



# NEWS RELEASE

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Public contractors reported making \$9.6 million\*\* in political contributions in 2011, a 1\*\* percent decline from a year earlier, according to Jeff Brindle, Executive Director of the New Jersey Election Law Enforcement Commission (ELEC).

Brindle noted that while the total amount of contributions were down for the fifth straight year, the decrease was the smallest since 2007.

“The long-term trend remains the same, but the rate of decline seems to be slowing,” said Brindle. “Pay-to-play is certainly achieving its original intent, which was to dampen contribution activity by public contractors.” Contributions from contractors peaked in 2007 at \$16.4 million.

**Table 1\*\***  
**Total Contributions Reported Annually**  
**by Public Contractors from 2006 to 2011**

<b>YEAR</b>	<b>AMOUNT</b>	<b>TWO-YEAR TREND</b>	<b>PERCENT</b>
2011	\$ 9,556,696**	\$ (62,321)**	-1%**
2010	\$ 9,619,017		
2009	\$ 10,867,725		
2008	\$ 12,102,993		
2007	\$ 16,399,852	<b>SIX-YEAR TREND</b>	<b>PERCENT</b>
2006	\$ 15,093,816	\$ (5,537,120)**	-37%**

“There is another story as well. Public officials in recent years have been under pressure and have striven to cut budgets. That may be one reason why overall contracts are down 49 percent since 2006.” he said.

Total contracts reported by contractors also fell last year. Contractors reported \$5.3 billion in total public work, down \$516 million, or 9 percent, from 2010.

**Table 2**  
**Total Value of Contracts Reported Annually**  
**by Business Entities Subject to State Pay-to-Play Law**

<b>YEAR</b>	<b>AMOUNT</b>	<b>TWO-YEAR TREND</b>	<b>PERCENT</b>
2011	\$ 5,311,982,112	\$ (516,464,196)	-9%
2010	\$ 5,828,446,309		
2009	\$ 6,062,029,274		
2008	\$ 5,001,408,451		
2007	\$ 5,686,716,597	<b>SIX-YEAR TREND</b>	<b>PERCENT</b>
2006	\$ 10,395,179,530	\$ (5,083,197,418)	-49%

Another trend uncovered by an ELEC analysis is that contractors are making substantially more contributions to continuing political committees, better known as political action committees (PACs). Many are operated by special interests, such as businesses or unions. Others appear to be special interest PACs but actually are affiliated with political parties.

In 2006, the first year when contractors had to report their contributions to ELEC, they reported giving just under \$1.3 million, or 8.6 percent of their total contributions, to these two types of PACs. Last year, the total had reached \$1.7 million\*\*, or about 18.3 percent\*\*.

“In some cases, contractors may be evading the intent of pay-to-play restrictions and contribution limits by giving indirectly through these PACs. That is why the Commission has recommended making it harder for one candidate or group to establish multiple, affiliated PACs. The Federal Election Commission already has such regulations,” he added.

Four PACs were among the top ten recipients of contractor contributions in 2011.

**Table 3\*\***  
**Top Ten Recipients of Contractor Contributions in 2011**

<b>RECIPIENT</b>	<b>AMOUNT</b>
Constructors for Good Government	\$ 139,310
Wallace Simmons and Barnes for Freeholder	\$ 134,300
Tomaro for Freeholder	\$ 125,175
Barrett for Freeholder	\$ 120,675
Cappelli & McCray for Freeholder	\$ 117,600
GOPAC	\$ 116,600
Victory 2011	\$ 96,835
Sweeney Burzichelli and Riley	\$ 95,878
Verizon Good Government Club - New Jersey	\$ 90,060
The Leaders Fund**	\$ 88,300**

While the total value of contracts fell, the number of contracts was up. Businesses reported 23,249 contracts in 2011, the largest total since 2006. The number was up 25 percent from a year earlier.

**Table 4**  
**Total Number of Contracts Reported Annually**  
**by Business Entities under State Pay-to-Play Law**

<b>YEAR</b>	<b>NUMBER</b>	<b>TWO-YEAR TREND</b>	<b>PERCENT</b>
2011	23,249	4,656	25%
2010	18,593		
2009	21,421		
2008	22,753		
2007	22,589	<b>SIX-YEAR TREND</b>	<b>PERCENT</b>
2006	24,927	(1,678)	-7%

The number of business entities filing reports was down 9 percent to 1,927, the lowest count since 2008.

**Table 5**  
**Total Number of Business Entities Reporting**  
**Annually under State Pay-to-Play Law**

<b>YEAR</b>	<b>NUMBER</b>	<b>TWO-YEAR TREND</b>	<b>PERCENT</b>
2011	1,927	(195)	-9%
2010	2,122		
2009	2,063		
2008	1,847		
2007	1,999	<b>SIX-YEAR TREND</b>	<b>PERCENT</b>
2006	2,320	(393)	-17%

It should be noted that 2011 numbers are preliminary. They reflect information available to the Commission through April 2, 2012. Some contractors are likely to submit amendments after that date that could change the totals. Numbers before 2011 more fully reflect these revisions. Reports from 2011 and earlier years are available at ELEC's website at [www.elec.state.nj.us](http://www.elec.state.nj.us).

Under pay-to-play laws, all businesses that have received \$50,000 or more in total public contracts must report their contracts and contributions to ELEC each spring.

Those with State contracts in excess of \$17,500 are prohibited from contributing more than \$300 to gubernatorial candidates, state political parties, legislative leadership committees, county political parties, and municipal political party committees. Firms that exceed this limit must refund the excess contributions within a necessary time period or relinquish their contracts for four years.

Similar limits apply to municipal or county contractors unless local officials adopt a “fair and open” bidding process intended to encourage competition. Where “fair and open” rules are adopted, normal contribution limits, which are much higher, apply to contractors.

State contribution limits range from \$2,600 per election from individuals or corporations to candidate committees to \$37,000 annually to county party committees. During the six-year period, the average contribution from contractors fell from \$1,225 to \$1,068\*\*- a decline of 13 percent.\*\*

As one of its legislative priorities, the bi-partisan Commission has recommended adopting a single statewide pay-to-play law that would end separate local and county pay-to-play laws as well as the “fair and open” loophole. The Commission also is urging the Legislature to reduce the current threshold for disclosure from \$50,000 to \$17,500.

“These changes would improve the enforcement of pay-to-play law while increasing the amount of disclosure,” Brindle said.

Ten firms that reported the largest contract totals for 2011 are listed below.

**Table 6  
Ten Business Entities that Reported Largest Contract Totals in 2011**

BUSINESS NAME	AMOUNT
Horizon Healthcare of New Jersey, Inc.	\$ 1,717,387,622
Amerigroup New Jersey, Inc.	\$ 468,591,745
Verizon New Jersey Inc.	\$ 250,151,868
Colonial Bank FSB	\$ 159,023,815
Earle Asphalt Company	\$ 116,506,200
Creamer-Sanzari Joint Venture	\$ 92,164,605
Tilcon New York Inc.	\$ 87,391,352
George Harms Construction Co. Inc.	\$ 72,023,507
Union Paving & Construction Co. Inc.	\$ 69,067,908
South State Inc.	\$ 54,697,488

The following firms reported the largest contribution totals for 2011.

**Table 7\*\***  
**Business Entities that Reported Largest Donation Totals in 2011**

<b>BUSINESS NAME</b>	<b>AMOUNT</b>
CME Associates**	\$ 537,960
T&M Associates	\$ 454,070
Remington & Vernick Engineers, Inc.	\$ 437,700
Maser Consulting P.A.	\$ 251,555
Pennoni Associates Inc.	\$ 249,660
Verizon New Jersey Inc.	\$ 222,010
Parker McCay P.A.	\$ 180,200
Florio Perrucci Steinhardt & Fader LLC	\$ 153,623
Winning Strategies Washington LLC	\$ 133,259
Princeton Public Affairs Group Inc.	\$ 131,509

*Note: Rankings would be different if chart also included contribution totals from multiple business entities that have a single owner.*

State government was the largest source of contracts in 2011, followed by municipalities, independent authorities, counties, school boards, fire districts, and the Legislature.

**Table 8**  
**Contracts by Public Entity Type in 2011**

<b>PUBLIC ENTITY TYPE</b>	<b>NUMBER</b>	<b>AMOUNT</b>
State	1,166	\$ 2,988,074,763
Municipality	9,182	\$ 752,189,032
Independent Authority	2,271	\$ 693,630,318
County	1,774	\$ 428,023,562
School Board	3,803	\$ 356,656,507
No Information	4,445	\$ 89,820,872
Fire District	591	\$ 3,573,745
Legislature	17	\$ 13,313
	23,249	\$ 5,311,982,112

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