

ANNUAL REPORT
OF THE
NEW JERSEY
ELECTION LAW ENFORCEMENT
COMMISSION

1982

TO THE LEGISLATURE
MAY 1, 1983

THE 1982 COMMISSION

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The New Jersey Election Law Enforcement Commission was created in 1973 to administer and enforce the N. J. Campaign Contributions and Expenditures Reporting Act (N.J.S.A. 19:44A-1 et seq.) This statute requires candidates and certain other entities participating in state, county, municipal and school board elections to disclose information concerning the campaign contributions they receive and the campaign expenditures they make. That law was supplemented by chapter 26 of the Laws of 1974, which provides for partial public financing and limits on the amount of political contributions for candidates for Governor in general elections. The law was further amended and supplemented by chapter 74, Laws of 1980 which extended partial public financing to gubernatorial primary election candidates. The Commission is responsible for administering chapter 129 of the Laws of 1981 which requires candidates for the office of Governor, State Senate and General Assembly to file financial disclosure statements. The Commission is also responsible for administering the Legislative Activities Disclosure Act (N.J.S.A. 52:13C-18 et seq.) which requires the reporting of financial activity by lobbyists and legislative agents.

The four members of the Commission, no more than two of whom may belong to the same political party, are appointed to three-year terms by the Governor, with the advice and consent of the Senate. Commission members do not participate in partisan political activity. The Commission may accept and institute complaints, issue subpoenas, conduct investigations, render advisory opinions, find violations of the Act, levy civil penalties and forward to prosecuting officials evidence of certain willful and knowing violations.

The Commission office and staff of 19 is located one block from the State Capitol in Trenton, New Jersey

OVERVIEW OF MAJOR ACTIVITIES OF 1982

During 1982, the Commission implemented the program which requires lobbyists and legislative agents to file annual financial disclosure reports. Furthermore, the Commission embarked on a major endeavor of reviewing the laws and programs it administers and preparing recommendations for statutory changes for the Governor's and Legislature's consideration. Among the major activities of the Commission in 1982, in addition to its ongoing programs of administering campaign financial disclosure reporting by county, municipal and some school board candidates and of administering personal financial disclosure by candidates for the State, Senate and Assembly, were the following:

- Administration of the Lobbyist Financial Disclosure. Lobbyists and their legislative agents are required to file annual financial disclosure reports pursuant to c 150, Laws of 1981, as amended by c 513, Laws of 1981. An amendment, signed by Governor Byrne on January 12, 1982, eliminated disclosure for lobbying expenditures except when direct communication takes place at the time of the expenditure; but the amendment did not change the February 1, 1982 filing date. The Commission developed forms and instructions, held a seminar for over 100 lobbyists and legislative agents and processed the reports. The 231 lobbyists and legislative agents who filed reported spending \$2,979,885 during the 1981 calendar year.
- Publication of the Commission's and Attorney General's Report on the Lobbyist Financial Disclosure Program. The Commission, shortly after processing the first lobbyist and legislative agents reports, began a review of the program. Concurrently, the Attorney General initiated an evaluation of the experience of his office with the legislative agent registration program. Also, the Commission and the Attorney General set up a joint task force to review the laws and programs concerning lobbyists. This endeavor led to the December 1982 report "The New Jersey Legislative Disclosure Act - Analysis and Recommendations for Amendment", jointly issued by the Attorney General and the Commission.
- Issuance of the Commission's Report on the 1981 Gubernatorial Public Financing Program. In June 1982, the Commission published its report "New Jersey Public Financing - 1981 Gubernatorial Election: Conclusions and Recommendations". This report was the culmination of efforts, beginning in 1981 and including surveying the candidates and their treasurers, developing and publishing ten Interim Reports on public financing issues, holding two public hearings and devoting a portion of every meeting held during January through May to a discussion of public financing issues and recommendations. In June, the Commission released its report of its conclusions and made 13 recommendations for amending the public financing program for the Governor's and Legislature's consideration.

- Publication of Commission's Evaluation of the Campaign Reporting Act. After detailed review, which began in March, and extensive discussion of its experience with the Act over the last ten years, the Commission issued its report "Recommendations Proposing Amendments to the Campaign Contributions and Expenditures Reporting Act N.J.S.A. 19:44A-1 et seq." in November. In the report, the Commission made recommendations for major changes and for many technical changes to decrease certain reporting requirements while increasing the quality and timeliness of the information disclosed.
- Preparation and Publication of Report on the 1981 General Election for the Legislature. In furtherance of its obligation to prepare summaries of data filed by candidates and committees, the Commission prepared and published its two volume report on the contributions and expenditures of the 1981 general election legislative candidates. The Commission's report is intended as a source of research data and provides data for each candidate who filed detailed reports, along with detailed information, including contributions from political action committees (PACs) and contributors of \$1,000 or more to individual legislative candidates and the two State political party committees.
- Providing Technical Assistance on Proposed Law to Prohibit Personal Use of Campaign Funds. Senate Bill 1195 would prohibit the personal use of campaign funds. Also, it would allow campaign funds to be used for office accounts by successful candidates and could require their filing periodic reports with the Commission on the receipts and disbursements of such office accounts. The Commission worked closely with the sponsor and with the Senate and Assembly State Government Committees in providing technical assistance on the bill. At the close of 1982, the bill had passed the Senate and awaits action in the Assembly.
- Audits of Gubernatorial Public Funds Expenditures. The Commission, through its auditing consultants and its own staff, worked with the sixteen 1981 gubernatorial primary and general election candidates who received public funds to have them present documentation in support of their expenditures of public funds. Through its audit procedures, the Commission required the candidates, through their media consultants, to provide affidavits that advertisements which were paid for were in fact aired or printed. By the end of 1982, all primary candidates had submitted satisfactory documentation on this issue and had refunded all remaining cash on hand to the State. The Commission also established escrow accounts for four candidates' committees which had unresolved outstanding obligations.

At the beginning of the year, two new Commissioners took office, Alexander P. Waugh, Jr., Esq. and former Supreme Court Justice Haydn Proctor. Governor Byrne appointed both and they succeeded Judge Sidney Goldmann and former Assemblywoman Josephine Margetts, respectively. Governor Kean appointed Commissioner Andrew C. Axtell as Commission Chairman and re-appointed M. Robert DeCotiis for a new three year term beginning July 1, 1982.

In addition, the Commission, during 1982: (a) initiated 149 field reviews of reports filed by candidates and political committees; (b) issued 16 Advisory Opinions; (c) filed 627 complaints for various violations of the Campaign Contributions and Expenditures Reporting Act against candidates and their treasurers and political committees; and (d) collected \$14,718.45 in fines.

Candidates and political committees in 1982 spent more than comparable candidates and committees did in 1980, the last fully comparable year of no statewide legislative and gubernatorial elections. In 1982, approximately \$9.7 million was spent as of the 15 day post-election report period compared to \$5.6 million for the comparable period in 1980.

In by far the most expensive municipal election in 1982, Mayor Kenneth Gibson defeated City Councilman Earl Harris to be re-elected mayor of Newark, the State's largest city. Mayor Gibson spent \$503,000 and Councilman Harris spent \$287,000 for the municipal and run-off elections. All told, over \$1.1 million was spent by all candidates in Newark in the municipal and run-off elections. Atlantic City also had an expensive election with Assemblyman Michael Matthews defeating James Usry to become mayor of the State's 18th largest city. Mayor Matthews spent \$280,000 and Mr. Usry spent \$147,000. In total, nearly \$420,000 was spent by all candidates in Atlantic City in the municipal and run-off elections. Other municipalities in which more than \$100,000 was spent by candidates for local office include: Trenton - \$197,000; Union City - \$135,000; Clifton - \$129,000; and Paterson - \$122,000.

1982 was a year in which the Commission took stock of the programs the Legislature and Governor have entrusted to it and assessed how those programs -- gubernatorial public financing, campaign finance reporting, and lobbyist financial disclosure -- could be improved and made more efficient and more effective and useful to the public.

LOBBYIST FINANCIAL DISCLOSURE

In 1981, the Legislature enacted a new program requiring the reporting of financial activity by lobbyists and legislative agents. Chapter 150 of the Laws of 1981 amended existing law, which requires lobbyists to register with the Attorney General and report on subject matters on which they lobbied, by requiring the lobbyists to file annual financial reports with the Commission. The Commission proposed and adopted regulations in December 1981 on the disclosure of contributions and expenditures by lobbyists and legislative agents. The new regulations superceded regulations that had been in place under the provisions pertaining to lobbyists in the Campaign Contributions and Expenditures Reporting Act. N.J.S.A. 19:44A-1 et seq. Then on January 12, 1982, Governor Byrne signed an amendment to the law, c 513, Laws of 1981 which eliminated disclosure for "good will" lobbying expenditures except when direct communication takes place at the time of the expenditure. The amendment did not change the filing date of February 1, so the Commission embarked on a crash effort to implement the new law.

The Commission developed forms and filing instructions and mailed them out to all known potential filing entities. On January 22, the Commission held a seminar for over 100 lobbyists, legislative agents and other interested parties and then published a "Questions and Answers" explanation of issues raised during the seminar. On February 1, the Commission began to receive reports from lobbyists and legislative agents. In total, the Commission received 187 reports from lobbyists and 45 reports from legislative agents. For the reporting year of 1981, the lobbyists and legislative agents reported expenditures as shown on Table I.

TABLE I

LOBBYISTS' AND LEGISLATIVE AGENTS' EXPENDITURES
BY CATEGORY OF EXPENDITURE - 1981

<u>Type of Expenditure</u>	<u>Amount</u>
1. Salaries	\$1,094,127
2. Support Personnel	221,159
3. Materials	92,668
4. Employee Travel/Lodging	70,934
5. Retainers, Fees	1,382,527
6. Contributions, dues	16,422
7. Direct expenditures for legislators, governor, staff	9,531
8. Specific events	<u>92,516</u>
Total	<u>\$2,979,885</u>

In the Spring of 1982, the Commission instituted a field review of a randomly selected group of lobbyists' and legislative agents' reports to verify the information filed, and to assist the filers in understanding the requirements of the law and the manner in which receipts and expenditures had to be reported. The Commission also sought to find out first-hand of the problems encountered by the filers with the regulations, forms and instructions as a basis for the Commission proposing and making revisions in them.

JOINT REPORT ON THE LOBBYIST DISCLOSURE ACT

Attorney General Kimmelman initiated an evaluation of his office's experience with legislative agent registration. Concurrently, the Commission began a review of the lobbyist financial disclosure program. Then a joint task force was set up by the Commission and the Attorney General to review both programs. This endeavor led to the publication in December of the report entitled "The New Jersey Legislative Disclosure Act -- Analysis and Recommendations for Amendment", a joint report issued by the Attorney General and the Commission.

Among the recommendations the Attorney General and the Commission made were the following:

- establish a single reporting system administered by a single state agency; under current law, lobbyists and legislative agents must register with the Attorney General and report quarterly on their lobbying activity by subject matter. However, many of the same lobbyists and legislative agents must annually file a report on their financial activity with the Commission.
- repeal c 513 Laws of 1981 which eliminated disclosure of lobbying expenditures except when direct communication takes place at the time of the expenditure. Repealing that provision would require the reporting of "good will" expenditures for gifts, entertainment or other personal benefit whether or not "direct communication" occurred at the time of the expenditure.
- change the financial reporting to a quarterly rather than annual basis to coincide with the quarterly reporting of lobbying activity by subject matter.
- require public disclosure of expenditures associated with lobbying intended to influence the enactment of rules and regulations by administrative agencies. Current law only requires the disclosure of expenditures intended to influence the enactment of laws by the Legislature and the Governor.

REPORT ON THE 1981 GUBERNATORIAL PUBLIC FINANCING PROGRAM

Among the major accomplishments of the Commission in 1982 was the publication in June of the report entitled: "New Jersey Public Financing -- 1981 Gubernatorial Elections: Conclusions and Recommendations". Shortly after the conclusion of the gubernatorial primary election, the

Commission initiated its review of public financing by surveying the primary candidates and their treasurers along with other campaign committee officials. During January through April 1982, the Commission issued and widely distributed ten Interim Reports setting forth facts and analyses of public financing issues on the following topics:

- the \$800 contribution limit
- the expenditure limit
- the limit on public funds per candidate and the two-for-one matching formula
- the \$50,000 threshold
- the limits on the purposes for which public funds may be spent
- the \$25,000 limit on a candidate's own funds
- the \$50,000 limit on bank loans and the pre-election pay back requirement
- repayment of public funds when a candidate fails to receive five percent of party's vote
- funding of political parties and
- restricting matching to only a portion of a contribution.

Another key step in the process of developing its recommendations was the Commission holding public hearings in Hackensack, on March 12, and Atlantic City, on April 12. Through this process, the Commissioners received the comments of gubernatorial candidates, their treasurers, members of the Legislature and representatives of civic organizations. In addition, the Commission reviewed the results of the survey of candidates and treasurers, reviewed the extensive press comments on the program, and participated in a half day meeting of political scientists and elected officials knowledgeable about New Jersey's gubernatorial elections. The Commission also secured the services of three consultants: former Chairman Judge Sidney Goldmann; Dr. Herbert Alexander, Director of the Citizens Research Foundation of the University of Southern California and former consultant to the Commission during its administration of the 1977 gubernatorial general election public financing program; and former ELEC Public Financing Director for the 1977 election, Neil Upmeyer.

The Commission released its report of its conclusions and recommendations to the Governor and the Legislature in June. The Commission made 13 recommendations for amending the public financing program, including:

- raising the contribution limit from \$800 to \$1,200;
- raising the contribution and expenditure threshold to \$100,000 from \$50,000 and adopting a continuing threshold requiring candidates to make additional submissions for public funds only in units of at least \$25,000;

- changing the matching ratio to one-for-one from two-for-one;
- capping public funds at \$500,000 for the primary and \$1 million for the general election (compared to a formula that resulted in nearly \$600,000 in the primary and \$1.2 million in the general election in 1981);
- repealing the expenditure limitation; and
- raising the amount a person may contribute to gubernatorial inaugural affairs to \$500 from \$250.

In June, the Assembly State Government Committee held hearings and discussion sessions on the Commission's recommendations and on proposed bills. However, by the end of 1982, neither house had completed action on a bill to amend the Public Financing program.

1981 GUBERNATORIAL ELECTIONS

In addition to preparing and publishing its report on the 1981 gubernatorial public financing program, the Commission completed its audit work on the expenditures of public funds by the 16 gubernatorial primary election candidates who received public funds. First through a consulting audit firm and then through its own staff efforts, the Commission audited public funds expenditures and secured affidavits from broadcast and print media to substantiate that advertisements paid for were in fact aired or published. During 1982, the sums were returned by the campaign committees, with much of the money representing refunds from radio and TV stations and newspapers because not all advertisements contracted for had been aired or published.

By the end of 1982, all issues outstanding with the 1981 primary election gubernatorial candidates were resolved and all remaining funds were returned to the State. For four primary candidates' committees - Dodd, Florio, Lan and Smith - the Commission set up escrow accounts because the committees had unresolved outstanding obligations; in the case of Congressman Florio, the outstanding obligation was resolved and satisfied in early 1983.

Because of the refunds of surplus campaign funds and the continuing reporting by two candidates, Congressman Roe and former State Senator Buehler, who did not take public funds but ended their campaigns in debt, the amounts of public funds and the net expenditures reported in the Commission's 1981 Annual Report have changed. Table II summarizes the refunds and the gross and net public funds received by each 1981 gubernatorial candidate. Table III provides up-dated information on net expenditures for all 1981 gubernatorial candidates.

TABLE II

PUBLIC FUNDS (gross and net) RECEIVED BY 1981
GUBERNATORIAL PRIMARY AND GENERAL ELECTION CANDIDATES
AND AMOUNT IN ESCROW

<u>Candidate</u>	<u>Public Funds</u> <u>(Gross)</u>	<u>Refunds</u> <u>To State</u>	<u>Public Funds</u> <u>(Net)</u>	<u>Amount in</u> <u>Escrow</u>
<u>PRIMARY</u>				
Degnan (D)	\$ 599,975.80	-0-	*\$ 599,975.80	-0-
Dodd (D)	327,543.77	679.29	326,864.48	\$ 640.65
Florio (D)	599,975.80	413.00	599,562.80	-0-
Gibson (D)	393,879.00	72,815.23	321,063.77	-0-
Hamilton (D)	309,678.76	7,954.53	301,724.23	-0-
Klein (D)	52,763.74	1,236.60	51,527.14	-0-
Lan (D)	249,919.69	-0-	249,919.69	10,256.89
McConnell (D)	95,916.72	1,188.06	94,728.66	-0-
Merlino (D)	599,975.80	-0-	599,975.80	-0-
Smith (D)	599,949.90	-0-	599,949.90	8,609.54
(D) Subtotal	<u>\$3,829,578.98</u>	<u>\$ 84,286.71</u>	<u>\$3,745,292.27</u>	<u>\$19,507.08</u>
Kean (R)	599,975.80	1,309.50	598,666.30	-0-
Kramer (R)	599,975.80	182.57	599,793.23	-0-
McGlynn (R)	233,916.74	1,478.64	232,438.10	-0-
Parker (R)	306,042.00	11,146.30	294,895.70	-0-
Rafferty (R)	246,575.22	800.00	245,775.22	-0-
Wallwork (R)	557,594.74	45.79	557,548.95	-0-
(R) Subtotal	<u>\$2,544,080.30</u>	<u>\$ 14,962.80</u>	<u>\$2,529,117.50</u>	<u>-0-</u>
Primary Total	<u>\$6,373,659.28</u>	<u>\$ 99,249.51</u>	<u>\$6,274,409.77</u>	<u>\$19,507.08</u>
<u>GENERAL</u>				
Florio (D)	\$1,199,951.60	\$ -0-	\$1,199,951.60	\$ 1,429.89
Kean (R)	<u>1,199,951.60</u>	<u>31,540.58</u>	<u>1,168,411.02</u>	<u>7,502.68</u>
General Total	<u>\$2,399,903.20</u>	<u>\$ 31,540.58</u>	<u>\$2,368,362.62</u>	<u>\$ 8,932.57</u>
GRAND TOTAL	<u>\$8,773,562.48</u>	<u>\$130,790.09</u>	<u>\$8,642,772.39</u>	<u>\$28,439.65</u>

TABLE III

NET EXPENDITURES BY
1981 GUBERNATORIAL ELECTION CANDIDATES

<u>Candidates</u>	<u>Net Expenditures</u>
<u>DEMOCRATS (1)</u>	
Buehler	\$ 9,738.67*
Degnan	1,104,488.88
Dodd	536,614.45
Florio	1,115,055.66
Gibson	782,393.03
Hamilton	553,807.47
Klein	166,918.31
Lan	448,146.65
McConnell	208,740.34
Merlino	997,743.71
Roe	1,072,529.02**
Smith	1,090,392.86
Democrat Subtotal	<u>\$ 8,086,569.05</u>
<u>REPUBLICANS</u>	
Imperiale	\$ 17,587.36
Kean	1,131,309.51
Kramer	1,150,073.05
McGlynn	386,788.28
Parker	416,286.13
Rafferty	430,934.61
Sullivan	2,163,274.36
Wallwork	1,025,775.14
Republican Subtotal	<u>\$ 6,722,028.44</u>
Primary Total	<u><u>\$14,808,597.49</u></u>
<u>GENERAL</u>	
Florio (D)	\$ 2,425,665.94***
Kean (R)	<u>2,346,094.64</u>
General Total	<u><u>\$ 4,771,760.58</u></u>
GRAND TOTAL	<u><u>\$19,580,358.07****</u></u>

(1) In addition, Democrat candidates Stella Mann and Rose Monyek filed Sworn Statements (Form A-1) that they did not spend more than \$1,000.

* Includes \$200 outstanding obligation.

** Includes \$53,492.13 outstanding obligations

*** Includes \$500 outstanding obligation

**** Does not include \$28,439.65 held in escrow accounts for candidates Dodd, Lan, Smith, Florio and Kean; See Table II.

REPORT ON THE CAMPAIGN REPORTING ACT

Another major Commission activity in 1982 was its evaluation of the Campaign Contributions and Expenditures Reporting Act, N.J.S.A. 19:44A-1 et seq., the law establishing the Commission and the campaign disclosure program enacted in 1973. Since then, there have been only minor amendments, except for the addition of the public financing program. In March, the Commission initiated a staff review of the provisions of the Act, the Commission's regulations, forms, manuals and Advisory Opinions along with data on reports filed and financial activity disclosed. After extensive discussion and a detailed review of the Commission's experience with the Act over the last ten years, the Commission, in November, issued its report "Recommendations Proposing Amendments to the Campaign Contributions and Expenditures Reporting Act N.J.S.A. 19:44A-1 et seq."

The Commission made a total of 23 recommendations for major changes in the program and for technical corrections. Among the principal recommendations of the Commission were the following:

- revise the due dates of campaign reports to give treasurers more time to close their books prior to reporting while requiring public notice of pre-election contributions in excess of \$500 not appearing on other pre-election reports.
- eliminate the obligation of political party committees and other ongoing political committees to file both annual and campaign reports and substitute therefore regular quarterly reports.
- increase from \$1,000 to \$2,000 the amount which may be spent by a candidate prior to the candidate having to file detailed disclosure reports.
- increase from \$100 to \$200 the amount that may be contributed to a candidate or committee without the recipient having to identify the contributor.
- prohibit all currency contributions except those that qualify as "public solicitations" and increase the amount that may be contributed through a "public solicitation" from \$10 to \$20.
- require political committees to give notice to any candidate on whose behalf it makes expenditures.

Members of both the Senate and the Assembly have introduced bills incorporating some or all of the Commission's regulations to amend and revise the Campaign Reporting Act. The Commission hopes that amendments can be enacted in time for the 1983 general election.

REPORT ON THE 1981 LEGISLATIVE GENERAL ELECTION

One of the most important responsibilities of the Commission under the statute is to provide summaries of disclosure data filed with the Commission so that the information filed is more accessible to and more usable by the public. The Commission carries out this mandate, in part, by preparing computer printed listings of contributors and summaries of expenditures of candidates and supporting committees. Periodically, the Commission publishes reports on specific elections to further its statutory mandate. Prior examples include the Commission's reports on the 1977 gubernatorial general election public financing program, the 1979 legislative election, the 1976 Casino Referendum. In 1982, the Commission prepared and published its most extensive and detailed analysis of a non-gubernatorial election with its two volume report on the contributions to and expenditures by the 1981 general election legislative candidates. That legislative election was the most expensive since campaign finance reporting began and presumably in the history of the State. Both State political party committees spent unprecedented sums along with an increase in spending by candidates and their campaign committees. Thus, the Commission decided to assemble detailed comparative data on expenditures and contributions to candidates by various factors including:

- candidate's party affiliation
- the office sought by the candidates
- the candidates' incumbency status
- amount of contributions
- location of contributors
- type of contributor

The report also contains detailed information on contributions from political action committees (PACs) and on contributors of \$1,000 or more to individual legislative candidates and State political party committees. The report's first volume provides the comparative data and the second volume provides the data on each individual candidate who filed detailed reports.

SURPLUS CAMPAIGN FUNDS

New Jersey law is silent on what a candidate or campaign committee may do with surplus campaign funds. During 1982, a bill was introduced in the State Senate, S-1195, which would prohibit the personal use of campaign funds. Furthermore, the proposed law would expressly permit campaign funds to be used for office accounts by

successful candidates and further require their filing periodic reports with the Commission on the receipts into and disbursements from such office accounts. The Commission worked closely with the sponsor and with the Senate and Assembly State Government Committees in providing technical assistance on the bill. By the end of 1982, the Senate had passed S-1195. Action was pending in the Assembly.

1982 MAY MUNICIPAL ELECTION

In the May 1982 municipal election, 456 candidates and 64 committees in 32 municipalities spent a total of \$2,182,731 through the 15 day post-election report period. Over half of this amount was spent in two cities - Newark with nearly \$800,000 and Atlantic City with slightly over \$300,000. In Newark, Mayor Gibson spent \$282,618 and his opponent, Councilman Earl Harris, spent \$145,164. In the Atlantic City mayoral race, Assemblyman Michael Matthews spent \$143,975 and his opponent, James Usry, spent \$75,135. Both mayoral races were settled in the June runoff. In 15 of the 32 municipalities, campaign expenditures exceeded \$25,000 as follows:

<u>City</u>	<u>Amount</u>
Newark	\$797,047
Atlantic City	300,400
Trenton	196,830
Union City	135,416
Clifton	128,644
Paterson	121,834
Bayonne	89,539
Long Beach	55,336
Irvington	50,172
Perth Amboy	41,929
Ocean City	38,459
West Orange	36,220
Bridgeton	35,151
Gloucester Twp.	31,978
Weehawken	26,563

Table IV compares data from the 1980, 1981 and 1982 municipal elections.

TABLE IV

	<u>1980</u>	<u>1981</u>	<u>1982</u>
Number of Municipalities	31	29	32
Number of Candidates	335	324	456
Number of Committees	47	52	64
Amount Spent	\$705,338.53	\$1,043,159	\$2,182,736

JUNE MUNICIPAL RUNOFF ELECTION

Runoff elections were held in six municipalities. A runoff is required when no candidate in the May municipal election receives more than 50 percent of the vote. The 58 candidates and 8 committees in the runoff elections spent \$492,003. Most of this amount was spent in Newark -- \$336,937 and Atlantic City -- \$119,758. In Newark, Mayor Gibson spent \$220,419 and his opponent, Councilman Harris spent \$141,928. In Atlantic City, Mayor Matthews spent \$135,531 and his opponent, James Usry spent \$72,000. The other four municipalities in which runoff elections were held were Trenton, Mount Holly, Bayonne and Weehawken.

1982 PRIMARY ELECTION

In the 1982 partisan June primary, there was a total of 1,867 candidates and 233 committees. Those filing detailed reports reported spending \$723,814 through the 15 day post-election report period. However, in only two jurisdictions did expenditures exceed \$25,000, namely: Elizabeth - \$54,632 and Linden - \$41,714.

TABLE V

COMPARISON OF NUMBER OF CANDIDATES AND COMMITTEES AND AMOUNT SPENT IN 1980, 1981 AND 1982 PRIMARY ELECTIONS

	<u>1980</u>	<u>1981*</u>	<u>1982</u>
Number of Candidates	1,845	1,984	1,867
Number of Committees	227	241	233
Amount Spent	\$551,517	\$567,480	\$723,814

*NOTE: 1981 data do not include legislative and gubernatorial candidates.

1982 GENERAL ELECTION

In the 1982 general election there were 1,932 candidates and 762 committees. Those that filed detailed reports reported spending \$5,428,798 through the 15 day post-election reporting period. Those jurisdictions in which more than \$50,000 was spent numbered 18 and were the following:

<u>MUNICIPALITY OR COUNTY</u>	<u>AMOUNT</u>
Essex County (Executive, Sheriff)	\$299,006.61
Bergen County (Freeholder, Surrogate)	236,111.06
Passaic County (Freeholder, Surrogate)	177,063.54
Monmouth County (Freeholder)	162,054.82
Burlington County (Freeholder)	145,173.30
Union County (Freeholder, Surrogate)	128,758.48
Ocean County (Freeholder, Sheriff, Surrogate)	125,800.96
Middlesex County (Freeholder, Surrogate)	123,951.42
Mercer County (Freeholder, Sheriff)	110,494.39
Atlantic County (Freeholder, County Clerk)	105,271.91
Camden County (Freeholder, Surrogate, Sheriff)	103,534.93
Gloucester County (Freeholder, Sheriff, Clerk, Surrogate)	90,633.61
New Brunswick	76,135.00
Cape May County (Freeholder, Surrogate, Clerk)	70,316.09
Somerset County (Freeholder, Sheriff)	66,274.81
Cumberland County (Freeholder)	60,664.75
Dover Township (Ocean County)	58,865.21
Paramus	50,719.96

STATE PUBLIC QUESTIONS

There were five statewide referenda on the November ballot and all but one were approved. One was an advisory referendum on freezing nuclear arms escalation (#1). Two were bond issues for correctional facilities (#2) and community development (#4). One was an amendment to a previously approved bond issue for facilities for disabled veterans (#3). One was a constitutional amendment concerning riparian lands (#5). The first four were approved by the voters, but the constitutional amendment (#5) was defeated. A total of \$363,974 was spent on the public questions as shown on Table VI.

TABLE VI

EXPENDITURES ON STATEWIDE PUBLIC QUESTION 1982

<u>COMMITTEE</u>	<u>QUESTION</u>	<u>AMOUNT</u>
N. J. Campaign for a Nuclear Weapons Freeze	#1	\$ 98,424
Coalition for a Nuclear Disarmament	#1	4,019
Citizens Against Nuclear Arms	#1	3,495
Montclair Nuclear Freeze Committee	#1	2,588
Middlesex County Nuclear Weapons Freeze	#1	8,040
Randolph Citizens and Nuclear Weapons Freeze	#1	389
Citizens for a Secure New Jersey	#1	25,754
Coalition Against the Prison Bond	#2	3,453
N. J. Business & Industry Assoc.	#4	7,023
Save the School Fund, Inc.	#5	<u>210,789</u>
	Total	<u><u>\$339,374</u></u>

1982 SPECIAL ELECTIONS

In 1982, the Commission inaugurated a program of preparing and monitoring summary information on special elections, that is, elections held on dates other than the four election dates for municipal, runoff, primary and general elections. The Commission is able to notify candidates and committees participating in special elections of their filing obligations and to monitor reports only with the cooperation of municipal and county clerks and the Secretary of State who advise the Commission of the dates of special elections and the names of candidates. Furthermore, the Commission has sought the cooperation of school board secretaries to advise school board candidates of their filing requirements should they exceed \$1,000 in expenditures. An increasing number of school board candidates are filing reports with the Commission, a result presumably attributable to inflation and the increased cost of campaigning.

In 1982, there were a total of 44 special elections plus 46 school board jurisdictions in which school board candidates filed reports as shown on Table VII.

TABLE VII

<u>Type of Election</u>	<u>No. of Elections</u>	<u>Reported Expenditures</u>
Public Questions	26	\$ 105,556
Municipal Vacancies/Recalls	14	29,019
Legislative Vacancies	<u>5</u>	<u>319,312</u>
Subtotal	<u>45</u>	\$ 453,887
School Board Jurisdictions Reporting	46	<u>152,901</u>
	Total	\$ 606,788

Jurisdictions in which more than \$25,000 was spent were the following:

Senate District 2	\$220,763
Parsippany-Troy Hills Referendum	62,815
Union City School Board	61,323
Assembly District 40	38,912
Assembly District 25	30,754
Assembly District 2	28,204

1982 TOTAL CAMPAIGN SPENDING

In 1982, over \$9.7 million was spent on election campaigns in New Jersey; an increase over the amounts spent for comparable elections in 1980 and 1981. Table VIII shows the approximate reported spending in each 1982 election with comparable figures for 1980 and 1981. (Note that the 1981 figures do not include expenditures for gubernatorial and legislative races in the primary and general elections)

TABLE VIII

COMPARISON OF AMOUNT SPENT BY TYPE OF ELECTION -
1980, 1981 and 1982

<u>Type of Election</u>	<u>Amount Spent</u>		
	<u>1980</u>	<u>1981</u>	<u>1982</u>
May Municipal	\$ 705,339	\$1,043,159	\$2,182,736
June Runoff	44,186	340,292	492,003
Primary	551,517	567,480	723,814
 <u>GENERAL:</u>			
Public Questions	432,768	160,778	339,375
Candidates	3,938,457	3,964,807	5,428,798
Subtotal	<u>\$5,672,267</u>	<u>\$6,076,516</u>	<u>\$9,166,726</u>
 <u>SPECIAL ELECTIONS</u>			
Public Question	N/A	N/A	\$ 105,556
Municipal Vacancies	N/A	N/A	29,019
Legislative Vacancies	N/A	N/A	291,109
School Boards	N/A	N/A	152,901
TOTAL	<u>\$5,672,267</u>	<u>\$6,076,516</u>	<u>\$9,745,311</u>

N/A = Not Available in Summary Format

PERSONAL FINANCIAL DISCLOSURE

In 1981, the Commission implemented the then newly enacted personal financial disclosure program for all legislative and gubernatorial candidates c 129 Laws of 1981. The law requires such candidates to file financial disclosure statements with the Commission within ten days after filing their nominating petitions. During 1982, there were four special elections to fill vacancies in the legislature and 16 reports were filed with the Commission.

REPORTS FILED IN 1982

The Campaign Contributions and Expenditures Reporting Act requires that candidates, campaign committees and political committees file reports of their campaign financial activity 25 and 7 days prior to an election and 15 days after the election. Additional reports are required every 60 days thereafter if the financial business of the campaign is not concluded. Candidates not spending a total of over \$1,000 need not file detailed reports but may, 25 days prior to the election, simply file an affidavit that the expenditures on their behalf will not exceed \$1,000. (Committees may not file such affidavits and school board candidates file reports with the Commission only if their expenditures exceed \$1,000.)

The Commission observed the increasing number of candidates who had to file detailed reports because expenditures were exceeding \$1,000. However, many candidates did all of their spending through a single campaign committee and the candidates were simply reflecting allocations from that one committee. Thus, for the 1982 general election, the Commission instituted a "short report" form (SR-1) for those candidates whose campaign spending was done solely through one joint campaign committee. The Commission devised the SR-1 form as a way of easing the reporting burden on such candidates and reducing the number of detailed reports filed with the Commission. From the general election experience, it appears that the new "short report" form achieved the objectives the Commission had in instituting it.

Table IX compares the percent of candidates who filed affidavits and those who filed detailed reports for the years 1980 and 1982 plus those 1982 general election candidates who filed the newly instituted short report form.

TABLE IX

COMPARISON OF PERCENT OF FILERS SUBMITTING
AFFIDAVITS, SHORT FORMS AND REPORTS
1980 AND 1982

<u>Election</u>	<u>Percent Affidavits (A-1)</u>		<u>Percent Short Form (SR-1)</u>		<u>Percent Reports (R-1)</u>	
	<u>1980</u>	<u>1982</u>	<u>1980</u>	<u>1982</u>	<u>1980</u>	<u>1982</u>
May Municipal	55	43	N/A	N/A	45	57
June Runoff	28	52	N/A	N/A	72	48
Primary	96	94	N/A	N/A	04	06
General	66	51	N/A	28	34	21

N/A = Not Applicable; ELEC did not institute short form until 1982 general election.

In 1982, over 7000 different entities -- candidates, campaign committees, political committees and lobbyists filed over 17,000 reports with the Commission as summarized on Tables X and XI.

TABLE X

NUMBER OF REPORTING ENTITIES - 1982

<u>Type of Reporting Entity</u>	<u>Number</u> *
Candidates and Campaign Committees	5,582
Political Committees	1,346
Lobbyists and Legislative Agents	228
Legislative Candidates filing Personal Financial Disclosure Statements	<u>16</u>
Total Reporting Entities	<u><u>7,172</u></u>

*These figures do not include reporting entities which filed reports for elections held in years prior to 1982.

TABLE XI

NUMBER OF REPORTS FILED - 1982

<u>Type of Reports Filed</u>	<u>Number</u> *
Campaign Disclosure	15,383
Annual Reports	1,537
Legislative Activities Disclosure (Lobbyists and Legislative Agents)	228
Personal Financial Disclosure	<u>16</u>
Total Reports Filed	<u><u>17,164</u></u>

LITIGATION

During 1982, the Commission was not a party in any litigation except for hearings before Administrative Law Judges for complaints filed by the Commission against candidates, campaign committees and political committees.

LEGISLATION AND REGULATIONS

During 1982, the Legislature enacted no laws nor amended existing statutes concerning the Commission or the programs it administers. Furthermore, the Commission did not propose or adopt any regulations or amendments to existing regulations during 1982.

ENFORCEMENT

Since its inception, the Commission has sought to secure timely and accurate disclosure by advising candidates and committees in writing of their filing requirements as soon as possible after the Commission finds out the candidates' names. Furthermore, the Commission has had a system since 1974 which triggers letters, within two days after a filing date, to candidates and committees which have failed to file. These activities are supplemented by letters requesting corrections to filed reports and other follow-up correspondence to secure accurate and full disclosure. Also, when serious problems are identified during the initial review of reports on filing nights and immediately thereafter, the Commission staff telephone the treasurer, an official of the committee or the candidate and bring the problem to his attention as another way of trying to secure timely pre-election disclosure. These telephone calls are supplemented by other contacts by telephone and by personal visits to the Commission's office along with periodic meetings with county and municipal clerks and with any group, such as a county political party committee, which seeks a training seminar.

Table XII summarizes the 16,558 letters the Commission sent in 1982 by purpose of letter and type of recipient. In addition, it is estimated that there were 3,500 telephone contacts and 600 personal visits.

Since its inception, the Commission has found it necessary to initiate complaints against candidates and committees which failed to file, filed late, or failed to fully and timely disclose contributions and expenditures. During 1982, the Commission initiated 627 complaints and found 541 candidates or committees had violated the Act. The Commission imposed fines in 224 of the cases and reprimanded 317 violators and dismissed 23 of the complaints filed. Of the complaints initiated by the Commission, all but 21 cases were concluded without resort to proceeding before the Office of Administrative Law. At the end of 1982, there were 131 open cases. Fines collected in 1982, which are deposited in the General Fund of the State Treasury, totaled \$14,718.45, a substantial increase over the \$5,176.39 collected in 1981.

TABLE XII

NUMBER OF LETTERS BY PURPOSE AND TYPE OF RECIPIENT - 1982

Purpose of Letters	Candidates and Campaign Committees		Political Party and Ongoing Poli- tical Committees' Annual Report	Lobbyists and Legis- lative Agents
	1982 elections	Pre-1982		
General Mailings/ Reminders/Forms	8,956	-	2,453	1,100
Late Filing Notices	2,465	150	310	-
Requests for Correction to Reports	574	281	17	-
Follow-ups to Correction Reports	111	141	-	-
Subtotals	<u>12,106</u>	<u>572</u>	<u>2,780</u>	<u>1,100</u>

TOTAL LETTERS: 16,558

THE COMMISSION BUDGET

For Fiscal Year 1982-83, the Commission's adjusted appropriation is \$665,063, an increase of \$57,894 or 9.5 percent over the Fiscal Year 1981-82 adjusted appropriation of \$607,169.

PERSONNEL - COMMISSION AND STAFF

In 1982, two new Commissioners took office to fill unexpired terms of holdover appointments. Governor Byrne appointed Alexander P. Waugh, Jr., Esq. to replace former Chairman Sidney Goldmann and former Supreme Court Justice Haydn Proctor to replace former Assemblywoman Josephine Margetts. Commissioner Waugh was appointed to complete a term ending June 30, 1984. Commissioner Proctor was appointed to a term ending June 30, 1983. Both new Commissioners took office in January.

Governor Kean appointed Commissioner Andrew Axtell as Chairman, replacing former Chairman Sidney Goldmann. Governor Kean also re-appointed Commissioner M. Robert DeCotiis for a new three-year term ending July 1, 1985.

Personnel changes in 1982 resulted from filling vacancies occurring during the year. The Commission also had the services of two CETA students, one of whom the Commission has been able to employ parttime during the 1982-83 school year. A student intern from Temple University was employed full time as a Report Examiner.

Senior Commission staff were actively involved in Governor Kean's Management Improvement Program, spending substantial amounts of time participating in discussions and assembling management and program cost data and program evaluation data. Senior staff also attended a one day retreat to review the Commission's workload and programs and identify ways of improving the efficiency and effectiveness of the Commission's programs.

In April, Staff Counsel Nagy and Director of Compliance and Review Schultz attended the Northeast Conference on Lobbyist Regulation held in Albany, N. Y. Executive Director Weiner and General Legal Counsel Farrell participated in the national Conference on Governmental Ethics Laws held in Columbus, Ohio in December. The Executive Director and other senior staff attended numerous meetings with legislators, local and state officials, universities, the press and interested organizations to discuss the Commission's programs and activities.

INITIATIVES FOR 1983

Many of the Commission's activities during 1982 were aimed at securing the Governor's and Legislature's consideration of amending the laws the Commission administers and enforces. The Commission, through the reports it released during 1982 and its frequent meetings with

members of the Legislature, anticipates that the Legislature will take action to amend the Campaign Contributions and Expenditures Reporting Act by simplifying certain reporting requirements, by revising reporting thresholds and by clarifying certain provisions of the law in time for the 1983 general election. Similarly, the Commission anticipates legislative action to: (1) enact the proposed law on the disposition of surplus campaign funds (S-1195); (2) amend the gubernatorial public financial program; and (3) amend the Legislative Activities Disclosure Act (lobbyist financial disclosure).

In an effort to improve the quality of the reports filed and to aid potential filers, the Commission plans to hold a series of at least five seminars throughout all parts of the State in the Spring of 1983. The Commission will invite political party committees, known candidates, and interested organizations and will widely publicize the seminars. At the seminars, senior staff will provide an overview of the reporting disclosure laws and along with detailed instructions on the filling out of forms and the dates for filing reports. In anticipation of significant amendments to the Reporting Act, the Commission is planning an even more extensive program of seminars throughout the State in September.

The Commission plans to prepare a report on the 1983 legislative election patterned after the Commission's report on the 1981 legislative election.

The Commission has already begun a detailed review of its forms and manuals and guidelines to identify ways in which they can be simplified and made more usable by candidates and treasurers. This effort anticipates legislative action amending the Campaign Contributions and Expenditures Reporting Act. Even if the amendments are not enacted, the Commission anticipates redesigning its forms and rewriting its manuals during 1983.

To improve its operating efficiency, the Commission anticipates moving to slightly expanded office space in 1983, thus overcoming the severe crowding that exists in the Commission's present office and creating a more productive work environment. The Commission also anticipates taking full advantage of the State's record management system to free up overcrowded file space. Other administrative initiatives include exploring the potential of word processing equipment to reduce the need for part time clerical support and exploring technical assistance on the utility of different computer systems that might make the work of the Commission more efficient and the publishing of summary reports more timely.

Finally, the Commission has directed the staff to embark on a fine collection program among those respondents who have failed to pay fines imposed by the Commission. It is anticipated that appropriate legal steps will be taken in early 1983 in all cases of unpaid fines and that a regular systematic fine collection program will be in place for all future cases.

1982 STAFF MEMBERS

Sheila E. Becker	Celia L. Minich
Thomas V. Cullen	*Frederick J. Moore
Gail E. Davis	Gregory E. Nagy
Frank A. Fillat	Carolyn Neiman
Denise Gonzalez	Peter D. Nichols
*Patricia M. Gryco	Kay M. Niles
*Michele Hoffman	*Alexander S. Parks
Carolyn E. Jones	Linda Piljar
Dorothy K. Kerr	R. David Rousseau
Debra A. Kostival	William R. Schmidt
*Helen Letts	Juana M. Schultz
Leslie G. London	Shirley Thorpe
	Scott A. Weiner

*Resigned/Retired during 1982