



# 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

Maintaining accurate and complete records is among the most important jobs of a campaign treasurer.

Treasurers and/or deputy treasurers of candidate committees are required to keep a written record of all financial activity undertaken by the committee.

This means that all contributions received, including monetary and in-kind, and all expenditures made, are to be part of the official campaign record.

All records pertaining to an election are to be kept for four years, or for four years following the transaction to which the records relate.

Failure to keep records will subject candidates and treasurers to fines for lack of compliance.

The following information about contributions must be kept.

1. The name and address of the contributor;
2. The amount of the contribution;
3. The date the contribution was received; and,
4. The name of the checking account.

Further if the contributor is an individual, the occupation of the contributor and his or her employer and mailing address must be retained.

Records are to be kept on all contributions, even those that are \$300 or less.

Likewise, extensive records must be maintained regarding expenditures. The following expenditure information is required:

1. Written records of all expenditures;
2. The name and address of the recipient;
3. The amount and date of the expenditures; and,
4. The purpose of the expenditure.

In addition, the treasurer must maintain receipts, invoices, bills, and other documentation for each expenditure made. Moreover, a record of which permissible uses of funds is applicable to the expenditure should be provided.

As noted in an earlier column, expenditures made by credit card are subject to record keeping as well.

Records of the exact name or title of the owner of the credit card used by the committee is required to be kept. Moreover, the name of the lending institution issuing the card, the date of the purchase, the name and address of the vendor from whom the purchase was made, the purpose of the purchase, and the cost and description of the goods or services purchased are required to be maintained.

Finally, thorough and complete records involving contributions from partners in a partnership or limited liability (LLC) entity are to be kept.

A partnership or LLC is prohibited from making contributions in New Jersey. Therefore, if a contribution is received from a partnership or LLC, the following information must be maintained:

1. Instructions concerning the allocation of the contribution amount to a contributing partner;
2. A signed acknowledgement of the contribution from each contributing partner who has not signed the contribution check or other written instrument; and,
3. Contributor information from each contributing partner or member.

## **ELEC COMMISSIONER WALTER F. "WALLY" TIMPONE CONFIRMED AS NEW JERSEY STATE SUPREME COURT JUSTICE**

ELEC Commissioner Walter F. "Wally" Timpone was confirmed on April 25, 2016 by the state Senate as a member of the New Jersey Supreme Court. The vote was 33-1.

Timpone, 65, a Cranford resident, has served as Vice Chairman of ELEC since October 2010. He was appointed by Governor Chris Christie.

He is a partner of the Morristown firm of McElroy, Deutsch, Mulvaney & Carpenter. Formerly, he served as Chief of Special Prosecutions for the United States Attorney's Office in Newark. He has extensive trial experience, and has been named a Super Lawyer in New Jersey since its inception in 2005.

Chairman Ron DeFilippis said that it was a pleasure serving with Walter Timpone.

Executive Director Jeff Brindle, on behalf of the Commission, congratulated Timpone on his nomination, saying that he represents the latest in a long line of commissioners who have served New Jersey on the bench.

Brindle noted that one former Supreme Court Justice, Haydn Proctor, previously served on the commission. Also, Governor Christie appointed Peter Tober J. Tober, another former ELEC commissioner, as a Superior Court judge in January 2014.

Former Superior Court Judges Amos Saunders and Lawrence Weiss, both now deceased, also served on the Commission in recent years.

## Executive Director's Thoughts Jeff Brindle

### LOOMING FLOOD OF INDEPENDENT SPENDING CREATES NEED FOR LEGISLATIVE CHANGES

Reprinted from [politickernj.com](http://politickernj.com)

A staggering \$80 million to \$100 million is likely to be spent this year by special interest groups operating independently of candidates and parties.

The reason: ballot questions involving casino gambling, the Transportation Trust Fund, and public worker pensions.

These ballot initiatives will drive spending by special interest groups to heights never before seen in New Jersey. The previous record for a ballot question was the \$5.6 million spent (in inflation adjusted dollars) on the 1976 referendum to permit casino gambling in Atlantic City.

Between 2009 and 2015, independent special interest groups spent \$67 million on gubernatorial and legislative elections in New Jersey.

If 2016 spending reaches expected levels, it would top seven years of independent spending!

And that's just the beginning. After this year's election follows the 2017 gubernatorial and legislative contests. They too are certain to witness record spending by independent, often anonymous groups.

A flood of independent spending over the next two years is all but certain unless the state's campaign finance laws are overhauled to strengthen political parties, require disclosure by outside groups, and to simplify pay-to-play.

For six years, we at the Election Law Enforcement Commission have been stressing the need for reforms to counter the influence of independent groups.

More recently, I have written several columns that place special emphasis on strengthening the political party system. Now, several well-respected organizations are joining the chorus.

Some academics have long recognized the merits of parties. But now groups like the Brennan Center and the Brookings Institution are also spotlighting the importance of political parties.

In Stronger Parties, Stronger Democracy: Rethinking Reform, Ian Vandewalker and Daniel I. Weiner of the Brennan Center for Justice, wrote the following on September 16, 2015:

"Here, we conclude that targeted measures to strengthen political parties, including public financing and a relaxing of certain campaign finance regulations, could help produce a more inclusive and transparent politics. Party fundraising should not be entirely deregulated due to corruption risks, but 2010's Citizen United ruling, and the torrent of outside spending that followed, raise important questions about whether diverting money back into the parties can benefit democracy."

While I do not agree that Citizens United is solely to blame for the "torrent of outside spending," in that the 2002 McCain-Feingold reforms were the true catalyst for this development, it certainly is good to have the Center look at the need to strengthen the parties.

Besides the Brennan Center, Raymond J. La Raja and Jonathan Rauch of the Center for Effective Public Management at Brookings this month published a report focusing on the importance of state parties.

In their report, they point out that "State party officials generally regard the 2002 Bipartisan Campaign Reform Act (commonly known as McCain-Feingold) as a serious blow. McCain-Feingold blocked national parties from raising large-dollar contributions and sending them to the states, and it also imposed complex federal restrictions on state parties' fundraising and electioneering activities."

It might also be said that McCain-Feingold served to divert millions of dollars to independent groups. After special interest groups and individuals were prevented by the law from making unlimited contributions to the national parties, they started spending more money directly on elections. In other words, they started operating independently of candidates or parties.

In their very comprehensive report, La Raja and Rauch make numerous recommendations for strengthening the

parties, arguing “that state parties provide political public goods; yet, like many providers of positive externalities, they cannot readily capture all the value they create and so tend to be under-resourced relative to candidates and outside groups.”

Numerous past columns have included proposals for comprehensive campaign finance reform in New Jersey.

With an eye toward strengthening the political party system and offsetting the influence of outside groups, the following have been proposed:

**For Parties**

- A. Raise contribution limits to adjust for inflation.
- B. Exempt party entities from pay-to-play contribution limits.
- C. Allow state parties to spend directly on gubernatorial campaigns.
- D. End the ban on party transfers during primaries.

**For Pay-to-Play**

- A. One state law.
- B. Eliminate fair and open provision.
- C. Raise contractor contribution limit from \$300 to \$1,000.
- D. Enhance disclosure by contractors by requiring reports if they have at least \$17,500 in public contracts. Their current disclosure threshold is \$50,000.
- E. Impose the new \$1,000 contribution limit by contractors on special interest PACs.
- F. Require disclosure of contractor contributions to independent groups and all contractor contributions, including those under \$300.

**Independent Groups**

- A. Registration as required for parties and PACs.
- B. Disclosure of contributions and expenditures.

Without question, some of these proposals could meet with opposition from both sides of the ideological spectrum. So it will take political will to enact a comprehensive package like this.

However, doing nothing will result in a further erosion of candidate and political party control over campaigns and elections. Instead, independent and often anonymous groups will continue to increase their influence over all aspects of the state’s electoral system.

**PAY-TO-PLAY 2015**

In a year when public contractors reported the biggest annual increase in contracts since 2006, their contributions in 2015 fell 15 percent, the second lowest annual total since 2006, according to an Election Law Enforcement Commission (ELEC) analysis of annual disclosure reports filed recently.

Statewide, total reported contracts rose nearly \$1.2 billion, or 18 percent, in 2015 to nearly \$8.2 billion. Both on a dollar and percentage basis, it was the largest single year increase since contractors began filing disclosure reports with ELEC in 2006.

**Table 1  
Total Value of Contracts Reported Annually  
by Business Entities Subject to Pay-to-Play Law**

YEAR	AMOUNT	CHANGE-\$	CHANGE-%
2015*	\$ 8,176,405,658	\$ 1,228,280,586	18%
2014	\$ 6,948,125,072	\$ 375,819,109	6%
2013	\$ 6,572,305,963	\$ 618,617,899	10%
2012	\$ 5,953,688,064	\$ 444,848,248	8%
2011	\$ 5,508,839,816	\$ (322,590,939)	-6%
2010	\$ 5,831,430,755	\$ (229,983,148)	-4%
2009	\$ 6,061,413,903	\$ 1,057,944,238	21%
2008	\$ 5,003,469,665	\$ (682,923,351)	-12%
2007	\$ 5,686,393,016	\$ (4,710,365,819)	-45%
2006	\$ 10,396,758,835		

\*Preliminary

During the same year, total contributions fell \$1.5 million to \$8.3 million- a 15 percent decline. Only in 2012 did contractors make fewer contributions.

**Table 2  
Campaign Contributions Reported by Public  
Contractors in Annual Disclosure Reports**

YEAR	AMOUNT	CHANGE-\$	CHANGE-%
2015*	\$ 8,334,514	\$ (1,482,031)	-15%
2014	\$ 9,816,545	\$ ( 890,556)	-8%
2013	\$ 10,707,101	\$ 2,719,219	34%
2012	\$ 7,987,882	\$ (1,992,564)	-20%
2011	\$ 9,980,446	\$ 254,524	3%
2010	\$ 9,725,922	\$ (1,352,791)	-12%
2009	\$ 11,078,713	\$ (1,042,210)	-9%
2008	\$ 12,120,923	\$ (4,315,116)	-26%
2007	\$ 16,436,039	\$ 1,278,098	8%
2006	\$ 15,157,941		

\*Preliminary

Jeff Brindle, ELEC’s Executive Director, said the decline in contributions in large part is the result of the state’s complex pay-to-play laws. “Many contractors are so afraid of violating the law that they have just stopped making political contributions entirely,” he said. “Contractor contributions have fallen in half since peaking in 2007.”

“Many contractor donations are now going to PACs and independent groups, which are not subject to pay-to-play,” said Brindle.

A set of legislative recommendations developed by Brindle and supported by the Election Law Enforcement Commission seek to address these issues.

The reform plan would consolidate pay-to-play restrictions into a single state law; raise from \$300 to \$1,000 the amount contractors could give without jeopardizing their contracts; wave the \$1,000 limit for party committees, though contractors still would be subject to contribution limits that apply to all other donors; and require more contractors to file annual reports with ELEC detailing their contracts and contributions.

Fewer contractors in 2015 sent checks to political action committees (PACs) and independent groups.

**Table 3**  
**Contributions to PACs and Independent Groups**

YEAR	AMOUNT	CHANGE-%	% OF TOTAL CONTRIBUTIONS
2015	\$1,300,622	-30%	16%
2014	\$1,863,693	16%	19%
2013	\$1,604,014	58%	15%
2012	\$1,017,353	-42%	13%
2011	\$1,746,947		18%

Several beneficiaries of contractor contributions were federal committees, including Super PACs.

For instance, America Leads, a Super PAC that independently raised funds in support of Governor Chris Christie’s recent presidential bid, received \$110,000 †. Christie’s presidential fund received \$3,700 while Hillary for America, Hillary Clinton’s fund, received \$2,700.

A legal defense fund maintained by U.S. Senator Robert Menendez (D-NJ), who is under federal indictment, received \$11,000.

New Jerseyans for a Better Tomorrow, a Super PAC created by supporters of a 2017 gubernatorial bid by Senate President Stephen Sweeney, collected \$69,300 from contractors. Coalition for Progress, a Super PAC affiliated with another potential gubernatorial candidate, Jersey City Mayor Steven Fulop, received \$5,000. New Way for New Jersey, another federal PAC maintained by former Goldman Sachs executive Phil Murphy, another possible contender in 2017, received \$350.

The top ten contractors ranked by their contributions gave a combined \$2.7 million † in 2015, representing 32† percent of all contributions.

**Table 4**  
**Business Entities that Made Most Contributions in 2015†**

BUSINESS NAME	AMOUNT
Remington & Vernick Engineers, Inc.	\$474,100
CME Associates	\$423,400
T&M Associates	\$336,610
Alaimo Group	\$324,750
Pennoni Associates Inc	\$296,720
Maser Consulting†	\$279,650 †
Adams Rehmann & Heggan Associates, Inc.	\$152,705
Capehart Scatchard PA	\$150,075 †
NW Capital Markets, Inc./NW Financial Group LLC- (Dennis Enright)	\$138,900
French & Parrello Associates, PA	\$127,320

County candidates in Burlington, Camden, Gloucester, Middlesex, Ocean and Union Counties were among the top 10 recipients of contractor contributions in 2015.

**Table 5**  
**Top Ten Recipients of Contractor Contributions in 2015†**

RECIPIENT	AMOUNT
Damminger Chila and Jefferson for Freeholder (Gloucester County)	\$220,350
EFO GOP Freeholders' 15 (Gibbs and Peters) (Burlington County)	\$157,700 †
Committee to Reelect Bartlett and Little (Ocean County)	\$153,020 †
Rios for Freeholder (Middlesex County)	\$137,866 †
Polos for Freeholder (Middlesex County)	\$134,968 †
Elaine Flynn for County Clerk (Middlesex County)	\$131,866 †
Constructors for Good Government (PAC)	\$111,310
America Leads (Federal Super PAC)	\$110,000 †
Victory 2015 EFO Mirabella, Jalloh & Bergen for Freeholder (Union County)	\$ 81,350
EFO Jeff Nash for Freeholder (Camden County)	\$ 78,246 †

The numbers in this report reflect information available to the Commission through April 3, 2016 and should be considered preliminary. Some contractors are likely to submit reports or amendments after that date that could change the totals. Numbers earlier than 2015 reflect these revisions and could differ from those reported in prior press releases. All reports are available at ELEC’s website at [www.elec.state.nj.us](http://www.elec.state.nj.us).

Revised: April 20, 2016 †

## Training Seminars

The seminars listed below will be held at the Offices of the Commission, located at 28 West State St., Trenton, NJ. Since space is limited, you must reserve a seat in order to attend. Please visit ELEC's website at <http://www.elec.state.nj.us> for more information on training seminar registration.

<b>TREASURER TRAINING FOR CANDIDATES AND COMMITTEES</b>	
Wednesday, September 14, 2016	10:00 a.m.
Tuesday, September 27, 2016	10:00 a.m.
<b>TREASURER TRAINING FOR POLITICAL COMMITTEES AND PACS</b>	
Wednesday, June 22, 2016	10:00 a.m.
Thursday, September 22, 2016	10:00 a.m.
Wednesday, December 14, 2016	10:00 a.m.
<b>R-1 ELECTRONIC FILING SOFTWARE (REFS) TRAINING</b>	
Wednesday, July 27, 2016	10:00 a.m.
Thursday, September 15, 2016	10:00 a.m.
Thursday, September 29, 2016	10:00 a.m.

## Lobbying Reporting Dates

	<b>INCLUSION DATES</b>	<b>ELEC DUE DATE</b>
<b>Lobbying Quarterly Filing</b>		
1 <sup>st</sup> Quarter	1/1/2016 to 3/31/2016	4/11/2016
2 <sup>nd</sup> Quarter	4/1/2016 to 6/30/2016	7/11/2016
3 <sup>rd</sup> Quarter	7/1/2016 to 9/30/2016	10/11/2016
4 <sup>th</sup> Quarter	10/1/2016 to 12/31/2016	1/10/2017
Lobbying Annual Report*	1/1/2015 - 12/31/2015	2/16/2016

\*A certified benefit notice shall be transmitted to all benefit recipients itemized on Schedule G-1 no later than February 1st of the year in which the report is due to be filed (the year following the year in which the benefit was received).

## Reporting Dates

Inclusion Dates		Report Due Date
<b>Fire Commissioner - 2/20/2016</b>		
29-day Preelection Reporting Date	Inception of campaign* - 1/19/16	1/22/2016
11-day Preelection Reporting Date	1/20/16 - 2/6/16	2/9/2016
20-day Postelection Reporting Date	2/7/16 - 3/8/16	3/11/2016
48 Hour Notice Reports Start on 2/7/2016 through 2/20/2016		
<b>April School Board - 4/19/2016</b>		
29-day Preelection Reporting Date	Inception of campaign* - 3/18/16	3/21/2016
11-day Preelection Reporting Date	3/19/16 - 4/5/16	4/8/2016
20-day Postelection Reporting Date	4/6/16 - 5/6/16	5/9/2016
48 Hour Notice Reports Start on 4/6/2016 through 4/19/2016		
<b>May Municipal - 5/10/2016</b>		
29-day Preelection Reporting Date	Inception of campaign* - 4/8/16	4/11/2016
11-day Preelection Reporting Date	4/9/16 - 4/26/16	4/29/2016
20-day Postelection Reporting Date	4/27/16 - 5/27/16	5/31/2016
48 Hour Notice Reports Start on 4/27/2016 through 5/10/2016		
<b>Runoff (June)** - 6/14/2016</b>		
29-day Preelection Reporting Date	No Report Required for this Period	
11-day Preelection Reporting Date	4/27/16 - 5/31/16	6/3/2016
20-day Postelection Reporting Date	6/1/16 - 7/1/16	7/5/2016
48 Hour Notice Reports Start on 6/1/2016 through 6/14/2016		
<b>Primary (90 day start date: 3/9/2016)*** - 6/7/2016</b>		
29-day Preelection Reporting Date	Inception of campaign* - 5/6/16	5/9/2016
11-day Preelection Reporting Date	5/7/16 - 5/24/16	5/27/2016
20-day Postelection Reporting Date	5/25/16 - 6/24/16	6/27/2016
48 Hour Notice Reports Start on 5/25/2016 through 6/7/2016		
<b>General (90 day start date: 8/10/2016)*** - 11/8/2016</b>		
29-day Preelection Reporting Date	6/25/16 - 10/7/16	10/11/2016
11-day Preelection Reporting Date	10/8/16 - 10/25/16	10/28/2016
20-day Postelection Reporting Date	10/26/16 - 11/25/16	11/28/2016
48 Hour Notice Reports Start on 10/26/2016 through 11/08/2016		
<b>Runoff (December)** - 12/6/2016</b>		
29-day Preelection Reporting Date	No Report Required for this Period	
11-day Preelection Reporting Date	10/26/16 - 11/22/16	11/25/2016
20-day Postelection Reporting Date	11/23/16 - 12/23/16	12/27/2016
48 Hour Notice Reports Start on 11/23/2016 through 12/6/2016		
<b>PACs, PCFRs &amp; Campaign Quarterly Filers</b>		
1st Quarter	1/1/16 - 3/31/16	4/15/2016
2nd Quarter	4/1/16 - 6/30/16	7/15/2016
3rd Quarter	7/1/16 - 9/30/16	10/17/2016
4th Quarter	10/1/16 - 12/31/16	1/17/2017

\* Inception Date of Campaign (first time filers) or from January 1, 2016 (Quarterly filers).

\*\* A candidate committee or joint candidates committee that is filing in a 2016 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 14, 2016 for Primary Election Candidates and June 17, 2016 for Independent General Election Candidates.

**Note:** A fourth quarter 2015 filing is needed for Primary 2016 candidates if they started their campaign prior to 12/9/15.

A second quarter 2016 filing is needed by Independent/Non-Partisan General Election candidates if they started their campaign prior to 5/11/2016.