

Commissioners:

Ronald DeFilippis, Chairman
 Walter F. Timpone, Vice Chairman
 Amos C. Saunders, Commissioner

ELEC-Tronic

AN ELECTION LAW ENFORCEMENT COMMISSION NEWSLETTER

"Furthering the Interests of an Informed Citizenry"

Election Law Enforcement Commission, P.O. Box 185, Trenton, NJ 08625
www.elec.state.nj.us (609) 292-8700 - Toll Free Within NJ 1-888-313-ELEC (3532)

Directors:

Jeffrey M. Brindle
 Joseph W. Donohue
 Carol L. Hoekje
 Amy F. Davis
 Carol Neiman
 Linda White
 Todd J. Wojcik
 Steven M. Dodson
 Shreve Marshall

Comments from the Chairman Ronald DeFilippis

It is not widely known but children are allowed to make political contributions under New Jersey's campaign finance laws. If a child is under the age of 14 any contribution by the child is to be attributed to the child's legal guardian. On the other hand, if the individual is 14 years or older and has not reached his/her majority contributions are subject to three important guidelines.

These guidelines are:

1. That the individual is 14 years or older;
2. That the contribution is made from funds comprised of the minor's earned income; and
3. That sworn statements made by the minor and by the minor's legal guardian are submitted with the contribution which state that the decision to contribute is solely that of the minor and that the funds used to make the contribution are comprised solely of the minor's earned income.

INSIDE THIS ISSUE

- 1 **Comments from the Chairman**
- 2 **Executive Director's Thoughts**
- 4 **ELEC on Facebook & Twitter**
- 4 **Christine Clevenger "Profile"**
- 5 **Training Seminars**
- 6 **"Big Six" 2nd Quarterly Reports 2012**
- 7 **Reporting Dates**

The Commission's regulatory guidelines have been established to reduce the possibility that contributions attributed to minors are not used to circumvent contribution limits. By requiring that donations come from the minor's earned income and that contributions be accompanied by a sworn affidavit the Commission has made compliance with the law as air-tight as possible. On the other hand by permitting contributions from minors the statute and Commission regulations do not run a fowl of the constitutional First Amendment rights of free speech.

When a contribution is received from a minor, the committee and organizational treasurer, as in the case of any contributor, has the responsibility to identify the donor by following the guidelines as set forth by the Commission in N.J.A.C. 19:25-10.15 and the campaign finance compliance manual.

Another area of New Jersey's campaign finance law that may not be readily apparent involves contributions made by electronic transfer of funds. Candidate committees, joint candidate committees, special interest PACs, political party committees, and legislative leadership committees may receive a contribution made by electronic transfer of funds, including credit cards.

In receiving a contribution made by the electronic transfer of funds entities must follow the following guidelines in terms of reporting the donation.

... Continued on page 2.

Comments from the Chairman Ronald DeFilippis

Continued from page 1.

1. The date of the receipt of a contribution is to be reported as the date on which the account owner or credit card owner authorizes that the contribution be charged to his or her account;
2. The amount of the contribution reported is the total amount that the owner of the account or credit card authorizes to be charged to the account;
3. The account used to make the electronic transfer must be owned by the individual or entity making the contribution; and,
4. The organizational treasurer is required to maintain records for each contribution received through the electronic transfer of funds, including credit cards.

All contributions collected by electronic transfer of funds must be deposited directly into the campaign or organizational account. In addition, any fees or costs incurred by the candidate or organizational committee must be reported by the entity as an expenditure to the financial institution.

While the above policies of the Commission are undoubtedly known to many organizational treasurers and others involved in the campaign process, it is important to keep participants up-to-date on the various rules set forth in the regulations and compliance manuals, especially those that may well be less apparent. In addition to consulting the Commission's compliance manual, organizational treasurers and campaign operatives may also want to click onto the Commission's website to view its new interactive training video.

The website is at www.elec.state.nj.us.

Executive Director's Thoughts Jeff Brindle

Are contribution limits the next to go?...

Another major challenge to campaign finance law has suddenly appeared on the horizon. The latest target: federal contribution limits.

The new challenge was filed just three days before the U.S. Supreme Court struck down a Montana law that banned corporate spending in its state elections. The judges decided the 100-year-old Montana Corrupt Practices Act and the limits it imposed were inconsistent with Citizens United v. FEC, the decision which declared corporations could spend unlimited amounts in elections as long as the funds were spent independently.

The new threat to campaign finance law emerged June 22 when lawyers sought to enjoin the FEC from enforcing the aggregate biennial contribution limits.

The Motion for Preliminary Injunction, which appears to be part of an orchestrated effort to dismantle campaign finance law, was filed on behalf of Shaun McCutchen, a 44-year-old Alabama contractor, and the Republican National Committee. McCutchen v. FEC may have the potential to further erode contribution limits. Specifically, it targets aggregate contribution limits that apply to individual contributors.

Under federal law, individuals can contribute no more than \$117,000 every two years to federal candidates and committees. Of that amount, individual donors can give no more than \$70,800 to PACs and parties. Individual donors can give no more than \$46,200 to all candidates every two years. These limits are indexed for inflation.

The plaintiffs, represented by James Bopp, Jr. and Steve Hoersting, maintain that the two-year aggregate limits "substantially burden core political activity protected by the First Amendment rights of free expression and association." The lawyers contend they are unconstitutional on their face.

... Continued on page 3.

Executive Director's Thoughts

Jeff Brindle

Continued from page 2.

Bopp has filed numerous challenges to campaign finance laws, including the original Citizens United case, one of his major successes. General counsel to the National Right to Life Committee since 1978 and vice chairman of the Republican National Committee, the Indiana native doesn't hide his long-term goal.

"We had a 10-year plan to take all this down," he told the New York Times in 2010. "And if we do it right, I think we can pretty well dismantle the entire regulatory regime that is called campaign finance law."

In filing his motion with the United States District Court, District of Columbia, he might have given himself an advantage. It is the very Court that paved the way for Super PACs in its decision in Carey v. FEC. That decision held that PACs could set up segregated accounts, receive contributions in unlimited amounts, and be unrestrained in spending, as long as the activity was independent.

Given the history of the DC court, it is more than likely that it will grant the motion for injunction and ultimately find aggregate limits to be unconstitutional. This would also impact a number of states and localities that impose aggregate limits on donors.

Bopp and Hoersting maintain that in order for the aggregate limits to be viewed as constitutional "they must be justified for the government under 'the closest scrutiny' and any restriction must 'avoid unnecessary abridgement of associational freedoms.'"

In other words, the government must demonstrate that there is a compelling interest (i.e. corruption) for the state to impose aggregate contribution limits on these entities.

Moreover, the McCutcheon Motion makes the further point that the restrictions applied to the national parties led to money flowing instead to independent committees. It contends aggregate contribution limits essentially are obsolete in the

post-Citizens United world since there is no realistic way to stop circumvention. While the motion focuses on aggregate limits, the case potentially opens the door to a reexamination of all contribution limits. As demonstrated in Citizens United, the U.S. Supreme Court hasn't been shy about expanding its review of campaign finance issues.

Some members of today's court expressed serious doubts about contribution limits in Randall v. Sorrell (2006), another case brought by Bopp.

"There is simply no way to calculate just how much money a person would need to receive before he would be corrupt or perceived to be corrupt (and such a calculation would undoubtedly vary by person)," said Justice Clarence Thomas in his dissent.

Given that the U.S. Supreme Court has placed heavy importance on the First Amendment freedom of speech and association provisions, it is conceivable the judges may decide to weigh the constitutionality of contribution limits generally. Even previous courts have struck down contribution limits under some circumstances.

In the landmark Buckley v. Valeo (1976), the Supreme Court ended contribution limits for independent expenditures. In First National Bank of Boston v. Bellotti (1978), the Supreme Court invalidated a Massachusetts statute that prohibited corporations from making contributions or expenditures for the purpose of influencing ballot questions. The Bellotti case foreshadowed the legal reasoning in Citizens United by declaring that spending to influence popular votes on public issues poses no risk of corruption and therefore cannot be constrained.

However, Buckley, while exempting independent spending, also upheld contribution limits for candidates. Even Citizens United upheld the power of the federal government to ban direct corporate contributions to candidates.

So while the McCutcheon case may be worrisome, there is strong precedent to not toss out all contribution limits. Whether the U.S. Supreme Court would take McCutcheon on appeal, or simply let the lower court ruling stand, remains to be seen.

ELEC on Facebook & Twitter

By [Henry Coslick](#)

The New Jersey Election Law Enforcement Commission is now on Facebook and Twitter. This continues the Commission's foray into social media, which began in 2008 when the agency displayed its first YouTube video.

"We've always been on the cutting edge of technology . . . using social media to enhance disclosure (with regards to campaign finance and lobbying) continues this tradition . . ." said Executive Director Jeff Brindle.

He remembers ". . . In the 80's the commission first ventured into the computer age. To my knowledge, we were one of the first agencies in state government to do so."

Facebook, YouTube and Twitter - founded 2004, 2005, and 2006 respectively - are the giants of social media with a combined user base of nearly two billion.

ELEC is not alone; its counterparts in the U.S. also use Social Media to varying degree. There are 81 independent state agencies throughout the U.S. that perform some or all of the tasks ELEC does regarding financial election law and disclosure. Of them- 37% use Facebook, 35% use Twitter, 7% use YouTube, and 5% use all three.

Of our own state's 85 departments and agencies- 36% use Facebook, 30% use YouTube, 18% use Twitter, and 9% use all three. By using Facebook, YouTube and Twitter, ELEC is now among the vanguard of agencies nationally.

Social media didn't become a part of ELEC "overnight" said Brindle. "It's something we looked into to measure the costs and benefits. We came to the conclusion that using social media enhances what we do here at the commission . . . By utilizing these tools we serve the public interest."

Having videos on YouTube already, tweeted recently and posted on Facebook, ELEC's Social Media presence is solidly established. This exciting new era for ELEC would not be complete without you.

Please remember to like us on Facebook (<http://www.facebook.com/NJElectionLaw>), YouTube (<http://www.youtube.com/njelec>), and follow our Twitter (<http://twitter.com/elecnj>).

Christine Clevenger "Profile"

Special Programs Analyst

By [Joe Donohue](#)

Christine Clevenger admits she was a reluctant public speaker when she took part in a 2003 Rutgers University program that encouraged women to become more active in politics.

Now she feels confident enough that she helps give seminars at the NJ Election Law Enforcement Commission (ELEC) for public contractors and others who are interested in state pay-to-play laws.

As an analyst in ELEC's Special Programs unit, Clevenger also fields phone calls and helps guide people through the complex guidelines, which can be frustrating even to political veterans.

While some callers are pretty steamed when she first picks up the phone, "once we go through it, they usually feel better about it," Clevenger said. "Pay-to-play can be confusing but it is also really interesting."

Clevenger is a graduate of the College of New Jersey and earned her bachelors degree majoring in finance and minoring in criminal justice.

After graduating eight years ago, she joined the Special Programs staff where she also helps administer the Gubernatorial Public Financing Program.

With the next gubernatorial primary election just 11 months away, the Special Programs staff is expanding and gearing up for a major campaign year. Clevenger admits she welcomes the change of pace and growing excitement as the campaign unfolds.

She admits she had little interest in politics when she was one of 20 women chosen from 600 applicants for the "New Leadership New Jersey" program sponsored by the Center for American Women in Politics at Rutgers.

She found the week-long program "really interesting."

"It definitely opened my eyes up to politics more," she said. "Plus, it really helped me overcome my fear of presentations."

Clevenger also brought a special skill to the agency. Not surprisingly given that she was a finance major and “kind of likes numbers,” she is handy at using her Excel spreadsheet for analysis.

Clevenger is a native of Passaic County who now resides in Burlington County. She lives there with her husband Steve and two dogs- Max, a six-month-old boxer, and Charlie, a 3-year old Beagle/Bichon Frise mix.

In her spare time, she reads voraciously, a habit she acquired from her mother Carrie. During her noon-time break, she often can be seen glued to her e-reader. She is a particular fan of Stephen King novels and likes mysteries, but she’ll pretty much “try anything” if it is interesting.

“I love to read pretty much at lunch every day,” she said.

She also admits a fondness for movies, and, as a past attendee at the Tribeca Film Festival, is partial to independent films like “Half Nelson,” “Little Miss Sunshine,” and “500 Days of Summer.” She admits, though, that her all-time favorite is a little more conventional- Hollywood classic “The Wizard of Oz.”

Training Seminars

Please provide the information requested below and return the **entire reservation form** to ELEC. Since space is limited, you must reserve a seat in order to attend. The seminars listed below will be held at the Offices of the Commission, located at 28 West State St., Trenton, NJ. Please select your choice **by circling one of the dates below**:

Due to high demand to attend the Pay-to-Play seminars, the Commission will be conducting three more sessions in early 2013.

BUSINESS ENTITY PAY-TO-PLAY TRAINING	
Pay-To-Play Reservation Form*	
September 14, 2012 (full)	10:00 a.m.
November 16, 2012 (full)	10:00 a.m.
TREASURER TRAINING FOR CANDIDATES AND JOINT CANDIDATES COMMITTEES	
Treasurer Training for Candidates Reservation Form**	
September 11, 2012	10:00 a.m.
September 24, 2012	10:00 a.m.
October 2, 2012	10:00 a.m.
TREASURER TRAINING FOR POLITICAL PARTY COMMITTEES AND PACS	
Treasurer Training for Political Parties Reservation Form**	
September 28, 2012	10:00 a.m.
December 12, 2012	10:00 a.m.
R-1 ELECTRONIC FILING SOFTWARE (REFS) TRAINING	
REFS Training Reservation Form**	
September 19, 2012	10:00 a.m.
October 3, 2012	10:00 a.m.

* You may mail the form back to ELEC, Special Programs Section, P.O. Box 185, Trenton, NJ 08625-0185 or you may fax the form to ELEC at (609) 292-4238. For directions, contact the Special Programs staff.

** You may mail the form back to ELEC, Compliance and Information Section, P.O. Box 185, Trenton, NJ 08625-0185. Or, you may fax the form to ELEC at (609) 633-9854. For directions, contact the Compliance and Information staff.

"Big Six" 2nd Quarterly Reports 2012

The tempo of fundraising by the so-called "Big Six" committees- the two state parties and four legislative leadership PACs- picked up during the past three months as they raised a combined \$1.7 million during the quarter.

Both parties raised more money than they did the previous quarter, though Republicans raised nearly twice as much as Democrats.

TABLE 1
FUNDRAISING BY "BIG SIX" COMMITTEES - 1ST QUARTER 2012 VERSUS 2ND QUARTER 2012

COMMITTEE	RAISED- 1 ST QTR	RAISED- 2 ND QTR	CHANGE-%
REPUBLICANS			
New Jersey Republican State Committee	\$ 798,710	\$ 773,567	-3%
Senate Republican Majority	\$ 87,367	\$ 168,682	93%
Assembly Republican Victory	\$ 44,996	\$ 188,825	320%
Sub Total-Republicans	\$ 931,073	\$ 1,131,074	21%
DEMOCRATS			
New Jersey Democratic State Committee	\$ 87,605	\$ 161,250	84%
Senate Democratic Majority	\$ 107,730	\$ 191,185	77%
Democratic Assembly Campaign Committee	\$ 167,241	\$ 211,750	27%
Sub Total-Democrats	\$ 362,576	\$ 564,185	56%
Grand Total Both Parties	\$ 1,293,649	\$ 1,695,259	31%

TABLE 2
SPENDING BY "BIG SIX" COMMITTEES - 1ST QUARTER 2012 VERSUS 2ND QUARTER 2012

COMMITTEE	SPENT- 1 ST QTR	SPENT- 2 ND QTR	CHANGE-%
REPUBLICANS			
New Jersey Republican State Committee	\$ 1,097,191	\$ 453,273	-59%
Senate Republican Majority	\$ 142,652	\$ 57,746	-60%
Assembly Republican Victory	\$ 41,355	\$ 60,809	47%
Sub Total-Republicans	\$ 1,281,198	\$ 571,828	-55%
DEMOCRATS			
New Jersey Democratic State Committee	\$ 110,664	\$ 156,730	42%
Senate Democratic Majority	\$ 122,233	\$ 120,878	-1%
Democratic Assembly Campaign Committee	\$ 103,097	\$ 124,061	20%
Sub Total-Democrats	\$ 335,994	\$ 401,669	20%
Grand Total Both Parties	\$ 1,617,192	\$ 973,497	-40%

As the committees headed into the second half of the year, Republicans had more than twice as much money in the bank as Democrats though both parties were in the black.

TABLE 3
CASH RESERVES OF "BIG SIX" COMMITTEES THROUGH JUNE 30, 2012

COMMITTEE	CASH-ON-HAND	NET WORTH*
REPUBLICANS		
New Jersey Republican State Committee	\$ 560,819	\$ 401,353
Senate Republican Majority	\$ 261,974	\$ 261,974
Assembly Republican Victory	\$ 200,926	\$ 200,926
Sub Total-Republicans	\$ 1,023,719	\$ 864,253
DEMOCRATS		
New Jersey Democratic State Committee	\$ 83,393	\$ 60,153
Senate Democratic Majority	\$ 130,818	\$ 110,818
Democratic Assembly Campaign Committee	\$ 188,436	\$ 157,997
Sub Total-Democrats	\$ 402,647	\$ 328,968
Grand Total Both Parties	\$ 1,426,366	\$ 1,193,221

*Net worth is cash-on-hand adjusted for debts owed to or by the committee.

Both parties still are regrouping after last year's election. While they will need some money for local elections and general political activities this fall, they mostly will be gearing up for next year's showdown over the governor's seat and both legislative houses.

State Parties 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. ELEC also can be accessed on Facebook (www.facebook.com/NJElectionLaw) and Twitter (www.twitter.com/elecnj).

REPORTING DATES

ELECTION	48 HOUR START DATE	INCLUSION DATES	FILING DATE
GENERAL** (90 DAY START DATE: 8/8/12)	10/24/12		11/6/2012
29-day Preelection Reporting Date		6/23/12 - 10/5/12	10/9/2012
11-day Preelection Reporting Date		10/6/12 - 10/23/12	10/26/2012
20-day Postelection Reporting Date		10/24/12 - 11/23/12	11/26/2012
RUNOFF (DECEMBER)*	11/21/12		12/4/2012
29-day Preelection Reporting Date		No Report Required for this Period	
11-day Preelection Reporting Date		10/24/12 - 11/20/12	11/23/2012
20-day Postelection Reporting Date		11/21/12 - 12/21/12	12/24/2012
PACs & CAMPAIGN QUARTERLY FILERS			
3rd Quarter		7/1/12 - 9/30/12	10/15/2012
4th Quarter		10/1/12 - 12/31/12	1/15/2013

* A candidate committee or joint candidates committee that is filing in a 2012 Runoff election is not required to file a 20-day postelection report for the corresponding prior election (May Municipal or General).

** Form PFD-1 is due on April 12, 2012 for Primary Election Candidates and June 15, 2012 for Independent General Election Candidates.