



State of New Jersey

ELECTION LAW ENFORCEMENT COMMISSION

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Vice Chair

PETER J. TOBER
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PUBLIC SESSION MINUTES

March 26, 2004

Chair Martin, Commissioner Tober, Commissioner English, Counsel Wyse, and Senior Staff were present. Vice Chair Franzese participated by telephone.

1. Open Public Meetings Statement

Chair Martin called the meeting to order and announced that pursuant to the "Open Public Meetings Act," N.J.S.A. 10:4-6 *et seq.*, adequate notice of the meeting of the Commission had been filed with the Secretary of State's Office and distributed to the entire State House Press Corps.

The meeting convened at 11:00 a.m. in Trenton.

2. Executive Director's Report

A. Computer Update

Executive Director Herrmann announced that the Systems Administration Section has perfected a new version of electronic filing software. The Executive Director expressed special thanks to Assistant Systems Developer Brian Robbins for his many hours of "debugging" to perfect the new program. According to Executive Director Herrmann, candidates in the future will be able to use it for internet filing and campaign management.

B. Staff Activities

Executive Director Herrmann reported that Assistant Compliance Officer Chris Guear recently conducted a lobbyist training seminar in Trenton. It was noted by the Executive Director that Mr. Guear is the Commission's point person on lobbying regulation and has done a fine job over the years in administering the program.

Executive Director Herrmann mentioned that staff released the annual lobbying data for 2003 on February 26, 2004. He stated that Director of Compliance and Information Evelyn Ford, Director of Systems Administration Carol Neiman, and their

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staffs did an outstanding job of accurately compiling a vast amount of data in a very short turnaround period.

Executive Director Herrmann reported that the total amount spent in 2003 was \$26.7 million, an increase of 13 percent from 2002. According to the Executive Director, the 2003 figure represented a doubling of the amount spent ten years ago and a tenfold increase from 1982, the first year data was kept. Executive Director Herrmann added, however, that the amount of money spent on benefit passing, \$83,094, represented a 13 percent decline from the previous year. He said that since this statistic is the one that represents the potential for undue influence, its decline is a healthy sign.

Executive Director Herrmann advised the commissioners that the Commission's data was used in three major newspaper stories and was the basis for an extensive interview with him on WHYY Philadelphia Public Radio.

The Executive Director informed the Commission that on March 12, 2004, he met with a group of teachers and students from the Rutgers University Capital City Internship Program. He noted that the session included a far-reaching discussion of a host of pertinent campaign finance issues. He said that, moreover, on March 17, 2004, he addressed a session of the Public Affairs Council's New Jersey State Government Relations Workshop. Executive Director Herrmann stated that his topic was "Legal Constraints: Registration and Regulation of PACs and Lobbyists." During his presentation, the Executive Director highlighted the new benefit passing cap law and the Commission's web site.

C. Financial Disclosure Statements

Executive Director Herrmann reminded the commissioners that financial disclosure statements have been sent to the commissioners with the March agenda package. He noted that the forms have to be filed with the Executive Commission on Ethical Standards by May 17, adding that the final page must contain an original signature and an original notarization.

D. Budget News

According to Executive Director Herrmann, the State budget contains new language to reimburse "custodians" for any civil penalty imposed under OPRA as recommended by the Attorney General and approved by the Director of the Division of Budget and Accounting in the Department of the Treasury.

E. Legislative Developments

Executive Director Herrmann mentioned that on March 16, 2004, the Assembly Democrats unveiled a 25-point ethics plan, which contains many proposals concerning campaign financing and lobbying reforms. He said that among the proposals are:

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- Pay-to-play reform,
- A clean elections pilot program,
- Issue ad regulation,
- A \$100 contributor reporting threshold,
- Doubling ELEC's penalties,
- Fundraiser registration,
- Upgrading ELEC's web site,
- Training of campaign treasurers,
- Increased lobbyist disclosure and auditing, and
- Higher lobbyist fees.

After it is introduced, staff is looking forward to reviewing this legislation in detail including the development of fiscal notes. The Executive Director advised the Commission that it will be essential to the success of these reforms that the Commission is given the resources to do its job.

F. Spring Meeting Schedule

- April 23, 2004 at 11:00 a.m. in Trenton;
- May 18, 2004 at 11:00 a.m. in Trenton; and
- June 15, 2004 at 11:00 a.m. in Trenton.

Commissioner English suggested that Chair Martin write to the respective chairs of the Senate and Assembly Budget committees with a copy to Attorney General Harvey to express the interest of the Commission in appearing at the appropriate hearings to present the Commission's budgetary needs. Chair Martin agreed noting that it is important how the letter is constructed.

3. Approval of Public Session Minutes of February 27, 2004

On a motion by Commissioner Tober, seconded by Commissioner English and passed by a vote of 4-0, the Commission approved the Public Session Minutes of February 27, 2004.

4. Request for Fiscal Year 2004

Legal Director Massar advised the Commission that, when fiscally possible, it has been the practice of the Office of the Attorney General to reimburse attorneys for their annual Client Security Fund payments based upon the fact that Deputy Attorneys General are prohibited from engaging in the private practice of law. The Commission interprets its Code of Ethics to preclude ELEC attorneys from the private practice of law. Ms. Massar requested that the Commission consider reimbursement of Client Security Fund payments to ELEC staff attorneys.

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On a motion by Vice Chair Franzese, seconded by Commissioner Tober and passed by a vote of 4-0, the Commission approved reimbursing the staff attorneys for the payment of their annual Client Security Fund assessments.

5. Resolution to go into Executive Session

On a motion by Commissioner Tober, seconded by Commissioner English and passed by a vote of 4-0, the Commission resolved to go into Executive Session to discuss the following matters, which will become public as follows:

- A. Final Decision Recommendations in violation proceedings which will not become public. However, the Final Decisions resulting from those recommendations will become public not later than seven business days after mailing to the named respondents.
- B. Investigative Reports of possible violations, which reports will not become public. However, any complaint generated as the result of an Investigative Report will become public not later than seven business days after mailing to the named respondents.

6. Return to Public Session

On a motion by Commissioner Tober, seconded by Commissioner English and passed by a vote of 4-0, the Commission voted to return to Public Session.

7. Adjournment

On a motion by Commissioner Tober, seconded by Commissioner English and passed by a vote of 4-0, the Commission voted to adjourn at 1:00 p.m.

Respectfully submitted,

Frederick M. Herrmann, Ph.D.
Executive Director

FMH/elz