



ELEC-TRONIC

An Election Law Enforcement Commission Newsletter

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"Furthering the Interest of an Informed Citizenry"

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Website:

www.elec.state.nj.us

Comments from the Chairman Ronald DeFilippis

October is upon us so that means heightened activity for campaign treasurers.

In order to effectively comply with campaign financing disclosure rules, treasurers should first acquaint themselves with the Commission's website at www.elec.state.nj.us.

When accessing the site treasurers should click onto the Candidates & Committees tab.

After completing this step there will be several tabs that will appear. All of these will help with complying with the requirements of the law.

These tabs include Forms and Instructions, Contribution Limits, Reporting Dates, Seminar Training, Treasurer Training, Electronic Filing, and Summary of the Law.

Perhaps the most important of these, at least at first glance, is the tab containing the Reporting Dates.

By acquainting themselves with the reporting dates, treasurers will not only get a sense of when reports are to be filed but how much preparation time is needed.

In the case of candidates committees, treasurers must file reports 29 and 11-days prior to the election and 20-days following Election Day. If an account is kept open reports must be first filed the following April 15 and then in each subsequent quarter.

However, treasurers are encouraged to close accounts as soon as possible. If candidates plan to run in the future they should open up a new account geared toward the future election.

After becoming acquainted with the filing dates, treasurers should become familiar with the law through accessing the "Summary of the Law" tab. By reading through the summary, treasurers will be laying the ground work for the next step, which is to review the manual applicable to candidates.

The manual provides a summary of requirements, reinforcing those contained in the "Summary of the Law," a contribution chart, and reporting forms.

At this point, treasurers may want to contact the Commission, particularly if any part of the law or requirements are not understood. Treasurers should not hesitate to do this for the law is complex.

By calling (609) 292-8700 or toll free at (888)-313-ELEC (3532) a receptionist will answer your call and direct you to the appropriate compliance officer.

The Commission's trained personnel will walk you through the manual and answer your questions.

By speaking with a compliance officer areas of complexity can be clarified to avoid future problems.

Following your conversation with a compliance officer it may be helpful to take the online training course that is available on the website. This online training is mandatory for treasurers of gubernatorial and legislative candidates but not for treasurers of local candidate committees.

Nevertheless, the online training is helpful and those taking it will receive a certificate from the Commission.

Hopefully, this information is helpful and will start treasurers on the road to a successful effort that will not only be in compliance with campaign finance laws but will bring about greater transparency during the electoral process.

Executive Director's Thoughts Jeff Brindle

Simplify Pay-to-Play with One State Law

Reprinted from politickernj.com

A lone PAC contribution to Trenton Mayor Eric Jackson's campaign highlights the need for pay-to-play reform in New Jersey.

During the recent mayoralty election in Trenton, newly elected Mayor Eric Jackson received an \$8,200 campaign contribution from Initiate Civic Empowerment PAC (ICE).

What raised the eyebrows of some in Trenton was the fact that one of the partners in the law firm Long, Marmero and Associates served as treasurer of the PAC.

In turn, the firm was granted a public contract worth \$20,000.

A local blogger, Kevin Moriarty, charged that if the law firm received the contract it would undermine the city's pay-to-play ordinance.

The blogger told the Trenton Times, "the firm should be barred from doing business with the city because the principals are able to influence and select the recipients of the PAC dollars."

City attorney David Minchello, after reviewing the matter, determined that no violation of Trenton's pay-to-play law occurred.

Trenton's ordinance prohibits public contractors from contributing to PACs that in turn contribute to candidates participating in the city's election.

ICE, the city attorney found, did not violate the city ordinance in that none of the partners of Long, Marmero and Associates donated to the PAC.

Legally speaking, city attorney Minchello is correct. No violation occurred. However, as blogger Moriarty points out, letting a partner serve as treasurer may violate the spirit of the law, thus giving the appearance of a conflict.

Pay-to-Play law not only appears confusing, it is confusing. It is a panoply of a dizzyingly complex array of statutes, ordinances, and executive orders.

For example, local governments can comply with state law, adopt their own ordinances, which can be stronger or weaker than state law, or bypass pay-to-play altogether by invoking the “fair-and open loophole.”

Fair and open allows for local governments to publicly advertise their bids and thereby opt out of the law’s restrictions.

At last count, 176 local governments have adopted their own ordinances, which can come in various shapes and sizes. What’s more, when local policies change- often ordinances change as well.

So what needs to be done?

Legislation needs to be enacted that would simplify pay-to-play by establishing one state law that would apply across the board to state contracting as well as to local contracting.

In other words, every governmental entity in New Jersey should comply with the same law.

The Election Law Enforcement Commission has made this proposal along with several other accompanying recommendations that would reform pay-to-play and strengthen disclosure.

Besides one state law, the Commission recommends that all contracts of more than \$17,500 be disclosed. This would enhance transparency in government.

It also proposes eliminating the fair-and-open loophole that allows local government to opt out of pay-to-play.

Finally, the Commission recommends raising the contribution limit applicable to public contractors from \$300 to \$1,000. This small step would discourage public contractors from attempting to circumvent the law by establishing PACs or giving to independent groups.

These commonsense reforms would go far toward making a well intentioned law more understandable and enforceable. It would also help to offset some of the

increasing influence of independent groups over our electoral system.

Further, it would help to dispel the confusion that often reigns at the local level of politics as evidenced by the situation in Trenton.

TRAINING SEMINARS

The seminars listed below will be held at the Offices of the Commission, located at 28 West State Street, Trenton, NJ. Please visit ELEC’s website for more information on training seminar registration at www.elec.state.nj.us.

PAY-TO-PLAY TRAINING SEMINARS	
November 14, 2014	10:00 a.m.
TREASURER TRAINING FOR POLITICAL PARTY COMMITTEES AND PACS	
December 10, 2014	10:00 a.m.
R-1 ELECTRONIC FILING SOFTWARE (REFS) TRAINING	
October 1, 2014	10:00 a.m.

LOBBYING REPORTING DATES		
Lobbying Quarterly Filing	INCLUSION DATES	ELEC DUE DATE
3 rd Quarter	7/1/14 – 9/30/14	10/10/14
4 th Quarter	10/1/14 – 12/31/14	1/12/15

SPECIAL INTEREST OVERVIEW

The top 25 special interest groups during the past 15 years spent a combined \$311 million on campaign contributions, lobbying and independent spending, according to an analysis by the New Jersey Election Law Enforcement Commission (ELEC).

The major spending went to political contributions (\$163 million), followed by lobbying (\$107 million), and, in more recent years, independent spending on campaigns (\$41 million).

**TABLE 1
TOP SPECIAL INTEREST GROUPS- 1999-2013**

RANK	GROUP	CAMPAIGN CONTRIBUTIONS	INDEPENDENT SPENDING*	LOBBYING	TOTAL
1	New Jersey Education Association	\$ 16,681,005	\$ 15,614,427	\$ 24,761,355	\$ 57,056,787
2	IBEW and Affiliates	\$ 26,299,636	\$ 436,000	\$ 163,027	\$ 26,898,663
3	NJ State Laborers and Affiliates	\$ 24,673,953	\$ 640,000	\$ 1,102,656	\$ 26,416,609
4	Northeast Regional Council of Carpenters and Affiliates	\$ 18,559,023	\$ 2,210,000	\$ 462,445	\$ 21,231,468
5	NJ Association of Realtors	\$ 11,775,537	\$ 1,410,572	\$ 4,337,532	\$ 17,523,640
6	Plumbers and Pipefitters Affiliates	\$ 14,535,409	\$ 27,000	\$ 29,145	\$ 14,591,554
7	Verizon	\$ 1,197,609	\$ 50,000	\$ 11,521,798	\$ 12,769,407
8	NJ Hospital Association	\$ 2,254,143		\$ 8,787,511	\$ 11,041,654
9	Communications Workers of America and Affiliates	\$ 8,545,397	\$ 997,841	\$ 1,477,136	\$ 11,020,374
10	NJ Builders Association	\$ 3,197,365	\$ 25,000	\$ 7,505,233	\$ 10,727,598
11	Republican Governor's Association		\$ 9,250,000		\$ 9,250,000
12	NJ Business and Industry Association and Affiliate NJ Organization for a Better State	\$ 5,502,315	\$ 5,000	\$ 3,625,225	\$ 9,132,540
13	AARP			\$ 8,854,940	\$ 8,854,940
14	Committee for Our Children's Future		\$ 7,800,000		\$ 7,800,000
15	AFSCME	\$ 5,441,846	\$ 2,119,648	\$ 170,530	\$ 7,732,024
16	NJ Association for Justice (Formerly ATLA)	\$ 5,612,431		\$ 1,251,940	\$ 6,864,371
17	PSE&G	\$ 655,518	\$ 286,500	\$ 5,726,322	\$ 6,668,340
18	NJ State League of Municipalities			\$ 6,399,160	\$ 6,399,160
19	Prudential Companies	\$ 199,723	\$ 100,000	\$ 5,815,959	\$ 6,115,681
20	International Union of Operating Engineers Local 825 and Affiliates	\$ 4,880,030	\$ 23,500	\$ 1,061,994	\$ 5,965,524
21	Atlantic City Electric	\$ 70,479	\$ 55,000	\$ 5,442,651	\$ 5,568,130
22	T&M Associates	\$ 5,540,225			\$ 5,540,225
23	NJ Dental Association	\$ 3,279,226		\$ 2,149,861	\$ 5,429,087
24	Medical Society of New Jersey	\$ 4,295,022		\$ 1,074,808	\$ 5,369,830
25	First Energy/JCP&L	\$ 278,144		\$ 5,051,712	\$ 5,329,857
	TOTALS	\$ 163,474,037	\$ 41,050,488	\$106,772,940	\$311,297,464

*Includes ballot question committees.

Jeff Brindle, ELEC's Executive Director, said the influence of the special interest groups was uncovered through ELEC's broadest-ever review of their New Jersey political efforts.

"This is the most detailed examination of special interest spending ever done by ELEC. It included looking at contributions made either through PACs or directly to candidates and parties, lobbying and independent spending on both campaigns and ballot initiatives," he added.

"While eight unions collectively are the biggest spenders, the top 25 represents a wide array of interests. It includes three trade associations, two national political committees, four utilities and an insurance company that are regulated by the state, a public contractor, four professional associations and two "ideological" groups that represent businesses and senior citizens," Brindle said.

He explained that political action committees (PACs) traditionally have been one of the major outlets for special interest spending. But focusing solely on PACs does not disclose the full clout of special interest groups. "Some interest groups, such as public contractors, make massive contributions without PACs. Those groups also exert an influence in the state's capitol," said Brindle.

Other groups mostly rely on lobbying, particularly regulated industries that are barred by law from making direct campaign contributions and do minimal spending through employee PACs, Brindle said. He also explained that since 2009, there has been a major surge of independent campaign spending, both nationally and within New Jersey.

"There are lots of ways for special interest groups to wield their influence, and the biggest ones take advantage of some or all of these options," he said.

Overall, unions were the biggest spenders, leading all groups in contributions (\$120 million), independent spending (\$22 million) and total spending (\$171 million). Regulated industries invested the most dollars in lobbying (\$34 million).

**TABLE 2
TOP SPENDING BY TYPE OF
SPECIAL INTEREST GROUP**

TYPE	CONTRIBUTIONS	INDEPENDENT SPENDING	LOBBYING	TOTAL
Union	\$ 119,616,299	\$ 22,068,416	\$ 29,228,287	\$ 170,913,002
Trade Association	\$ 17,227,045	\$ 1,435,572	\$ 20,630,275	\$ 39,292,892
Regulated Industry	\$ 2,401,474	\$ 491,500	\$ 33,558,442	\$ 36,451,415
Professional	\$ 18,726,904		\$ 10,875,770	\$ 29,602,674
Ideological	\$ 5,502,315	\$ 17,055,000	\$ 12,480,165	\$ 35,037,480
GRAND TOTAL	\$ 163,474,037	\$ 41,050,488	\$ 106,772,940	\$ 311,297,464

Regulated industries include gas and electric utilities, insurance, water and cable companies and other businesses that are substantially regulated by the state.

Looking only at 2013, unions also were big spenders during a state campaign that was the largest since 2001. It featured a campaign for governor and all 120 legislative seats.

**TABLE 3
TOP SPECIAL INTEREST GROUPS-2013**

RANK	GROUP	CAMPAIGN CONTRIBUTIONS	INDEPENDENT SPENDING	LOBBYING	TOTAL
1	New Jersey Education Association	\$ 1,602,022	\$ 14,608,194	\$ 3,316,893	\$ 19,527,109
2	Northeast Regional Council of Carpenters and Affiliates	\$ 2,107,040	\$ 2,000,000		\$ 4,107,040
3	IBEW and Affiliates	\$ 3,107,412	\$ 336,000		\$ 3,443,412
4	NJ State Laborers and Affiliates	\$ 2,787,003		\$ 123,270	\$ 2,910,273
5	One New Jersey		\$ 2,800,000		\$ 2,800,000
6	NJ Association of Realtors	\$ 1,248,937	\$ 1,120,572	\$ 388,438	\$ 2,757,947
7	AFL-CIO	\$ 53,464	\$ 2,163,343	\$ 383,797	\$ 2,600,604
8	Republican Governor's Association		\$ 1,725,000		\$ 1,725,000
9	Plumbers and Pipefitters Affiliates	\$ 1,642,690	\$ 27,000		\$ 1,669,690
10	Communications Workers of America and Affiliates	\$ 1,038,436	\$ 614,099		\$ 1,652,535
11	International Union of Operating Engineers Local 825 and Affiliates	\$ 1,314,119	\$ 23,500	\$ 89,703	\$ 1,427,322
12	Service Employees International Union and Affiliates	\$ 868,966	\$ 100,200	\$ 26,350	\$ 995,516
13	NJ Business and Industry Association and Affiliate NJ Organization for a Better State	\$ 677,404	\$ 5,000	\$ 293,670	\$ 976,074
14	Enterprise Freedom Action Committee ⁽¹⁾		\$ 970,000		\$ 970,000
15	Americans For Prosperity			\$ 951,233 ⁽²⁾	\$ 951,233
16	NJ Association for Justice (Formerly ATLA)	\$ 636,538		\$ 212,500	\$ 849,038
17	Honeywell International Inc.	\$500		\$ 822,575	\$ 823,075
18	Verizon	\$ 127,480		\$ 674,269	\$ 801,749
19	NJ Hospital Association	\$ 170,218		\$ 628,337	\$ 798,555
20	PSE&G	\$ 93,000		\$ 635,589	\$ 728,589
21	AARP			\$ 717,148	\$ 717,148
22	Prudential			\$ 647,108	\$ 647,108
23	Remington and Vernick	\$ 529,400			\$ 529,400
24	Hackensack University Medical Center	\$ 7,300		\$ 508,500	\$ 515,800
25	Medical Society of New Jersey	\$ 371,412		\$ 139,981	\$ 511,393
	TOTALS	\$ 18,383,341	\$ 26,492,908	\$ 10,559,362	\$ 55,435,610

(1) Federal Super PAC that contributed to ballot initiative committee.

(2) Includes \$400,000 in independent spending.

The state's oldest registered lobbying group and the top special interest spender since 1999 is the New Jersey Education Association. The union represents 195,501 teachers and other school employees.

NJEA spent \$57 million during the period- \$30 million more than the next biggest spender, the International Brotherhood of Electrical Workers and its state affiliates. In 2013 alone, it spent \$19.5 million on contributions, independent spending, and lobbying- the largest annual total ever for any special interest group.

"NJEA is considered a powerhouse in Trenton and for good reason. Few special interest groups come close to matching its financial clout," said Brindle.

**TABLE 4
NJEA PAC, LOBBYING AND INDEPENDENT SPENDING
1999-2013**

YEAR	NJEA SCHOOL ELECTIONS COMMITTEE*	NJEA PAC	INDEPENDENT	LOBBYING	TOTAL
1999	\$ 150,983	\$ 551,183		\$ 156,696	\$ 858,862
2000	\$ 155,160	\$ 336,980		\$ 181,331	\$ 673,471
2001	\$ 189,239	\$ 647,614	\$ 408,920	\$ 173,341	\$ 1,419,114
2002	\$ 524,414	\$ 354,692		\$ 283,989	\$ 1,163,095
2003	\$ 228,123	\$ 703,296		\$ 272,367	\$ 1,203,785
2004	\$ 203,125	\$ 450,586		\$ 262,713	\$ 916,424
2005	\$ 340,364	\$ 691,058		\$ 249,750	\$ 1,281,172
2006	\$ 378,099	\$ 519,097		\$ 342,271	\$ 1,239,467
2007	\$ 276,188	\$ 1,215,626		\$ 317,488	\$ 1,809,302
2008	\$ 504,798	\$ 531,653		\$ 305,463	\$ 1,341,914
2009	\$ 744,512	\$ 1,016,883	\$ 522,313	\$ 360,505	\$ 2,644,213
2010	\$ 478,759	\$ 675,967		\$ 6,869,256	\$ 8,023,982
2011	\$ 767,712	\$ 1,526,013		\$ 11,259,886	\$ 13,553,611
2012	\$ 24,605	\$ 892,255	\$ 75,000	\$ 409,407	\$ 1,401,267
2013	\$ 3,905	\$ 1,598,117	\$ 14,608,194	\$ 3,316,893	\$ 19,527,109
GRAND TOTALS	\$4,969,986	\$ 11,711,019	\$ 15,614,427	\$ 24,761,355	\$ 57,056,787

*Net totals after adjusting for transfers back to NJEA.

For the third year, ELEC reviewed all spending by 296 PACs that filed reports to determine how much went directly to New Jersey candidates and committees in 2013.

The analysis found that PACs funneled \$22.1 million to New Jersey candidates and committees- a 148 percent increase from the \$8.9 million in estimated spending the year before, when there were no major state elections.

**TABLE 5
TOTAL CONTRIBUTIONS BY PACS IN 2013 TO
NEW JERSEY CANDIDATES AND COMMITTEES***

RECIPIENT	AMOUNT	PERCENT
Legislative	\$ 13,665,583	62%
Local/Other PACs	\$ 4,061,068	18%
County Parties	\$ 2,873,799	13%
State Parties	\$ 819,207	4%
Gubernatorial	\$ 720,453	3%
TOTAL	\$ 22,140,110	100%

*Excludes federal candidates.

Including the \$22.1 million that went directly to New Jersey candidates and committees, PACs that register with ELEC reported spending a total of \$59.5 million- the highest amount ever.

Most of the difference between the two numbers represents funds that went to out-of-state candidates or committees, or to federal candidates in New Jersey. Some national PACs that register in New Jersey include all spending in their reports, including funds that go to other states.

Copies of PAC, lobbying and independent spending reports are available on ELEC's website at www.elec.state.nj.us.

Access the link below for a copy of the full press release.

http://www.elec.state.nj.us/pdf/press_releases/pr_2014/pr_09102014.pdf

REPORTING DATES

	INCLUSION DATES	REPORT DUE DATES
Fire Commissioner - 2/15/2014		
29-day pre-election	Inception of campaign* - 1/14/14	1/17/2014
11-day pre-election	1/15/14 - 2/1/14	2/4/2014
20-day post-election	2/2/14 - 3/4/14	3/7/2014
48 Hour Notice Reports Start on 2/2/2014 through 2/15/2014		
School Board Election - 4/23/2014		
29-day pre-election	Inception of campaign* - 3/22/14	3/25/2014
11-day pre-election	3/23/14 - 4/9/14	4/14/2014
20-day post-election	4/10/14 - 5/10/14	5/13/2014
48 Hour Notice Reports Start on 4/10/2014 through 4/23/2014		
May Municipal Election - 5/13/2014		
29-day pre-election	Inception of campaign* - 4/11/14	4/14/2014
11-day pre-election	4/12/14 - 4/29/14	5/2/2014
**20-day post-election	4/30/14 - 5/30/14	6/2/2014
48 Hour Notice Reports Start on 4/30/2014 through 5/13/2014		
Runoff Election (June)** - 6/10/2014		
29-day pre-election	No Report Required for this Period	
11-day pre-election	4/30/14 - 5/27/14	5/30/2014
20-day post-election	5/28/14-6/27/14	6/30/2014
48 Hour Notice Reports Start on 5/28/14 through 6/10/14		
Primary Election - 6/3/2014		
29-day pre-election	Inception of campaign* - 5/2/14	5/5/2014
11-day pre-election	5/3/14 - 5/20/14	5/23/2014
20-day post-election	5/21/14 - 6/20/14	6/23/2014
48 Hour Notice Reports Start on 5/21/14 through 6/3/14		
90 Day Start Date: 3/5/14		
General Election - 11/4/2014		
29-day pre-election	6/21/14 - 10/3/14	10/6/2014
11-day pre-election	10/4/14 - 10/21/14	10/24/2014
20-day post-election	10/22/14 - 11/21/14	11/24/2014
48 Hour Notice Reports Start on 10/22/14 through 11/4/14		
Runoff Election** - 12/2/2014		
29-day pre-election	No Report Required for this Period	
11-day pre-election	10/22/14 - 11/18/14	11/21/2014
20-day post-election	11/19/14 - 12/19/14	12/22/2014
48 Hour Notice Reports Start on 11/19/14 through 12/2/14		
PACs, PCFRs & Campaign Quarterly Filers		
1st Quarter	1/1/14 - 3/31/14	4/15/2014
2nd Quarter***	4/1/14 - 6/30/14	7/15/2014
3rd Quarter	7/1/14 - 9/30/14	10/15/2014
4th Quarter	10/1/14 - 12/31/14	1/15/2015

* Inception Date of Campaign (first time filers) or from January 1, 2014 (Quarterly filers).

** A candidate committee or joint candidates committee that is filing in a 2014 Runoff election is not required to file a 20-day post-election report for the corresponding prior election (May Municipal or General).

*** A second quarter report is needed by Independent General Election candidates if they started their campaign before May 6, 2014.