

ELEC-Tronic

AN ELECTION LAW ENFORCEMENT COMMISSION NEWSLETTER

"Furthering the Interests of an Informed Citizenry"

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Comments from the Chair Jerry Fitzgerald English Legislative Action

This column is the second in a series highlighting the Commission's proposals for legislative action.

Two proposals call for legislation requiring the disclosure of lobbying activity at the local level of government. The purpose is to close the gap of disclosure regarding the substantial amounts of money spent lobbying on behalf of county and municipal government, or with regards to the lobbying of these entities.

Therefore, the Commission is calling for legislative action that would require registered lobbyists to disclose their lobbying of local entities on behalf of clients seeking public work and/or a variety of local government decisions.

Additionally, registered lobbyists would be required to disclose lobbying on behalf of local government entities.

This legislation is necessary because billions in public contracts are awarded by municipal and county governments, school boards, and authorities.

Conversely, local entities seek funding from the state and federal governments, and contract with lobbying firms to assist them with this activity.

The legislation would require that both forms of lobbying should be disclosed by registered lobbyists.

Only lobbying at the state level is required to be reported. Some firms do voluntarily provide information about their activity at the local level but some don't.

The current law requires anyone holding him or herself out as a lobbyist and who receives over \$100 in a three month period to register with ELEC.

The law only applies to lobbying of state government. It includes attempting to influence the passage or defeat of legislation, attempting to influence executive rule making, and lobbying on governmental processes.

Governmental processes involves contracts, permits, rate making, etc.

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Comments from the Chair Jerry Fitzgerald English

Legislative Action

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Registered lobbyists are required to report their lobbying activity on a quarterly basis. Further, they are to disclose their financial activity on an annual basis through reports due on or about February 15.

In 2009, total lobbyist spending amounted to \$56 million. Interestingly, lobbyists reported only \$9,729 in benefit passing, or goodwill lobbying. This figure represented a 56 percent decline from 2008. Benefit passing involves lobbyists paying for dinners, entertainment, trips, etc. for public officials

On the other hand, spending on communications, including grassroots lobbying, increased by 53 percent over 2008, reaching \$6.1 million. Grassroots lobbying can involve T.V. and radio advertising, direct mail, and robo calls, etc.

These figures demonstrate two things very well: first, the significance of lobbying in New Jersey and second, the changing nature of lobbying Statewide.

Lobbying is following the national trend, becoming much more sophisticated and diversified.

However, what the analysis doesn't show is the full extent of lobbying in the Garden State.

Legislation requiring lobbying at the local level of government to be disclosed to ELEC will fill that gap. Moreover, it will provide to the public a complete picture of what is occurring at all levels of government, giving the people the opportunity to better judge for themselves the efficacy of governmental actions.

Ronald J. DeFilippis - Biography Commissioner

Ronald J. DeFilippis is a founding partner in the firm of Mills & DeFilippis (CPAs LLP) where he currently serves as senior partner. He was appointed to the Commission in June, 2010.

Commissioner DeFilippis is one of the few veteran campaign treasurers ever to be named to the Commission.

His first involvement as a campaign treasurer occurred in 1977, when former State Senator C. Robert Sarcone of Essex County asked him to serve as treasurer for his campaign in the Republican Primary for Governor. Since then, he has served as treasurer for scores of candidates throughout New Jersey for offices ranging from township council seats to U.S. Senate. From 1989 to 1995, he served as Treasurer for the Assembly Republican Majority.

Commissioner DeFilippis graduated from Siena College in Loudonville NY with a B.A. in Accounting in 1973. He earned his MBA in Finance from Rutgers University Graduate School of Business in 1977. He formed his accounting firm in 1978.

His professional licenses include: Certified Public Accountant, State of New Jersey; Certified Public Accountant, State of New York; Certified Public Accountant, State of Florida; Certified in Financial Forensics by the American Institute of CPAs; Personal Financial Specialist designation by the American Institute of CPAs; and Insurance Producers License, State of New Jersey.

At one point, the Commissioner served as an Internal Revenue Service (IRS) agent.

His memberships include: American Institute of Certified Public Accountants; New Jersey Society of Certified Public Accountants; Florida Institute of Certified Public Accountants; Morris County Chamber of Commerce; and Roxbury Township Chamber of Commerce.

Married, Commissioner DeFilippis and his wife, Patti, reside in Succasunna. They have two sons.

Executive Director's Thoughts

Jeff Brindle

[527 Organizations](#)

A recent U.S. Supreme Court ruling could give independent political groups even greater power over campaigns by enabling them to bury candidates in advertising blitzes the candidates can't control.

By letting unions and corporations spend virtually unlimited sums on campaigns as long as the funds are spent independently, the Citizens United case may usher in a period in which independent groups dominate campaigns by controlling the "air war" and defining which issues are paramount.

Moreover, there is a whole number of other groups, such as 527 committees, that do not have to report under current New Jersey law.

527 organizations are groups formed independently of political parties and candidates and are not subject to the reporting requirements applicable to other groups, such as political committees and political action committees (PACs).

These groups file with the IRS and are allowed to participate in elections and run issued ads.

This clearly was not the intent of the Bipartisan Campaign Reform Act (BCRA) of 2002, better known as McCain-Feingold. That federal law prohibited corporations, unions, individuals and others from making large "soft money" donations to national political parties. Most of those donations far surpassed the contribution limits that applied to individual candidates.

While the U. S. Supreme Court in January upheld the soft money ban that applies to the national parties, it is likely to spur the growth of outside political groups such as 527 non-profits that are not subject to that ban.

Even before the ruling, these groups had been assuming many of the roles traditionally played by political parties in providing assistance to candidates as they pursue elective office. But rather than representing a broad coalition of groups and individuals, independent outside groups tend to represent narrow interests.

While the high court gave corporations and unions more freedom to advocate on behalf of those interests, they are more likely to channel their resources into 527 groups rather than spend directly on behalf of candidates.

This is because unlike more traditional political fundraising committees, nonprofits organized under section 527 of the Internal Revenue Service code are subject to more lenient disclosure requirements. They often can hide the full extent of their activities until a campaign is over.

That happened in last year's New Jersey gubernatorial campaign, when national 527 groups made large media buys to attack both major party candidates and Independent Candidate Daggett.

While the Citizens United may unleash more activity by independent groups, the case does not impact New Jersey's campaign finance laws directly. However, it does provide a great opportunity because it strongly endorsed more disclosure of financial activity undertaken by outside groups. This can be accomplished by amending federal and state campaign finance laws to require this disclosure.

These 527 groups have a huge advantage over candidate and party committees because they can accept much larger checks from well-heeled donors.

This has the potential to enable them to take a lead role in campaigns.

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Executive Director's Thoughts Jeff Brindle

527 Organizations

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For instance, they will be able to make media buys earlier than candidates because their war-chests fill up quicker. Even though candidates normally have available to them a television station's lowest price, these rates and time slots can be preempted by early ad-buyers. So in the heat of a campaign, 527 groups can monopolize ad-time traditionally reserved for candidates.

In the not-too-distant future, maybe even this November's Congressional elections, voters may witness more candidate ads being squeezed out by ads paid for by independent groups. Media buyers for candidates may be forced to look more toward less expensive online media that can be more narrowly targeted.

The influence of 527s and other outside groups may well grow in other areas as well, such as get-out-the-vote, voter registration, polls, and telemarketing.

Legislative reforms as well as court decisions often have unforeseen consequences. In the wake of McCain-Feingold and Citizens United, the unforeseen consequence may well be the further empowerment of outside groups at the expense of political parties, candidates and the electorate.

That's why accountability for these groups is so important. Citizens United gave a strong vote of confidence to the principal of disclosure. So it is important that federally, and in New Jersey, reforms be enacted to require 527 groups to make the public better aware of their financial activities.

Six Top Fundraising Committees Second Quarterly Report 2010

The six top fundraising committees of the two major state parties collectively raised just under \$2.2 million during the first six months of the year while spending a combined \$1.6 million, their latest quarterly reports show.

Compared to last year, when there was a Governor's race and 80 General Assembly members running, the pace of state fundraising was relatively subdued. The same six committees together had raised over \$1 million more by this point in 2009.

There are a few possible explanations for the lag in fundraising.

For one thing, there are just two legislative districts with elections this year: a race for both Senate and General Assembly in the 5th Legislative District, and a race for a Senate seat in the 14th Legislative District.

Also, next year's Legislative races, with all 120 seats at stake, remain more than 15 months away. Yet another factor- all 13 Congressional seats are up for reelection this fall, meaning parties may be more concerned about filling federal coffers.

To date, Democrats have collected more contributions than Republicans, and spent slightly more. Their combined committees also have a higher net worth.

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Six Top Fundraising Committees

Second Quarterly Report 2010

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PARTY	YEAR-TO-DATE RAISED	YEAR-TO-DATE SPENT	FUNDS REMAINING
REPUBLICANS	JUNE 30, 2010	JUNE 30, 2010	JUNE 30, 2010
New Jersey Republican State Committee	\$ 495,553	\$ 555,049	\$ 19,316
Senate Republican Majority	\$ 100,973	\$ 72,234	\$ 540,663
Assembly Republican Victory	\$ 262,198	\$ 159,040	\$ 177,438
Sub Total - Republicans	\$ 858,724	\$ 786,323	\$ 737,417
DEMOCRATS			
New Jersey Democratic State Committee	\$ 332,379	\$ 333,460	\$ (30,868)
Senate Democratic Majority	\$ 390,234	\$ 134,270	\$ 743,901
Democratic Assembly Campaign Committee	\$ 594,405	\$ 383,620	\$ 216,292
Sub Total - Democrats	\$ 1,317,018	\$ 851,350	\$ 929,325
GRAND TOTAL- BOTH PARTIES	\$ 2,175,742	\$ 1,637,673	\$ 1,666,742

Democrats also outraised and outspent Republicans during the past quarter.

PARTY	2010 SECOND QUARTER RAISED	2010 SECOND QUARTER SPENT
REPUBLICANS		
New Jersey Republican State Committee	\$ 374,276	\$ 332,081
Senate Republican Majority	\$ 39,851	\$ 43,573
Assembly Republican Victory	\$ 150,167	\$ 66,801
Sub Total - Republicans	\$ 564,024	\$ 442,455
DEMOCRATS		
New Jersey Democratic State Committee	\$ 180,614	\$ 201,633
Senate Democratic Majority	\$ 328,056	\$ 84,853
Democratic Assembly Campaign Committee	\$ 217,924	\$ 200,423
Sub Total - Democrats	\$ 726,594	\$ 486,909
GRAND TOTAL- BOTH PARTIES	\$ 1,290,618	\$ 929,364

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Six Top Fundraising Committees

Second Quarterly Report 2010

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However, compared to the same period four years ago, Democratic fundraising is down while Republican fundraising is up. Similar trends held for spending and net worth.

	2006 YTD RAISED	2010 YTD RAISED	DIFF- DOLLARS	DIFF- PERCENT
REPUBLICANS				
New Jersey Republican State Committee	\$ 147,553	\$ 495,553	\$ 348,000	236%
Senate Republican Majority	\$ 152,653	\$ 100,973	\$ (51,680)	-34%
Assembly Republican Victory	\$ 167,162	\$ 262,198	\$ 95,036	57%
Sub Total - Republicans	\$ 467,368	\$ 858,724	\$ 391,356	84%
DEMOCRATS				
New Jersey Democratic State Committee	\$ 653,957	\$ 332,379	\$ (321,578)	-49%
Senate Democratic Majority	\$ 1,035,643	\$ 390,234	\$ (645,409)	-62%
Democratic Assembly Campaign Committee	\$ 1,432,105	\$ 594,405	\$ (837,700)	-58%
Sub Total- Democrats	\$ 3,121,705	\$ 1,317,018	\$ (1,804,687)	-58%
GRAND TOTAL - BOTH PARTIES	\$ 3,589,073	\$ 2,175,742	\$ (1,413,331)	-39%

State Party Committees and Legislative Leadership Committees are required to report their financial activity to the Commission on a quarterly basis. The reports are available on ELEC's website at www.elec.state.nj.us.

Anita Vaingankar "Profile" Personnel Officer

Anita Vaingankar was making a lunch-time stop one day at a Trenton jewelry store when she overheard the owner conversing in Persian, the language spoken widely in Iran.

Anita, who is ELEC's personnel officer, surprised him by offering a greeting in his native language.

While Anita was born and raised in Mumbai, India (formerly Bombay), the second most populous city in the world, she spent five years living in Zarand, Iran, a town of 30,000 where her father worked in the late 1970s as a dental surgeon.

The experience not only expanded her cultural horizons but became early preparation for her current position, which requires her to deal with the diverse staff employed by the agency.

Bright, energetic and rarely shy, Anita handles a wide array of human resource duties. She manages the payroll. She keeps track of days off. She monitors Civil Service and other regulations that apply to agency personnel. She welcomes new employees and makes the transition easier for departing ones. She ensures that staff members complete training sessions required of all State workers, such as recent online sessions intended to prevent workplace discrimination.

"It's a fun job. But you have to know what you are doing," said Anita, who lives in Mercer County with her husband and son.

"Days go by fast. There is always something to do," she added. "Though it's a small place, we have the same issues many big agencies do."

Anita has lived in New Jersey since 1994. She began working at ELEC in April 2005 after previously working in a bank and as a pre-school teacher.

While in India, she earned a bachelor's degree in microbiology and biochemistry, and a master's degree in biochemistry, both at the University of

Mumbai. The science background comes naturally: not only is her father a dental surgeon, but her mother is a physician.

One of Anita's pastimes is attending her son's basketball and baseball games and swim-meets. She likes reading self-improvement books and traveling.

In addition to enjoying films made in Hollywood, she also likes "Bollywood" films such as "Bend It Like Beckham" along with more traditional Indian cinema. She once took a course in fashion and takes pride in her stylish wardrobe, though she insists it is "not an obsession."

Treasurer Training for Candidates and Committees

Seminars are conducted at 10:00 a.m. at the Commission's offices at 28 West State Street, 8 th floor, in Trenton.	
Treasurer Training Seminars for Candidates and Joint Candidates Committees:	Treasurer Training Seminars for Political Party Committees and PACs:
Monday, September 13	Monday, September 27
Wednesday, September 29	Thursday, December 9

ELEC Praised for Disaster Recovery Plan as Electronic Imaging System Wins Certification

[By Carol Neiman, Director of Information Technology](#)

As part of a review of ELEC's electronic imaging and archiving system, officials are now recommending that other State agencies use the Commission's clear and comprehensive disaster recovery plan as a model.

ELEC's disaster recovery plan has won praise from the New Jersey Division of Archives and Records Management (DARM) in the aftermath of a review that led to certification of the Commission's FileNet Imaging System.

The FileNet system is the primary electronic tool used by the agency to display campaign finance reports on its website. Certification of that system means that the agency's electronic documents can serve as the agency's permanent copies. This eliminates the need to forever store paper copies in expensive off-site storage facilities.

Staff members of the Information Technology Section had been hoping for certification for some time. When DARM's Supervisor of Imaging Certification contacted us last December, we quickly completed and submitted the required documentation.

Several factors influenced DARM's decision to grant certification.

Among them:

- Document images must be in single or multi-page TIFF file format.
- Imaging resolution must meet minimum standards.
- The system must use an open architecture, meaning one that is easy to modify or upgrade.

- Staff members must keep a log of all scanned documents
- The agency must maintain a policy procedures manual.
- Quality control must be maintained at one hundred percent.
- Indexing or coding procedures must be verified.
- Backups must be done regularly.
- And last but not least, a disaster recovery plan must be readily available.

A visual inspection of the imaging system was conducted, and the agency passed with flying colors. ELEC's document imaging and backup systems met all criteria to warrant certification.

DARM gave special attention to ELEC's plan for restoring its library of imaged documents in the event of a disaster. After viewing this documentation, ELEC was asked if we could supply a template.

DARM officials said it was the best disaster recovery plan they had seen yet and the supervisor for the NJ DARM's Imaging Certification Section now is using it as a model. The entire staff of the IT Section deserves credit for achieving this success.

DATES TO REMEMBER

2010 REPORTING DATES		
GENERAL ELECTION NOVEMBER 2, 2010		
	PERIOD COVERED	REPORT DUE DATE
29-day pre-election	6/26/10 – 10/1/10	October 4, 2010
11-day pre-election	10/2/10 – 10/19/10	October 22, 2010
20-day post-election	10/20/10 – 11/19/10	November 22, 2010
48 Hour Notice Reports start on 10/20/10 through 11/2/10		
PACs & CAMPAIGN QUARTERLY FILERS		
	PERIOD COVERED	REPORT DUE DATE
3 rd Quarter	7/1/10 – 9/30/10	October 15, 2010
4 th Quarter	10/1/10 – 12/31/10	January 18, 2011

Late and non-filing of reports are subject to civil penalties determined by the Commissioners