



# NEWS RELEASE

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Contributions by public contractors in 2017 surged for the first time in four years as major state elections for governor and all 120 legislative seats brought out the checkbooks, according to a new analysis by the New Jersey Election Law Enforcement Commission (ELEC).

Annual disclosure reports filed by contractors show they forked over ***\$10 million*** in campaign cash last year, a ***12 percent*** increase from 2016, which had no state elections. Contributions decreased each of the three previous years.

**Table 1**  
**Campaign Contributions Reported by Public Contractors in Annual Disclosure Reports**

| YEAR  | AMOUNT                     | CHANGE-%          | YEAR | AMOUNT       | CHANGE-% |
|-------|----------------------------|-------------------|------|--------------|----------|
| 2017* | <b><i>\$10,059,491</i></b> | <b><i>12%</i></b> | 2011 | \$ 9,982,696 | 3%       |
| 2016  | \$ 8,999,838               | -2%               | 2010 | \$ 9,725,922 | -12%     |
| 2015  | \$ 9,215,463               | -6%               | 2009 | \$11,078,713 | -9%      |
| 2014  | \$ 9,843,769               | -8%               | 2008 | \$12,120,923 | -26%     |
| 2013  | \$10,713,401               | 34%               | 2007 | \$16,436,039 | 8%       |
| 2012  | \$ 7,988,882               | -20%              | 2006 | \$15,157,941 |          |

\*Preliminary

“It is clear the 2017 contest to replace Governor Chris Christie after eight years in office and historic spending in the third legislative district created huge stakes for all contributors, including public contractors,” said Jeff Brindle, ELEC’s Executive Director.

“Even with more incentive to give last year, contributions from contractors are down ***39 percent*** from the peak year of 2007,” he said. “Party coffers have fallen off almost as sharply, and this trend has given a big edge to special interest groups operating independently of parties and candidates.”

“We hope the new Murphy administration and the Legislature will take up ELEC-recommended legislation this year that would greatly simplify pay-to-play laws, increase the amount contractors can give, and allow parties to accept more than just token donations from contractors,” Brindle added.

The top ten contractors ranked by their contributions gave ***\$2.8 million*** in 2017, about 28 percent of all contributions.

Most years, engineering firms dominate the top ten and this year was no exception as the top five donors all are engineering firms. Rounding out the list are three law firms and two construction firms.

**Table 2**  
**Business Entities that Made Most Contributions in 2017**

| BUSINESS NAME   | AMOUNT           |
|---|------------------|
| Remington & Vernick Engineers, Inc.                           | \$512,550        |
| T&M Associates  | \$366,880        |
| <i>Richard A. Alaimo Business Entities<sup>1</sup></i>        | \$345,500        |
| <i>Maser Consulting PA</i>                                    | <b>\$337,795</b> |
| Pennoni Associates Inc  | \$317,729        |
| CME Associates  | \$316,710        |
| J. Fletcher Creamer & Son, Inc./Creamer Sanzari-Joint Venture | \$156,950        |
| Capehart Scatchard PA   | \$153,865        |
| Archer & Greiner PC   | \$152,240        |
| Weiner Law Group LLP  | \$151,265        |

Following another trend, the biggest recipients of contractor contributions were county-level candidates, including five of the top ten.

Topping the list was Senate President Stephen Sweeney (D-3), whose reelection campaign appears to be the most expensive legislative district race in U.S. history with combined spending of nearly \$18.7 million.

Two federal independent spending-only committees that backed him also received contractor support- General Majority PAC (\$47,500) and New Jerseyans for a Better Tomorrow (\$41,750).

**Table 3**  
**Top Ten Recipients of Contractor Contributions in 2017**

| RECIPIENT  | AMOUNT    |
|--|-----------|
| Stephen Sweeney for Senate / EFO Stephen Sweeney, John Burzichelli and Adam Taliaferro | \$179,680 |
| Heather Simmons, Lyman Barnes & Jim Jefferson for Freeholder (Gloucester County)       | \$166,500 |
| Constructors for Good Government PAC   | \$148,249 |
| New Jersey Democratic State Committee  | \$121,500 |
| Shanti Narra for Freeholder (Middlesex County)   | \$117,450 |
| Phil Murphy for Governor   | \$114,252 |
| Leslie Koppel for Freeholder (Middlesex County)  | \$112,350 |
| Charles Tomaro for Freeholder (Middlesex County)                                       | \$111,350 |
| Kevin Hoagland for Surrogate (Middlesex County)  | \$103,950 |
| Blue PAC   | \$ 99,000 |

The campaign for governor also attracted considerable spending by public contractors. Contractors reported giving candidates for governor or the national committees that took part in the race received at least \$275,727.

<sup>1</sup> The Alaimo Group Inc., Richard A. Alaimo Associates, Richard A. Alaimo Association of Engineers, Richard A. Alaimo Engineering Associates, Richard A. Alaimo Engineering Company.

Governor Phil Murphy received the most (\$114,002) while his challenger, former Lieutenant Governor Kim Guadagno, received \$64,775.

**Table 4**  
**Contractor Contributions to Gubernatorial Candidates or Groups Active in Campaign**

| CANDIDATE OR COMMITTEE           | AMOUNT            |
|----------------------------------|-------------------|
| Phil Murphy for Governor         | \$ 114,002        |
| Kim Guadagno for Governor        | \$ 64,775         |
| Democratic Governors Association | \$ 60,900         |
| Republican Governors Association | \$ 26,000         |
| Jack Ciattarelli for Governor    | \$ 9,200          |
| John Wisniewski Governor         | \$ 600            |
| Jim Johnson for Governor         | \$ 250            |
| <b>Grand Total</b>               | <b>\$ 275,727</b> |

Last year's gubernatorial and legislative showdowns also led to more contractor checks going not only to independent groups but also to traditional continuing political committees, better known as political action committees (PACs).

Unlike independent-spending only committees, PACs are subject to contribution limits. Neither are subject to pay-to-play contribution limits. The chart below includes contributions to both types of committees.

**Table 5**  
**Contributions to PACs and Independent Groups**

| YEAR | AMOUNT      | CHANGE-% | % OF TOTAL CONTRIBUTIONS |
|------|-------------|----------|--------------------------|
| 2017 | \$1,364,538 | 6%       | 15%                      |
| 2016 | \$1,286,280 | -1%      | 16%                      |
| 2015 | \$1,300,622 | -30%     | 14%                      |
| 2014 | \$1,863,693 | 16%      | 19%                      |
| 2013 | \$1,604,014 | 58%      | 15%                      |
| 2012 | \$1,017,353 | -42%     | 13%                      |
| 2011 | \$1,746,947 |          | 18%                      |

For the sixth consecutive year, contract totals rose to \$10.3 billion- an 18 percent jump.

It is only the second time since contractors began filing annual reports in 2006 that the value of contracts topped the \$10 billion mark.

**Table 6**  
**Total Value of Contracts Reported Annually by Business Entities**

| YEAR  | AMOUNT                   | CHANGE-% |
|-------|--------------------------|----------|
| 2017* | <b>\$ 10,350,785,356</b> | 18%      |
| 2016  | \$ 8,743,744,352         | 6%       |
| 2015  | \$ 8,280,639,442         | 19%      |
| 2014  | \$ 6,982,725,369         | 3%       |
| 2013  | \$ 6,752,690,921         | 13%      |
| 2012  | \$ 5,954,013,939         | 8%       |
| 2011  | \$ 5,509,000,868         | -6%      |
| 2010  | \$ 5,831,430,755         | -4%      |
| 2009  | \$ 6,061,413,903         | 21%      |

|      |                   |      |
|------|-------------------|------|
| 2008 | \$ 5,003,469,665  | -12% |
| 2007 | \$ 5,686,393,016  | -45% |
| 2006 | \$ 10,396,758,835 |      |

\*Preliminary

While the value of contracts was up substantially, the number of contracts actually fell 8 percent to the *fourth* lowest number since 2006. The number of business entities fell *7 percent* to the second lowest number ever.

**Table 7**  
**Total Number of Contracts Reported Annually**  
**by Business Entities Subject to Pay-To-Play Law**

| YEAR  | NUMBER        | CHANGE-%   |
|-------|---------------|------------|
| 2017* | <b>19,600</b> | <b>-8%</b> |
| 2016  | 21,230        | 12%        |
| 2015  | 18,886        | -3%        |
| 2014  | 19,550        | -5%        |
| 2013  | 20,560        | -1%        |
| 2012  | 20,857        | -16%       |
| 2011  | 24,704        | 32%        |
| 2010  | 18,673        | -13%       |
| 2009  | 21,444        | -6%        |
| 2008  | 22,832        | 1%         |
| 2007  | 22,588        | -9%        |
| 2006  | 24,935        |            |

\*Preliminary

**Table 8**  
**Total Number of Business Entities**

| YEAR  | NUMBER       | CHANGE-%   |
|-------|--------------|------------|
| 2017* | <b>2,014</b> | <b>-7%</b> |
| 2016  | 2,172        | 1%         |
| 2015  | 2,156        | -3%        |
| 2014  | 2,233        | 0.9%       |
| 2013  | 2,213        | -1%        |
| 2012  | 2,237        | 2%         |
| 2011  | 2,184        | -0.1%      |
| 2010  | 2,186        | 4%         |
| 2009  | 2,096        | 12%        |
| 2008  | 1,873        | -7%        |
| 2007  | 2,019        | -14%       |
| 2006  | 2,339        |            |

\*Preliminary

The numbers in this report reflect information available to the Commission through April 5, 2018 and should be considered preliminary. Some contractors are likely to submit reports or amendments after that date that could change the totals. Numbers earlier than 2017 reflect these revisions and could differ from those reported in prior press releases. All reports 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 through public contracts must indicate whether they have made any reportable contributions and if so, must disclose contracts and contributions to ELEC by March 30<sup>th</sup> for the previous calendar year.

With some exceptions, most firms with state contracts in excess of \$17,500 are barred from contributing more than \$300 to gubernatorial candidates, other candidates, state political parties, legislative leadership committees, county political parties and municipal political party committees. Firms that exceed this limit must seek refunds of excess contributions within a necessary time period or relinquish their contracts for four years.

The average contribution made by contractors in **2017** was **\$1,168**- up 5 percent. The largest average of \$1,222 occurred in both 2006 and 2007.

Three health insurance companies that service the state and/or other governmental entities in New Jersey topped the list of contract recipients. The list also includes two banks, a natural gas utility, a telecommunications firm, a life insurance firm and two construction firms.

**Table 9**  
**Top Ten Business Entities that Reported**  
**Largest Contract Totals in 2017**

| <b>BUSINESS NAME</b>   | <b>AMOUNT</b>          |
|--|------------------------|
| <i>Horizon Blue Cross Blue Shield of NJ Affiliates<sup>2</sup></i> | <b>\$5,037,543,855</b> |
| Amerigroup New Jersey, Inc.  | \$1,231,152,693        |
| Aetna Life Insurance Company                                       | \$ 676,412,492         |
| South State, Inc.  | \$ 326,068,851         |
| South Jersey Energy  | \$ 129,843,015         |
| Spencer Savings Bank, SLA  | \$ 113,811,401         |
| Unity Bank   | \$ 99,609,462          |
| Verizon New Jersey Inc.  | \$ 93,851,804          |
| Variable Annuity Life Insurance Company (VALIC)                    | \$ 91,450,335          |
| George Harms Construction Co., Inc.                                | \$ 80,826,601          |

State government again was the largest source of contracts in 2017. Municipalities, school boards, independent authorities, counties, colleges and universities, and fire districts follow in descending order.

**Table 10**  
**Contracts by Public Entity Type in 2017**

| <b>PUBLIC ENTITY TYPE</b> | <b>AMOUNT</b>            | <b>PERCENT</b> |
|---------------------------|--------------------------|----------------|
| State of New Jersey       | \$ 7,339,518,985         | 71%            |
| Municipality              | \$ 978,609,698           | 10%            |
| School Board              | \$ 776,953,188           | 8%             |
| Independent Authority     | \$ 754,240,079           | 7%             |
| County                    | \$ 369,251,198           | 4%             |
| College/University        | \$ 67,378,840            | 0.7%           |
| No information/Uncertain  | \$ <b>54,423,228</b>     | <b>0.5%</b>    |
| Fire District             | \$ 10,410,080            | 0.1%           |
| <b>Grand Total</b>        | <b>\$ 10,350,785,356</b> | 100%           |

<sup>2</sup> Horizon Healthcare of NJ Inc., Horizon Insurance Co., Horizon Casualty Services Inc., and Horizon Healthcare Dental Inc.

As usual, contract awards by the state Department of Human Services dwarfed those of other public entities.

**Table 11**  
**Top Ten Contracting Agencies in 2017**

| <b>CONTRACTING AGENCY</b>                           | <b>AMOUNT</b>   |
|---|-----------------|
| New Jersey Department of Human Services             | \$6,186,545,330 |
| New Jersey Department of Transportation             | \$ 677,937,639  |
| New Jersey Department of Treasury                   | \$ 389,176,159  |
| New Jersey Turnpike Authority                       | \$ 229,955,731  |
| Port Authority of NY and NJ                         | \$ 115,620,487  |
| Newark Public Schools                               | \$ 103,695,819  |
| Elizabeth Board of Education                        | \$ 70,993,001   |
| New Jersey Department of Health and Senior Services | \$ 54,312,772   |
| New Jersey Transit                                  | \$ 53,682,080   |
| Bergen County                                       | \$ 47,543,041   |

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