018
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April 4, 2018
- [White Paper No. 27](#)  
April 3, 2018
- [Business Entity Annual Statements](#)  
March 23, 2018

### Spotlight On

- [White Paper No. 27](#) ▶
- [ELEC-Tronic Newsletter Issue 106 April 2018](#) ▶
- [Outside Spending Legislative Races Crushes Previous Records](#)
- [Election Law Enforcement Commission Meets for First Time in a Year](#)
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## FINANCE AND ADMINISTRATION DIVISION

### FINANCE AND ADMINISTRATION DIVISION

During 2017, the Finance and Administration Division continued to play an integral role in the successful operations of the Commission, by providing important management and employee services. Among the major areas handled and overseen by the Division are budget planning and analysis, purchasing/procurement,



*Front Row: Jelitza DeLeon, Elaine Salit, and Valencia Daly.  
Back Row: Judy Sheridan, Aracelis Brown, Christopher Mistichelli, Tamika McCoy, Christine Clevenger, and Kelvin Fisher.*

personnel and payroll administration, mail processing, and facilities management. Additionally, the Finance and Administration Division oversees multi-function devices and all other machinery maintenance for the entire Commission. Finally, reception services for the Commission are housed within the Finance and Administration Division. A great source of pride for all associated with the Commission is the fact that all telephone inquiries are still courteously and efficiently handled personally by a knowledgeable staff member and are not simply forwarded to a voicemail or telephone menu.

### BUDGET

One of the major areas of responsibility for the Finance and Administration Division is the preparation, analysis, and management of the Commission's budget. The Commission's fiscal year 2018 Direct State Services adjusted appropriation of \$4,510,000 was the same as the fiscal year 2017 Direct State Services adjusted appropriation. Thus, the Finance and Administration Division staff continued to work to ensure the accurate budgeting and management of expenditures.

During 2017, the Finance and Administration Division staff worked tirelessly with other Commission Divisions to ensure the efficient management of the budget and the purchasing of necessary supplies and services, in order to keep the Commission functioning at an optimal level.

### PERSONNEL

Another major area of responsibility for the Finance and Administration Division is the coordination and management of personnel activities for the entire Commission. Though the Commission has faced some turnover the last couple of years, the Finance and Administration Division staff successfully worked with the Civil Service Commission and the Governor's Office during 2017 to comply with all State personnel rules and regulations in backfilling positions. This has allowed overall staff levels to remain unchanged over the past few years. The Finance and Administration Division staff also successfully worked with the Civil Service Commission and the Governor's Office throughout 2017 to facilitate the hiring of temporary staff necessary to administer the high-profile Gubernatorial Public Financing Program for FY 2017 and FY 2018.



**FINANCE AND ADMINISTRATION DIVISION continued**

**OTHER RESPONSIBILITIES**

In addition to handling budget, fiscal and personnel matters for the Commission, the Finance and Administration Division is also responsible for general administrative functions, such as reception, mail processing, overseeing machinery and equipment maintenance, and acting as the Commission’s liaison with the building management company. During 2017, the Division continued to work to maintain an atmosphere where all other Divisions could focus solely on their respective roles within the Commission, without concern for these day-to-day administrative issues.

In an unprecedented undertaking, the Finance and Administration Division in 2017 successfully facilitated and coordinated the Commission’s first move in more than four decades. Some of the key responsibilities included the design of the new floor plan, selection of new furnishings and the move itself, which took place in December with few mishaps. The Division worked in conjunction with other Commission Divisions, the New Jersey Division of Property Management and Construction as well as vendors.

**CONCLUSION**

By providing important management and employee services in a timely and professional manner, the Finance and Administration Division has been an integral part of the Commission. During 2017, the Division operated within the parameters established by the Department of Treasury and the Governor’s Office, and continued to handle all responsibilities effectively.

In FY 2019, the Commission anticipates an appropriation of \$4,630,000 based on the Governor’s Budget Message.

**Comparison of Fiscal Years 2017 and 2018 Original DSS Appropriations**

	<b><u>FY-2017 Appropriation</u></b>	<b><u>FY-2018 Appropriation</u></b>
Personnel	3,957,000	3,957,000
Printing & Supplies	45,000	45,000
Travel/Training	1,000	1,000
Telephone	40,000	40,000
Postage	29,000	26,000
Data Processing	240,000	250,000
Maintenance (OHSP – Security)	0	7,000
Professional Services	40,000	40,000
Other Services	20,000	20,000
Procurement Efficiency Assessment	1,000	1,000
Miscellaneous Services	5,000	5,000
OIT	130,000	116,000
Maintenance for Equipment	<u>2,000</u>	<u>2,000</u>
<b>Total Operational</b>	<b>\$4,510,000</b>	<b>\$4,510,000</b>

**2017 EVALUATION DATA**

Disclosure Reports (Total).....	35,814
Campaign & Quarterly .....	27,279
Lobbyist.....	6,023
Pay-to-Play.....	2,429
Professional Campaign Fundraiser .....	83
Investigations .....	37
Complaints .....	227
Public Assistance Requests.....	12,431
Photocopies.....	2,565
Fine Collection.....	\$93,553
Lobbying Annual Fees .....	\$401,925
Campaign Fundraiser Annual Fees.....	\$25,000



## ELEC OVERVIEW

### 1973

Frank P. Reiche, Chair  
Judge Sidney Goldmann, Vice Chair  
Judge Bartholomew Sheehan,  
Commissioner  
Florence P. Dwyer, Commissioner

### 1974-1979

Frank P. Reiche, Chair  
Judge Sidney Goldmann, Vice Chair  
Josephine Margetts, Commissioner  
Archibald S. Alexander, Commissioner

### 1980-1981

Judge Sidney Goldmann, Chair  
Josephine Margetts, Vice Chair  
Andrew C. Axtell, Commissioner  
M. Robert DeCotiis, Commissioner

### 1982-1983

Andrew C. Axtell, Chair  
M. Robert DeCotiis, Vice Chair  
Justice Haydn Proctor, Commissioner  
Alexander P. Waugh, Jr., Commissioner

### 1984-1986

Andrew C. Axtell, Chair  
Alexander P. Waugh, Jr., Vice Chair  
Justice Haydn Proctor, Commissioner  
Owen V. McNanny III, Commissioner

### 1987-1988

Judge Stanley G. Bedford, Chair  
Owen V. McNanny, III, Vice Chair  
Andrew C. Axtell, Commissioner  
David Linett, Commissioner

### 1989-1990

Judge Stanley G. Bedford, Chair  
Owen V. McNanny, III, Vice Chair  
David Linett, Commissioner  
S. Elliott Mayo, Commissioner

### 1991-1992

Owen V. McNanny, III, Chair  
Judge Stanley G. Bedford,  
Commissioner  
David Linett, Commissioner

### 1993-1994

Owen V. McNanny, III, Chair  
William H. Eldridge, Vice Chair  
David Linett, Commissioner

### 1995

William H. Eldridge, Chair  
Owen V. McNany, III, Vice Chair  
David Linett, Commissioner  
Michael Chertoff, Commissioner

### 1996

Judge Ralph V. Martin, Chair  
David Linett, Vice Chair  
Paula A. Franzese, Commissioner

### 1997-2000

Judge Ralph V. Martin, Chair  
David Linett, Vice Chair  
Paula A. Franzese, Commissioner  
Lynnan B. Ware, Commissioner

### 2001

Judge Ralph V. Martin, Chair  
Paula A. Franzese, Vice Chair  
Lynnan B. Ware, Commissioner  
Susan S. Lederman, Commissioner

### 2002-2003

Judge Ralph V. Martin, Chair  
Paula A. Franzese, Vice Chair  
Susan S. Lederman, Commissioner  
Peter J. Tober, Commissioner

### 2004-2006

Jerry Fitzgerald English, Chair  
Peter J. Tober, Vice Chair  
Albert Burstein, Commissioner  
Judge Theodore Z. Davis, Commissioner

### 2007

Jerry Fitzgerald English, Chair  
Peter J. Tober, Vice Chair  
Albert Burstein, Commissioner

### 2008-2009

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

### 2010

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

### 2011

Ronald DeFilippis, Chairman  
Walter F. Timpone, Vice Chairman  
Judge Amos C. Saunders, Commissioner  
Judge Lawrence Weiss, Commissioner  
(Appointed 4-2011)-Deceased 11-13-2011  
Jerry Fitzgerald English, Commissioner  
(Retired 3-15-2011)

### 2012-2015

Ronald DeFilippis, Chairman  
Walter F. Timpone, Vice Chairman  
Judge Amos C. Saunders, Commissioner  
(Deceased 8-16-2015)

### 2016

Ronald DeFilippis, Chairman  
Walter F. Timpone, Vice Chairman  
(Resigned 5-2-2016)

### 2017

Ronald DeFilippis, Chairman  
(Retired 7-2017)  
Eric H. Jaso, Chairman  
Stephen M. Holden, Commissioner  
Eric H. Jaso, Commissioner

### 2018

Eric H. Jaso, Chairman  
Stephen M. Holden, Commissioner  
Marguerite T. Simon, Commissioner

### EXECUTIVE DIRECTORS

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

### LEGAL COUNSEL

1973-1994	Edward J. Farrell
1994-2012	James P. Wyse
2012-Present	Edwin R. Matthews

### CONSULTANT

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