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ELEC-Tronic

AN ELECTION LAW ENFORCEMENT COMMISSION NEWSLETTER

"Furthering the Interests of an Informed Citizenry"

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Comments from the Chairman Ronald DeFilippis

With this being a legislative election year, I want to advise prospective candidates of their responsibilities under the Personal Financial Disclosure law (PFD).

This law, of course, is meant for candidates for Governor, State Senate, and Assembly, and is effective in the year they are running for office.

The Personal Financial Disclosure law for candidates is separate and distinct from the disclosure of financial information applicable to officeholders. As members of the State Senate and Assembly, personal financial information is filed with the Office of Legislative Services (OLS) on an annual basis.

To eliminate, or at least to reduce confusion, and to make the process more efficient and administratively less burdensome, the Commission proposed changes to the PFD law in its priority recommendations last year.

The recommendation called for a change in the due date to coincide with the officeholder filing and for the forms to be placed on the Internet.

Currently, candidates for Governor, Senate, and Assembly in a primary election are required to file PFD's on or before the tenth day following the petition filing date.

Likewise, independent, or third party Senate and Assembly candidates who run in the general election must file statements within ten days following the primary election.

In both instances the filing pertains to financial activity incurred in the year before the election.

Changing the PFD filing date to coincide with the May date of the OLS filing not only will reduce confusion but will permit more time for the Election Law Enforcement Commission to obtain candidate names from the Division of Elections and distribute materials to the candidates.

To accomplish this task within a ten-day framework is administratively difficult and overly burdensome to candidates as well.

Having noted the administrative burden, however, let me now discuss the requirements of the law.

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Comments from the Chairman Ronald DeFilippis

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First, any individual seeking election to the Office of Governor, Senate, or General Assembly must file a financial disclosure form with the Commission.

Second, any individual who has received funds to test the candidate waters or who has been appointed to fill a vacancy must file a personal disclosure form with the Commission.

Each candidate for Governor, Senate, or Assembly must report the sources of earned income and unearned income that exceeds \$1,000.

Information within the earned income category includes the name and address of the corporation, professional association, partnership or sole proprietorship which is the source of income from salaries, bonuses, royalties, fees, commissions, and profit sharing.

Moreover, within the unearned income category, the filing includes: rent, dividends, investments, and trust and estates. Except for dividends that are listed as security, the name and address of the corporation, professional association, partnership, or sole proprietorship that is the source of unearned income noted above shall be provided.

The date this year for filing PFD's is April 21st. An original and two copies of the Personal Financial Disclosure statement is due no later than 5:00 p.m. on that date.

Within seven days, as per the Open Public Records Act, copies of the forms will be available for inspection at the Commission's office.

The Commission does have civil jurisdiction over misreporting or non-reporting of Personal Financial Disclosure. Violators are subject to a penalty of not more than \$1,000 for the first offense and \$2,000 for the second and subsequent offenses.

For more detailed information, prospective Senate and Assembly candidates should consult the Commission's website at www.elec.state.nj.us or contact one of our Compliance officers at 1-888-313-ELEC (3532).

Executive Director's Thoughts Jeff Brindle

The U.S. Supreme Court's decision in Citizens' United v. FEC has been widely blamed for the deluge in campaign spending by outside, independent groups in this year's federal election.

Numerous articles have suggested that because corporations can now spend independently, corporate money is now flowing into the coffers of outside groups, enhancing them and their corporate donor's influence.

But corporations could always use back channels to funnel money through outside groups. And, while it is undeniable that spending by outside groups surged dramatically last year, the surge predated last January's landmark Supreme Court case.

However, there is one way in which the court's ruling seems to have had a clear impact.

Far more money arrived late in the campaign than in the previous two congressional elections.

It was an expected result given that the Citizen's United ruling ended controversial "blackout" periods of 30 days before primary elections and 60 days before general elections on some election advertising. The invalidated ban applied to TV and radio ads sponsored by unions and for-profit corporations.

The blackout period originally was imposed in 2002 by the Bipartisan Campaign Reform Act, better known simply as "McCain-Feingold."

The intent, according to the original press release by Sen. John McCain (R-AZ), one of the two lead sponsors, was to end "the explosion of thinly-veiled campaign advertising funded by corporate and union treasuries. These ads skirt federal election law by avoiding the use of direct entreaties to "vote for" or "vote against" a particular candidate."

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Executive Director's Thoughts Jeff Brindle

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McCain had first-hand experience with these so-called stealth attack ads, which didn't disclose their donors.

During the 2000 Republican presidential primary, the senator and his environmental record were assailed through a surprise \$2.5 million TV ad blitz. Sam Wyly, a wealthy Dallas investor who supported the nomination of then-Gov. George W. Bush, eventually acknowledged paying for the ads.

McCain-Feingold banned radio or TV ads that mentioned a candidate's name and cost more than \$10,000 within the respective blackout periods. It didn't stop the clock on issue ads that left out the names of specific candidates. Nor did it forbid the use of print communication, direct mail, voter guides or the Internet during the blackout periods. Unions and corporations also had the option of raising funds for radio and TV ads by forming political action committees that disclosed their donors.

"No speech is banned by the new law- not a single ad nor any word or combination of words would be muzzled," said an impassioned defense of the bill co-written by members of the Brookings Institution and the American Enterprise Institute. "No form of political speech, only the source of funding, is touched by the new law."

A year ago, however, the Supreme Court decided otherwise. A 5-4 majority of the judges declared the blackout period was an unconstitutional infringement on the rights of unions and corporations.

"The law before us is an outright ban, backed by criminal sanctions," said the majority opinion. The judges, citing examples of spending that might be affected, called such prohibitions "classic examples of censorship."

Even as they struck down the blackout period, they added that it would be entirely legal to adopt laws requiring fuller disclosure by independent groups that take part in federal campaigns.

Based on data collected by the Campaign Finance Institute, the court's action had a predictable impact. The Institute is a non-partisan group affiliated with George Washington University that studies campaign finance trends.

No exact figures are available for the amount of non-party independent funding that arrived before and after the 60 days that would have constituted the blackout period last fall. But Institute data show a definite spurt of last-minute campaign funds.

Through mid-October, non-party spending by independent groups, including unions and corporations, totaled \$148 million. By Election Day, the total had reached \$280 million. So about \$132 million arrived during the final weeks of the campaign.

By comparison, in the 2008 campaigns, non-party independent groups spent \$120 million. Only \$34 million arrived after mid-October (not all independent groups were subject to the McCain-Feingold blackout).

A closer analysis would be required to know exactly how many dollars came from union and corporation treasuries. But the Institute data shows that \$98 million more arrived in the final weeks of the election last year compared to 2008. The difference versus 2006 was even greater- \$111 million during the same period.

It is hard not to conclude that the court's ruling, by lifting the blackout on unions and corporations, dramatically shifted the timing of campaign spending.

Late-arriving campaign cash is important to candidates locked in close races because it can be decisive. Given recent trends, the amount of funds pouring from the coffers of non-party independent groups is likely to keep surging in the next federal election.

The above article by Jeff Brindle appeared in NewJerseyNewsroom.com on January 7, 2011

New Jersey's Gubernatorial Financing Program Needs You!

As you prepare to file your state income tax returns for 2010, please consider checking "Yes" on the Gubernatorial Elections Fund checkoff box.

New Jersey's historic and nationally respected program provides public funds to candidates for governor who agree to limit their spending.

Taxpayers who support the program each year can designate \$1 of their state income taxes toward it on their tax returns. ***Checking the "Yes" box does not increase a person's tax payment or reduce their refund.***

Started in 1977, the program has enabled three Republicans and three Democrats to win the office of Governor and, in some cases, helped them win reelection. The Republicans include Chris Christie, Christine Todd Whitman and Tom Kean, Sr. Democrats include James E. McGreevey, Jim Florio and Brendan Byrne.

The program has helped to keep gubernatorial elections issue-oriented and curbed the influence of special interests. It has allowed 67 candidates of various parties to compete for the state's highest-ranking elected office.

Between 1976 and 2008, those voluntary designations provided \$36.8 million for the program. Additional funds were provided from the general treasury.

For more information about the program, visit ELEC's website at www.elec.state.nj.us.

Maite Urtasun "Profile"

Assistant Compliance Officer

Many people sit down each morning and eat the Breakfast of Champions.

Maite Urtasun can skip her Wheaties because she already IS a champion.

In addition to serving as ELEC's assistant compliance officer, Urtasun is a world-class athlete.

Here is just a partial list of her awards as a former nationally acclaimed rower: two-time All-American at Rutgers University; an alternate to the 2004 Olympic team; and a gold-medal holder as part of the national rowing team that won the 2002 World Championship in Seville, Spain.

International rowing events took her to Bulgaria, Spain, Croatia, Canada, England, Germany, Switzerland and Italy.

While she retired from world competition after the 2004 Olympics, she still runs regularly. She once ran a 5K race in Central Park, New York City that began a midnight. She also still closely follows the activities of the Olympic team.

Now married with one son, she admits it is hard sitting at a desk. Her life is now less intense although it sometimes involves fielding frantic calls from candidates and treasurers who are trying to correctly file their disclosure reports with ELEC.

Urtasun's life as a world-caliber rower was grueling. Sometimes, she would have three separate training sessions each day lasting up to three hours.

"You train ten days a week so you don't have much of a life in rowing. There's no off-season," she said. She had surgery five times- four times on her knees, once on her shoulder.

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Maite Urtasun "Profile"

Assistant Compliance Officer

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While her job at ELEC is less pressurized, it still can be busy, especially as elections approach. Each year, more than 10,000 candidates, treasurers, lobbyists and others call for assistance. Urtasun and other compliance officers try to answer their questions.

"Compliance wants to help people in any way that we can. We try to help them understand what they need to do to comply with ELEC regulations," she said.

"The bulk of the calls are from newcomers. The paperwork can make them feel overwhelmed," Urtasun said.

Since ELEC regulates the campaign finances of candidates for offices ranging from school board to governor, compliance officers need to be prepared for a wide range of questions. "You get everybody and anybody calling here," Urtasun said. She also has helped with training seminars and checks reports for errors and notifies candidates or treasurers if she finds them.

Urtasun earned her bachelors degree in political science with a minor in English at Rutgers. Since her father is from Spain, Urtasun holds dual citizenship. She speaks fluent Spanish and some Italian.

While her main pastime is spending time with her family, she does enjoy creative writing and even maintains a blog. "I always wanted to be a writer."

Annual Lobbying Reports Available

On **Wednesday, March 9, 2011, at 10:00 a.m.**, data summarizing the **Annual Reports of Lobbying Activity** for the 2010 calendar year period will be available for review on ELEC's website at: www.elec.state.nj.us. Reports will also be available for review in ELEC's public records room.

Seminar Training Dates

Seminars are conducted at 10:00 a.m. at the Commission's offices at 28 West State Street, 8th floor, in Trenton.

Treasurer Training for Candidates and Joint Candidates Committees	
March 23, 2011	May 18, 2011
April 4, 2011	September 12, 2011
April 20, 2011	September 27, 2011
May 3, 2011	October 3, 2011

Treasurer Training for Political Party Committees and PACs	
March 30, 2011	September 21, 2011
June 30, 2011	December 14, 2011

Electronic Filing Training (REFS)	
April 5, 2011	July 27, 2011
April 26, 2011	September 14, 2011
May 5, 2011	September 26, 2011
May 17, 2011	October 4, 2011

Outreach to County Parties

As part of the Commission's outreach to county party committees, the first off-site training session was held in Basking Ridge on February 22nd.

The training for candidates and treasurers was held in coordination with the Somerset County Democratic Committee.

This initiative is being undertaken in conjunction with the Commission's efforts to enhance transparency and to improve compliance with campaign finance laws.

The training seminars were conducted by Senior Compliance Officer Kim Key and Associate Compliance officer Nancy Fitzpatrick.

DATES TO REMEMBER

Reporting Dates

	PERIOD COVERED	REPORT DUE DATE
FIRE COMMISSIONER - FEBRUARY 19, 2011		
29-day pre-election	Inception of campaign* - 1/18/11	1/21/2011
11-day pre-election	1/19/11 - 2/5/11	2/8/2011
20-day post-election	2/6/11 - 3/8/11	3/11/2011
48 Hour Notice Reports Start on 2/6/11 through 2/19/11		
SCHOOL BOARD ELECTION - APRIL 27, 2011		
29-day pre-election	Inception of campaign* - 3/26/11	3/29/2011
11-day pre-election	3/27/11 - 4/13/11	4/18/2011
20-day post-election	4/14/11 - 5/14/11	5/17/2011
48 Hour Notice Reports Start on 4/14/11 through 4/27/11		
MUNICIPAL ELECTION - MAY 10, 2011		
29-day pre-election	Inception of campaign* - 4/8/11	4/11/2011
11-day pre-election	4/9/11 - 4/26/11	4/29/2011
**20-day post-election	4/27/11 - 5/27/11	5/31/2011
48 Hour Notice Reports Start on 4/27/11 through 5/10/11		
RUNOFF ELECTION** - JUNE 14, 2011		
29-day pre-election	No Report Required for this Period	
11-day pre-election	4/27/11 - 5/31/11	6/3/2011
20-day post-election	6/1/11-7/1/11	7/5/2011
48 Hour Notice Reports Start on 6/1/11 through 6/14/11		
PRIMARY ELECTION*** - JUNE 7, 2011		
29-day pre-election	Inception of campaign* - 5/6/11	5/9/2011
11-day pre-election	5/7/11 - 5/24/11	5/27/2011
20-day post-election	5/25/11 - 6/24/11	6/27/2011
48 Hour Notice Reports Start on 5/25/11 through 6/7/11		
GENERAL ELECTION*** - NOVEMBER 8, 2011		
29-day pre-election	6/25/11 - 10/7/11	10/11/2011
11-day pre-election	10/8/11 - 10/25/11	10/28/2011
20-day post-election	10/26/11 - 11/25/11	11/28/2011
48 Hour Notice Reports Start on 10/26/11 through 11/8/11		
PACS & CAMPAIGN QUARTERLY FILERS		
1 st Quarter	1/1/11 - 3/31/11	4/15/2011
2 nd Quarter	4/1/11 - 6/30/11	7/15/2011
3 rd Quarter	7/1/11 - 9/30/11	10/17/2011
4 th Quarter	10/1/11 - 12/31/11	1/17/2012

* Inception Date of Campaign (first time filers) or from January 1, 2011 (Quarterly filers).

** A candidate committee or joint candidates committee that is filing in the 2011 Runoff election is not required to file a 20-day postelection report for the 2011 Municipal election.

*** Form PFD-1 is due on April 21, 2011 for Primary Election Candidates and June 17, 2011 for Independent General Election Candidates.

[Late and non-filing of reports are subject to civil penalties determined by the Commissioners](#)