



# 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](http://www.elec.state.nj.us)

## Comments from the Chairman **Ronald DeFilippis**

Another election has come and gone. So it's time to recap financial activity undertaken by Assembly candidates, the "Big Six" committees, and county party committees during the recent general election and the past year.

Moreover, it is a good time to once again point to the growing influence of independent groups.

During the campaign, the Commission published several analyses of campaign financial activity reported by Assembly candidates, the two state party committees, the four legislative leadership committees, and the 42 county party organizations.

So here is what we found.

As reported earlier and published in various media throughout the State, financial activity continued on its downward trend.

Legislative spending, as reported 11-days prior to the election, declined by \$2 million from that in 2013. Spending by the "Big Six" committees dropped more dramatically by 40 percent and financial activity by county party organizations decreased by 6 percent.

A number of factors have contributed to this decline in financial activity in recent years, foremost among them, the pay-to-play law which has restricted contractor giving, and the growth of independent expenditures.

Overall, fundraising by Assembly candidates in the general election amounted to \$17.5 million at the 11-day filing. These same candidates spent \$12 million.

Democratic candidates raised \$12.3 million and spent \$8.9 million. Their Republican counterparts raised \$5.2 million and spent \$3.1 million.

What stood out in this election was the significant gap in financial activity between incumbents and challengers. Incumbents raised 80 percent of funds to 20 percent by challengers. Historically, that differential was more like 60-40.

According to the third quarter reports, the State's two major political parties raised \$3.9 million. The New Jersey Republican State Committee raised \$1 million to the Democratic State Committee, which raised \$800,000.

The Democratic legislative leadership committees raised \$1 million to \$1.1 million by the GOP.

All together the Republican big three raised about \$2 million and the Democratic big three raised \$1.9 million.

These figures were taken from third quarter reports.

Finally, county political party organizations raised \$4.1 million, with the 21 Democratic Committees raising \$2.9 million to \$1.9 million raised by GOP county organizations.

Spending by the "Big Six" committees and the county organizations was also down. Through September 30, 2015, the "Big Six" spent \$3.6 million while the county party committees spent \$4.2 million.

Independent, outside groups, in a preliminary analysis, appears to have spent in excess of \$9.5 million for legislative candidates. This type of activity has continued to grow. It constituted about 43 percent of total spending on the Assembly campaign.

In the coming months, the Commission will continue to bring greater transparency to the process by providing up-to-date analyses of campaign financial activity in New Jersey.

Importantly, the public can obtain further information by accessing the Commission's website at [www.elec.state.nj.us](http://www.elec.state.nj.us) and keying into the Commission's website.

Detailed information involving candidates at all levels of government as well as various political party entities and PACs is available.

## Executive Director's Thoughts Jeff Brindle

### Secret Independent Influence on Elections at 'Astounding' Levels

Reprinted from politickernj.com

There is no better illustration of the dominant role in elections undertaken by independent groups in New Jersey than this year's Assembly contest.

For some time now, this column has described how independent groups like Super PACs and 501(c)4 organizations are assuming the traditional roles once played by political parties and even candidates themselves.

Activity in this year's election certainly underscores this point. As shown in ELEC's recent analytical press release, financial activity by the Big Six party entities continues to decline.

In comparing this year's totals to those in 1999, the last time only the Assembly ran for election, spending as adjusted for inflation, is down an amazing 47 percent.

As of the third quarter, the two state parties and four legislative leadership committees have spent a combined \$3.6 million. Moreover, the state's 42 county parties combined had spent about \$4.1 million through September. The total for party and leadership committees- \$7.7 million.

Compare that to the \$8.5 million spent by independent groups in the general election alone.

Spending by these outside groups equals 42 percent of total spending in the general election by 160 candidates for Assembly.

These are astounding figures. They undoubtedly point to the growing influence of often secretive independent groups over New Jersey's electoral process.

As in other states, New Jersey faces an important decision. Does it want to continue down this path toward an electoral future dominated by independent group spending that is often anonymous and secretive? Or does it want to change state law and return to a system

whereby political parties and candidates thrive in an atmosphere of transparency?

Recent New Jersey history offers several examples of how changing the law alters the electoral landscape.

In the 1980's, the political party system in New Jersey, for a variety of reasons, was very weak.

Reform legislation enacted in 1993, coupled with a U.S. Supreme Court decision in 1989 that allowed parties to endorse candidates, changed that situation. Political parties in New Jersey, particularly the county parties, were greatly strengthened.

Following other reform legislation enacted in 2004, which instituted the state's pay-to-play law, the electoral landscape changed again.

The pay-to-play law, together with the McCain/Feingold reforms of 2003 and the U.S. Supreme Court ruling in Citizens United, ushered in the era of independent group influence and waning political party strength.

Without new reforms, voters could be faced with a future where they have little idea who is spending the money to elect public officials. The new legislation would remake the parties and require disclosure by independent groups. It would alter the electoral landscape in New Jersey again- this time for the better.

Under those reforms, political parties should be exempt from the pay-to-play law while special interest PACs should be included in it. Further, limits on contributions to political parties and candidates should be raised somewhat.

Independent groups should be subject to registration and disclosure requirements and public contractors that contribute to these groups should be required to disclose their contributions.

The U.S. Supreme Court has consistently upheld registration and disclosure requirements for political parties and candidates despite First Amendment free speech and Assembly rights. Politically active independent groups, which unlike parties and candidates face no contribution limits, should at least submit to these milder forms of regulation.

Political parties in New Jersey should also be able to contribute to gubernatorial candidates or spend independently on their behalf.

Finally, the Supreme Court should reconsider Citizens United and allow reasonable limits on contributions to independent groups.

Individual citizens themselves would still enjoy First Amendment protections to spend as much of their personal funds as they want independently. But no longer would the spending be filtered through an often anonymous group.

These commonsense reforms would go far toward promoting the public good.

## 2016 Commission Meeting Schedule

The New Jersey Election Law Enforcement Commission has announced its meeting schedule for 2016. Unless otherwise indicated in the future, meetings will be held at the Commission's offices at 28 West State Street, 12<sup>th</sup> Floor, in Trenton. It is anticipated that meetings will begin at 11:00 a.m., unless otherwise indicated

January	19, 2016 - 11:00 a.m.
February	16, 2016 - 11:00 a.m.
March	15, 2016 - 11:00 a.m.
April	19, 2016 - 11:00 a.m.
May	17, 2016 - 11:00 a.m.
June	21, 2016 - 11:00 a.m.
July	19, 2016 - 11:00 a.m.
August	16, 2016 - 11:00 a.m. (if necessary)
September	20, 2016 - 11:00 a.m.
October	18, 2016 - 11:00 a.m.
November	15, 2016 - 11:00 a.m.
December	20, 2016 - 11:00 a.m.

## Stephanie Olivo “Profile” Compliance Director

By Joe Donohue, Deputy Director

Stephanie Olivo learned plenty when she served for three years as municipal prosecutor in her hometown of Hammonton.

Like most young prosecutors, she began the job with guns blazing.

She handled scores of cases involving drunk driving, simple assault, minor drug possession, accidents, and speeding tickets. Olivo even prosecuted a couple for animal cruelty after their house was made unlivable by their more than 70 feral cats.

Over time, she realized even prosecutors can't come on strong all the time. They have to temper their desire for justice with fairness and common sense.

“I realized I am an officer of the court and I am supposed to get to the truth,” she said.

In her new job as ELEC’s compliance director, which she began June 15, her mission is to help candidates and treasurers follow the law so they can avoid a civil penalty.

Olivo, who as a lawyer had some exposure to local politics, said she knows many people running for office may fail to understand that state law requires them to disclose their campaign fundraising activities. Those who spend above certain thresholds must submit multiple reports detailing their contributions and expenses.

Olivo said one of her main goals is to “communicate with filers to help them comply with our rules.”

ELEC provides training both online and in person. The agency’s website also has manuals for different filers, charts, and a copy of ELEC’s regulations and advisory opinions.

Staff is available from 9 am to 5 pm weekdays to answer questions about reporting obligations. For complicated matters, candidates or treasurers can even meet with an

ELEC compliance officer to sort things out. ELEC also sends multiple letters and makes calls to remind filers of their obligations.

After just five months at the agency, Olivo believes few public agencies in the state are more responsive. “We truly bend over backwards to help people,” she said.

Given ELEC’s efforts, the former prosecutor has little sympathy for candidates and others who simply defy the law by filing their reports, incomplete- or not filing at all. “There is no excuse. They get fined only after we tried to help them,” Olivo said.

Olivo joined ELEC after working as senior counsel for four years at the New Jersey Casino Control Commission. Some of her other jobs included working in private practice, serving as assistant solicitor in Atlantic City, and working as municipal public defender in Millville. As an adjunct faculty member, Olivo also taught family law for three years at her alma mater, Richard Stockton State College in Pomona.

While majoring in criminal justice at Stockton, she considered becoming a police officer or applying for the FBI. Instead, she ended up attending Rutgers University School of Law in Camden, graduating in 2002. It wasn’t surprising that she grew up thinking she might become an attorney because her father and several other relatives are lawyers.

Olivo has two children- two-year-old daughter Elle and four-year-old son Andrew. She doesn’t have a lot of spare time. When she does, she bakes Italian-style cookies, including biscottis and pizzelles. She learned those recipes from her two grandmothers growing up.

One of the beneficiaries of her baking is husband Joe, a probation officer.

Her television viewing preferences lean to shows about lawyers, politics and cops, including “The Good Wife,” “Madam Secretary,” and “Chicago P.D.”

## Three Retirements Cost ELEC 108 Years of Combined Experience

Three well-known veteran employees of the New Jersey Election Law Enforcement Commission (ELEC) have left the agency due to retirements.

Information Technology Director Carol Neiman served her last day on Monday, November 30, 2015 after 37 years of service to the agency.

Under her leadership, ELEC entered the computer age, including its first-ever website in 1997. In 2010, ELEC's website was honored as the "Best Official New Jersey Web Site" by the Documents Association of New Jersey.

More recently, she helped direct a new wave of modernization to ELEC's computer network authorized by the Legislature and Governor Chris Christie in 2014. Those efforts will be continued by her successor, Anthony Giancarli.

Two other ELEC employees to recently depart due to retirements are Debra Kostival and Irene Comiso. Sometimes called the "Faces of ELEC," they interacted for decades with the public as receptionists, either in person or over the phone. They have been succeeded by Valencia Daly and Jelitza DeLeon.

Debbie was the first employee ever hired by ELEC during its founding year in 1973. Irene began working at the agency in 1986.

Between them, the three ex-ELEC workers had combined 108 years of experience.

Jeff Brindle, ELEC's Executive Director, said all three workers will be missed. "In many ways, ELEC is like a large family. It isn't easy losing three long-time members all in one month," he said.

"Carol, Debbie and Irene all left an indelible impression on this agency. Their legacies will never be forgotten," he said.

## Training Seminars

The seminars listed below will be held at the Offices of the Commission, located at 28 West State St., Trenton, NJ.

Please visit ELEC's website at [www.elec.state.nj.us](http://www.elec.state.nj.us) for more information on training seminar registration.

TREASURER TRAINING FOR POLITICAL PARTY COMMITTEES AND PACS	
December 16, 2015	10:00 a.m.

## Lobbying Reporting Dates

LOBBYING REPORTING DATES		
Quarterly Filing	Inclusion Dates	ELEC Due Date
4 <sup>th</sup> Quarter	10/1/2015-12/31/2015	1/11/2016



## Treasury Department FAQ Offers Pay-To-Play Guidance for Public Contractors

By Joe Donohue, Deputy Director

The New Jersey Department of the Treasury recently updated its question and answer guidance document for public contractors who may face restrictions under state pay-to-play laws.

To access the 27-page document, which provides a wealth of advice on a wide range of issues, go to this website:

<http://www.state.nj.us/treasury/purchase/forms.shtml#eo134>.

Once there, click on the report highlighted below:

VENDOR FORMS REQUIRED FOR CONTRACT AWARD		
Two-Year Ch 51/Executive Order 117 Vendor Certification and Disclosure of Political Contributions (Instructions included)	 NJ START	 PDF (1.83 MB)
Ch 51/Executive Order 117 Q & A		 PDF (98 kB)
Affirmative Action Employee Information Report *Corresponding Instructions & EEO Language (Form AA302)		 PDF (274 KB)  PDF (1.87 MB)

Here are just a few of the questions and responses:

**11. Is there a contact person that I could speak to directly about compliance with Chapter 51 and Executive Order 117? We have a few questions that I need to discuss with someone, if possible.**

Answer: No. Agencies and business entities are requested to submit all questions electronically to the following link:

<https://www.state.nj.us/treas/purchase/eo134questions.shtml>.

**65. If a company has a current State contract can they contribute to a county political party?**

Answer: Pursuant to N.J.S.A. 19:44A-20.21, it is a breach of contract to make a reportable contribution (meaning a contribution in excess of \$300 or a contribution in cash) to county political party committees during the term of the contract.

**105. Would it be appropriate under Chapter 51 and EO 117 for one of our managing directors to host and/or attend an event for a presidential candidate that currently is the holder of the public office of Governor? Also, would it be appropriate for him to make a contribution to a federal Super PAC supporting the Governor's candidacy for president?**

Answer: Chapter 51 and EO 117 do not apply to a federal candidate election fund, regardless of the State office the candidate currently holds. Additionally, contributions to a federal Super PAC, also known as an "independent expenditure-only committee," are also not restricted under Chapter 51 and EO 117.

Even when a complaint is filed with the New Jersey Election Law Enforcement Commission about a possible pay-to-play violation involving a state contract, Treasury Department officials make the final decision. ELEC serves only as an advisory body.

ELEC's main role is to collect and distribute annual reports submitted by public contractors that either list their contracts and reportable contributions, or indicate that the firm made no contributions that might affect its public contracts during the previous year.

ELEC provides a PowerPoint summary of pay-to-play laws and other information at this website: <https://wwwnet1.state.nj.us/lpd/elec/ptp/p2p.html>.