

ELEC-Tronic

AN ELECTION LAW ENFORCEMENT COMMISSION NEWSLETTER

"Furthering the Interests of an Informed Citizenry"

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Comments from the Chairman Ronald DeFilippis

The Center for Public Integrity, joined by Global Integrity and Public Radio International, just released a report that maintains that New Jersey has the lowest risk of corruption among all 50 states.

It came as no surprise to me that New Jersey was ranked No. 1 for transparency and accountability in state government.

The high marks are in part due to the efforts undertaken at the U.S. Attorney's Office in rooting out corruption in public places

Further, the current Attorney General for New Jersey is continuing to make headway in this critical area as well.

In addition to these law enforcement efforts, good government groups, along with the Legislature, pushed through strong ethics laws during the 2004-05 legislative sessions.

Part and parcel of that package were the pay-to-play law and the requirement that lobbyists report grassroots lobbying as part of their annual financial reporting.

The pay-to-play law has certainly made state government at all levels more transparent. And it is the Election Law Enforcement Commission that is responsible for the disclosure aspect of that law.

So in this and other areas, ELEC has contributed to that number one ranking in terms of transparency and accountability.

Each year, the Commission provides an in depth analysis of pay-to-play activity. Through its website and analytical releases the public is provided with information on who receives public contracts and how much vendors have made in political contributions.

The Commission has also proposed strengthening the pay-to-play law by simplifying it; having one state law; requiring all contracts of \$17,500 to be disclosed; and importantly, calling for an end to the "fair and open" loophole.

The "fair and open" loophole at the local level allows local governments to bypass the pay-to-play requirements by simply advertising for bids in the paper.

Recently, the Commission released its annual analysis of lobbyist activity in New Jersey.

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Comments from the Chairman Ronald DeFilippis

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This comprehensive report showed that lobbyists spent a record \$73 million on lobbying last year. It also showed that benefit passing was down to about \$5,000; a record low, and that grassroots lobbying reached a high of \$15.2 million in 2010.

And this is where I must take issue with the Public Integrity report. The report found New Jersey deficient in the disclosure of grassroots lobbying.

This is not correct. As part of the 2004 reforms, grassroots lobbying became reportable. The recent lobbyist report by the Commission found that grassroots lobbying was on the upswing. It detailed both contributions and expenditures reported by grassroots groups.

In fairness to Public Integrity, however, the study may be citing the lack of a law requiring issue advocacy in the context of an election to be disclosed.

In this regard, the Commission has been on record for two years calling for the disclosure of financial activity by independent, outside groups participating in elections.

All in all, New Jersey and the Commission fared very well in this report.

At Commission offices, we have continued to make strides toward even greater transparency through the relatively new initiative of a local contributor data base, scanned lobbyist annual financial reports, and now quarterly reports, lobbyist electronic filing, and a website that was rated in 2010 as the best governmental website in New Jersey.

In the months ahead, the Commission will continue to contribute to New Jersey's number one ranking for transparency and accountability.

Executive Director's Thoughts Jeff Brindle

Conventional billboards as a tool of political advertising have been declining lately. Though they have long been used in New Jersey campaigns, the \$174,194 reported in the legislative contest of 2009 was the lowest for the decade.

But will that change with the onset of digital billboards?

Kris Ankarlo writes in Campaigns and Elections magazine, "digital billboards are a rapidly growing part of the commercial media arsenal, popping up along roads all across the country."

While political types do not as yet include digital billboards in their bag of advertising tricks, Ankarlo says that "outdoor advertising executives are actively working to change [that] ahead of the 2012 election cycle."

Digital billboards technology offers genuine opportunities for local, state, and national candidates to get their message out to the voters.

This type of advertising is getting less expensive and digital messaging can be changed quickly to focus on immediate news events.

Because numerous digital billboards are spread throughout a geographical area, messages can be targeted to highlight parochial interests.

Campaigns could also monopolize the messages flashed digitally by purchasing all of the advertising segments. This would allow for the repetition of a candidate's position on an important issue.

Digital billboards offer opportunities for the future as well. Ankarlo says that campaigns could use "wireless technology to advertise directly to drivers passing specific digital billboards or alerting supporters of nearby volunteer opportunities."

Opportunities do exist for campaigns via digital billboards. However, there are considerable downsides that could discourage political operatives and candidates from taking advantage of them, particularly in a densely populated State like New Jersey.

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Executive Director's Thoughts Jeff Brindle

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First, there are safety concerns, such as traffic-congested urban/suburban New Jersey.

Besides talking and texting on cell phones, against the law but often ignored, digital billboards would constitute another distraction to drivers.

Community groups would likely oppose digital billboards as environmentally and aesthetically harmful. Homeowners, whose property would lie in close proximity to digital billboards, not only would find them a nuisance but would be concerned about the impact on their property values.

And, if this were not enough to dissuade political pros from utilizing digital billboards, the fact is that this type of advertising would not do anything more for a campaign than broadcast, online, or a variety of other forms of digital advertising could do.

So at least for New Jersey it would seem that outdoor billboard advertising is a thing of the past, despite the fact that they are coming into the digital age.

I could be wrong but it is doubtful that this expenditure will appear on campaign finance reports submitted to the Election Law Enforcement Commission any time soon.

WORTH QUOTING

ON DISCLOSURE:

"The First Amendment protects political speech; and disclosure permits citizens and shareholders to react to the speech of corporate entities in a proper way. This transparency enables the electorate to make informed decisions and give proper weight to different speakers and messages."- U.S. Supreme Court in Citizens United v. FEC, January 21, 2010.

"The manifest objective of the NJ Campaign and Expenditures Reporting Act is to identify and attempt to regulate the significant flow of

substantial wealth aimed at affecting the outcome of elections, public questions and the legislative process. No one doubts that money is a prime lubricant of the machinery of politics. For too many years the financial aspect of politics has been shrouded either in a veil of secrecy or a fog of confusion. The average voter is aware of the tremendous cost involved in running even a modest campaign for elective office; however, he cannot help but wonder where the money comes from and more important...why it comes." New Jersey Supreme Court in NJ State Chamber of Commerce v. NJ ELEC, 1975.

"If you are worried about corruption, think of a case where a big donor contributes to a C4, and the C4 contributes to a super PAC. The donor knows his money went to the PAC, and because the PAC is run by a friend of the candidate, the candidate knows where the money came from. But the voter doesn't know. That's a recipe for disaster in the democratic process."- Donald Tobin, campaign law expert, Ohio State University in March 2, 2012 Los Angeles Times story.

"Disclosure remains a crucial antiseptic to the corrupting influence of money in politics. If political money is 'speech' as (the Supreme Court) argues, shouldn't we be able to know the identity of the person who is speaking to us?"- Sunlight Foundation February 28, 2012

ON ELEC:

"(New Jersey) has a strong State Ethics Commission that has investigative power, while the Election Law Enforcement Commission is a watchdog that both barks and bites."- Trenton Times Editorial, March 21, 2012

"We actually have a great Election Commission, the election law enforcement commission, that does a yeoman's work in terms of trying to keep track of political fundraising...(and).. expenditures. It also enforces our lobbying laws. But there's more work that we need to do in terms of those laws."- Colleen O'Dea, reporter, during NPR radio interview on March 19, 2012.

Lobbying Spending 2011

Fueled for the second straight year by heavy mass media advertising, lobbyist spending soared to a record \$73 million in 2011, Jeff Brindle, Executive Director of the New Jersey Election Law Enforcement Commission (ELEC), announced today.

The spending represented an 11.2 percent increase over the 2010 total of nearly \$66 million. It was the fourth straight year that total expenditures by lobbyists were up.

Table 1
Total Spending
by Lobbyists in New Jersey 2007-2011

YEAR	TOTAL SPENDING ON LOBBYING	CHANGE IN %
2011	\$ 73,258,701	11.2%
2010	\$ 65,896,122	14.5%
2009	\$ 57,565,043	3.4%
2008	\$ 55,661,277	1.4%
2007	\$ 54,891,382	-0.8%

For the second year in a row, the spending increase in New Jersey was driven by a huge outlay for communications, primarily television and radio advertising. Communications spending totaled \$15.2 million in 2011.

"The 21st Century certainly has arrived for lobbyists in New Jersey," said Brindle. "Lobbyists are depending more and more on mass media communications in their effort to influence public policy."

The largest spender was New Jersey Education Association. Most of its \$11.3 million spending went to communications. The union, which represents 195,501 active and retired school employees in New Jersey, spent \$6.6 million in 2010 on communications. NJEA's total and communications spending both are new records for annual lobbying outlays by one group.

The state and national chapters of the AFL-CIO, a union confederation, spent a combined \$700,352 on communications.

Americans for Prosperity, a non-profit educational group, disclosed \$564,218 under grassroots lobbying reporting requirements. Grassroots lobbying is direct communication about issues with the general public. The group ran issue-oriented ads in five legislative districts during last year's legislative campaigns.

Table 2
Top Ten Outlays
for Communications by Lobbyists in 2011

GROUP	2011 SPENDING
New Jersey Education Association	\$ 10,875,011
AFL-CIO*	\$ 700,352
Americans For Prosperity	\$ 564,218
NJ Association of Realtors**	\$ 336,436
AARP NJ	\$ 322,381
NJ Cable Telecommunications Association	\$ 279,442
60 Plus Association	\$ 175,000
NJ Manufacturers Insurance Group	\$ 158,318
NJ Hospital Association	\$ 150,172
Healthcare Institute of New Jersey	\$ 138,547

*Combines totals from state and national affiliates

**Combines totals from annual report and grassroots lobbying report

"While traditional lobbying still is a mainstay of professional lobbyists, more lobbyists are turning to new media and issue advocacy to achieve the outcomes they seek," Brindle said.

While most lobbying expenses were on the rise, one continued to fall- the amount spent on "benefit passing." Last year, lobbyists spent just \$5,687 on food and other benefits, and they were reimbursed for \$1,208. Benefit passing in New Jersey peaked in 1992 at \$163,375 and has been on a steady decline ever since.

Table 3
Total Spending on Benefit Passing
Unadjusted for Reimbursements

YEAR	TOTAL SPENDING ON BENEFIT PASSING	CHANGE IN %
2011	\$ 5,687	-24%
2010	\$ 7,476	-22%
2009	\$ 9,642	-57%
2008	\$ 22,360	-29%
2007	\$ 31,630	-30%

Lobbying Spending 2011

Continued from page 4.

"Benefit passing really is a thing of the past due to the gift ban imposed in 2003 and the increasing public scrutiny given to lobbyists paying to entertain public officials," Brindle said.

The gift ban prevents lobbyists from providing gifts totaling more than \$250 annually to a legislator, legislative staff member or official or staff member in the executive branch. "These days public officials would rather pay their own way rather than rely on lobbyists to pay for entertainment costs."

"Moreover, the decrease in benefit passing is just another indication that the nature of lobbying in New Jersey is moving in the direction of now relying on new media and more sophisticated methods of influence," Brindle added.

New Jersey's benefit passing statistics are even more stark when compared to states without limits. For instance, lobbyists in Georgia annually spend about \$1.6 million on legislators.

Even as overall expenditures and receipts rose, the number of lobbyists and lobbyist clients dropped last year.

The average number of lobbyists declined from 965 to 936- a 3 percent falloff. It was the third straight year that the number of lobbyists was down. Registration peaked at 1,043 in 2008.

The number of lobbyist clients fell to 1,939 from 1,998- 3 percent- after rising the year before. Total clients peaked at 2,001 in 2007.

Lobbyists reported serving on 176 appointed seats on public authorities, boards and commissions. That is down 22 percent from the year earlier.

While lobbyists are required to disclose such appointments, they are not required to divulge if their firms earn fees representing public authorities, boards or commissions. Some do disclose this information voluntarily.

ELEC has recommended that all public entities in New Jersey be required to disclose the amount they spend on lobbying each year. The Commission also has recommended that lobbyists reveal efforts made to influence local governmental officials.

Currently, only lobbying of state officials is subject to disclosure.

Spending by towns, counties and other public agencies continued to decline sharply. Public agencies spent only \$556,456 on lobbyists last year- about 1 percent of total lobbying receipts.

Total lobbying spending by public agencies is down 70 percent from \$1.9 million in 2009. Spending is down nearly 40 percent from the estimated \$931,521 spent in 2010.

Among major expense categories, in-house salaries, up 5.4 percent, represented the largest share of lobbyist spending in 2011, just as it did in 2010. Also like the previous year, communications expenses rose the most- nearly 47 percent.

Table 4
Lobbying Expenses by Category in 2011

EXPENSE CATEGORY	2010	2011	CHANGE IN %
In-house salaries	\$34,737,707	\$36,607,646	5.4%
Compensation to outside agents	\$15,681,640	\$16,184,361	3.2%
Communications	\$10,343,317	\$15,178,494	46.7%
Support personnel	\$ 2,753,534	\$ 2,658,125	-3.5%
Travel and lodging	\$ 670,665	\$ 688,097	2.6%

Unions and corporations dominated the top list of spenders last year.

Table 5
Top 10 Special Interest Groups by Spending in 2011

GROUP	2011 SPENDING
NJ Education Association	\$11,259,886
Verizon NJ	\$ 1,214,500
AFL-CIO*	\$ 794,186
Public Service Enterprise Group	\$ 774,039
NJ Hospital Association	\$ 771,272
Honeywell International Inc	\$ 692,156
CSC Holdings Inc (Cablevision)	\$ 627,881
AARP NJ	\$ 601,705
Americans For Prosperity	\$ 571,458
Atlantic City Electric	\$ 556,937

*Combines totals from state and national affiliates

Multi-client lobbying firms reported receipts totaling \$52.7 million last year, an 8 percent increase.

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Lobbying Spending 2011

Continued from page 5.

Table 6
Top Ten Multi-Client Lobbying Firms
Ranked by 2011 Fees

FIRM	2011 RECEIPTS
Princeton Public Affairs Group Inc	\$ 8,323,526
Public Strategies Impact LLC	\$ 5,863,926
Martin-Bontempo-Matacera-Bartlett-Gluckshaw	\$ 3,706,689
Kaufman Zita Group LLC	\$ 2,003,284
Gibbons PC	\$ 1,856,308
Capital Public Affairs Inc	\$ 1,439,500
Riker Danzig Scherer Hyland & Perretti LLP	\$ 1,438,696
Impact NJ LLC	\$ 1,416,548
Porzio Governmental Affairs LLC	\$ 1,286,743
Inglesino Pearlman Wyciskala & Taylor LLC	\$ 1,207,400

The increase in lobbying spending in New Jersey came during a year in which federal lobbying expenditures fell for the first time in a decade. Federal lobbying expenditures fell 6.8 percent last year to \$3.27 billion, according to the Center for Responsive Politics.

However, lobbying in other major states also set new records. Lobbyists spent \$345 million in Texas, \$287 million in California, and \$127 million in Florida—all new highs.

Summary data provided above should be considered preliminary. It reflects reports received as of 5 pm on March 1, 2012. In New Jersey, lobbyists who raise or spend more than \$2,500 are required to file a report on February 15th that reflects activity from the prior calendar year.

Summary information about lobbyist activities in 2011 can be obtained at the following website: http://www.elec.state.nj.us/publicinformation/gaa_annual.htm.

Copies of annual reports also are available on ELEC's website.

Quarterly Lobbying Reports

In the latest of numerous recent initiatives undertaken by the New Jersey Election Law Enforcement Commission (ELEC), quarterly reports detailing activities by registered lobbyists will now be available on the Commission's website.

The reports contain information on legislation that lobbyists oppose or support as well as information about their interactions with the executive branch on issues like contracts, permits or fines, said Jeff Brindle, ELEC's Executive Director.

"Despite budgetary and staffing limitations, we are constantly trying to improve the services we offer the public," said Brindle. "I want to applaud our staff for making this happen."

Initially, all the reports are contained in a single, searchable portable document format (PDF) file. Eventually, the agency hopes to post each report separately, he said.

Brindle further noted that beginning this year, lobbyists were able to electronically submit their annual reports.

As a result, ELEC, also for the first time, was able to post all annual reports on its website on the same day the paper reports were scheduled to be made public (March 7). Annual reports contain information such as clients and fees, lobbyist salaries, funds spent on communications or gifts, and appointed positions held by the lobbyists.

Brindle singled out Titus Kamal, Associate Compliance Officer, for special praise. Kamal personally scanned all of the several hundred quarterly lobbying reports.

Brindle also praised the efforts of Linda White, Director of Lobbying; Amy Davis, Compliance Director; Maryanne Garcia, Principal Webmaster; and Carol Neiman, Director of Information Technology.

"One of ELEC's great strength is the tremendous dedication of its staff. Efforts like this are a testament to that dedication," he said.

The initial group of quarterly reports covers activities from May 1 through December 31, 2011 and can be accessed at: http://www.elec.state.nj.us/publicinformation/gaa_quarterly.htm.

Judy Sheridan "Profile"

Personnel Officer

After nearly 33 years of marriage, Judy Sheridan truly values the support she receives from her husband, Jim.

"You need someone in your corner," she said.

As the new personnel officer for the NJ Election Law Enforcement Commission (ELEC), Sheridan is the one providing support by guiding staff through the complex world of payrolls, health insurance and other personnel matters.

"I enjoy helping people," said Sheridan. "If someone has a question, I will go out and find an answer for them if I don't already know it."

Sheridan came to ELEC from the human resource section of the State Treasury Department, where she worked since 2002.

She enjoyed her old job but felt ready for a change. The ELEC job was the first one she applied for since she began working for the State. "It was just meant to be," she said.

Sheridan has more responsibility at ELEC and that means more challenges.

Among other things, she will answer staff questions, manage the payroll, monitor days off, keep current on Civil Service regulations, welcome new employees, and arrange training sessions on workplace issues.

"I find it stimulating staying on top of everything," she said.

A lifelong Pennsylvania resident, she attended Bucks County Community College.

In her off-time, she enjoys traveling now that her children are grown. She ventured to Alaska last year, and is visiting Yellowstone National Park this summer.

"Once a year I like to do a nice trip to somewhere we haven't been," Sheridan said.

Another priority pastime is to spend time with her daughters, Jill and Jenna, and grandson Steven.

Sheridan inherited a love of reading from her mother Jackie, who reads a book a day. More than two years ago, she received an e-reader from her husband as a surprise gift. She wasn't sure she would like it. But now it never leaves her side.

Her favorite topics are wide-ranging. They include biographies, mysteries, thrillers and romances. "I love it. I always have 30 books downloaded to read," she said.

Training Seminars

The seminars listed below will be held at the Election Law Enforcement Commission, 28 West State Street, 8th Floor, Trenton, New Jersey at 10:00 a.m.

To attend a seminar, you must reserve a seat. Space will be limited. Fill out the reservation form below and be sure **to circle the date you wish to attend**. Return the entire reservation form to the Commission. You may mail the form back to ELEC, PO Box 185, Trenton, NJ 08625-0185. Or, you may fax the form to ELEC at (609) 633-9854.

TREASURER TRAINING FOR CANDIDATES AND JOINT CANDIDATES COMMITTEES	
Treasurer Training Reservation Form	
Tuesday	April 3, 2012
Wednesday	April 11, 2012
Tuesday	April 24, 2012
Tuesday	September 11, 2012
Monday	September 24, 2012
Tuesday	October 2, 2012

TREASURER TRAINING FOR POLITICAL PARTY COMMITTEES AND PACS	
Treasurer Training Reservation Form	
Wednesday	June 27, 2012
Friday	September 28, 2012
Wednesday	December 12, 2012

R-1 ELECTRONIC FILING SOFTWARE (REFS) TRAINING	
REFS Training Reservation Form	
Thursday	April 12, 2012
Wednesday	April 25, 2012
Wednesday	July 25, 2012
Wednesday	September 19, 2012
Wednesday	October 3, 2012

DATES TO REMEMBER

Reporting Dates

ELECTION	48 HOUR START DATE	INCLUSION DATES	ELEC DATE
SCHOOL BOARD	4/4/12		4/17/2012
29-day Preelection Reporting Date		Inception of campaign* - 3/16/12	3/19/2012
11-day Preelection Reporting Date		3/17/12 - 4/3/12	4/9/2012
20-day Postelection Reporting Date		4/4/12 - 5/4/12	5/7/2012
MAY MUNICIPAL (90 DAY START DATE: 2/8/12)	4/25/12		5/8/2012
29-day Preelection Reporting Date		Inception of campaign* - 4/6/12	4/9/2012
11-day Preelection Reporting Date		4/7/12 - 4/24/12	4/27/2012
20-day Postelection Reporting Date		4/25/12 - 5/25/12	5/29/2012
RUNOFF (JUNE)**	5/30/12		6/12/2012
29-day Preelection Reporting Date		No Report Required for this Period	
11-day Preelection Reporting Date		4/25/12 - 5/29/12	6/1/2012
20-day Postelection Reporting Date		5/30/12-6/29/12	7/2/2012
PRIMARY*** (90 DAY START DATE: 3/7/12)	5/23/12		6/5/2012
29-day Preelection Reporting Date		Inception of campaign* - 5/4/12	5/7/2012
11-day Preelection Reporting Date		5/5/12 - 5/22/12	5/25/2012
20-day Postelection Reporting Date		5/23/12 - 6/22/12	6/25/2012
GENERAL*** (90 DAY START DATE: 8/8/12)	10/24/12		11/6/2012
29-day Preelection Reporting Date		6/23/12 - 10/5/12	10/9/2012
11-day Preelection Reporting Date		10/6/12 - 10/23/12	10/26/2012
20-day Postelection Reporting Date		10/24/12 - 11/23/12	11/26/2012
RUNOFF (DECEMBER)**	11/21/12		12/4/2012
29-day Preelection Reporting Date		No Report Required for this Period	
11-day Preelection Reporting Date		10/24/12 - 11/20/12	11/23/2012
20-day Postelection Reporting Date		11/21/12 - 12/21/12	12/24/2012
PACS, PCFRS & CAMPAIGN QUARTERLY FILERS			
1st Quarter		1/1/12 - 3/31/12	4/16/2012
2nd Quarter****		4/1/12 - 6/30/12	7/16/2012
3rd Quarter		7/1/12 - 9/30/12	10/15/2012
4th Quarter		10/1/12 - 12/31/12	1/15/2013

* Inception Date of Campaign (first time filers) or from January 1, 2012 (Quarterly filers).

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

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

**** A second quarter report is needed by Independent General Election candidates if they started their campaign before 5/9/2012.