



# 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

There are many unsung heroes.

One such individual is Carol Hoekje. Carol is the Commission's Legal Director. She will retire from State service on June 1<sup>st</sup>.

Carol has been the Legal Director since 2007. Before that she served in the position of Deputy Legal Director for four years. All told, Carol has been with the Commission since 1994. Prior to coming to ELEC, Carol was employed at the State Commission of Investigation for 10 years.

Without question, the experience and expertise Carol brought to the job of Legal Director will be sorely missed.

Any time government, or any business, for that matter, loses senior people it creates a knowledge gap that is difficult to replace.

During Legal Director Hoekje's tenure, many important issues came before the Commission.

I can't recount all of them in this space but two immediately come to mind.

In the case involving Morris County Freeholder William "Hank" Lyon, Carol represented the Commission's interest expertly. With great skill, she won the day before the State Appeals Court by successfully protecting ELEC's jurisdiction over campaign finance laws. In a lower court decision, the judge had vacated Lyon's election citing violations of campaign law.

More recently, Legal Director Hoekje drafted an advisory opinion that skillfully distinguished the governor's campaign committee from individual candidates and officeholders. The issue involved the use of campaign funds to underwrite the cost of responding to subpoenas.

These are just two of many issues and cases which benefitted from the guidance of Legal Director Hoekje.

The retirement of seasoned individuals will leave a knowledge gap in any organization. But in the specialized field of campaign finance law, that gap will be enormous and will take time to fill.

Carol Hoekje graduated from Cornell University, where she received her A.B. Subsequently, she attended Cornell Law School receiving her J.D. degree in 1981.

Legal Director Hoekje also earned an M.S. degree in education from Kansas University. Earlier, she attended the University of Gottingen in Germany.

Very often good people are overlooked in terms of the contributions they make to an organization, agency, or business.

But invariably, these unsung heroes are an essential part of the fabric that keeps the organization moving in the right direction. And, in the case of government, in serving the public.

Carol has done just that and will be missed by all of us at the Commission and I'm sure by the public.

## Executive Director's Thoughts Jeff Brindle

### IT'S TIME FOR REAL PAY-TO-PLAY REFORM

*Reprinted from Politickernj.com*

In early April, the Commission will release its annual pay-to-play report.

Last year's report, covering public contractor activity in 2012, revealed that donations had dropped by 23 percent from the previous year.

The report showed that public contractors made \$7.6 million in political contributions. It noted that they received \$5.7 billion in public work, an increase of seven percent over 2011.

In general both donations and public contract dollars have declined since 2006, when the law went into effect.

My guess is that because of the tragedy of Hurricane Sandy, this year's report probably will show public contracts increasing.

Donations by public contractors to candidates and political parties, however, may continue to decline.

Undoubtedly, well meaning reformers will welcome the news. Less money to candidates and political parties is a good thing, right?

Maybe. But there is another side to that story. There is no less money going into the electoral process. It is merely being redirected.

And where is it going? It's going to independent groups, which spent \$42 million during the recent gubernatorial and legislative elections, and to party-affiliated PACs.

Neither group is subject to pay-to-play. Moreover, independent, outside groups often operate in secrecy. So the public is unaware of who is contributing to them and how much they are spending to influence the election.

In a word, the current pay-to-play law, though well intended, has resulted in less transparency.

What's worse, the law is self defeating. Rather than making it easier to connect the dots between contributions and contracts it has made it harder.

The problem with the pay-to-play law is that it is too complicated. There is the state law and there are about 176 local ordinances.

In some instances, the state law applies not only to state contracting but also to county and municipal contracting. But even when local governments remain subject to state law by not adopting their own ordinance, they can still escape it by invoking the fair and open provision.

Fair and open allows local governments to evade the pay-to-play law by simply advertising the bidding process.

In addition there are several executive orders that further serve to complicate the law.

The complexity of the law has resulted in contractors either discontinuing their participation in the electoral process altogether or more likely going outside of the system and donating to PACs and/or unregulated independent groups.

So what can be done? The pay-to-play law should be simplified and strengthened.

The Election Law Enforcement Commission (ELEC) has proposed commonsense reforms that if enacted would accomplish these twin goals.

ELEC has proposed one state law to apply across the board, meaning that the pay-to-play law would encompass both the state and local levels of government. The reforms would eliminate the fair and open loophole and require all contracts of \$17,500 to be disclosed.

Finally, the recommendation calls for the contribution limit to be raised for public contractors from \$300 to \$1,000. This limit would not even be half of the current \$2,600 limit applying to individuals.

These reforms would make the law understandable, strengthen disclosure, end an egregious loophole, and help to offset the influence of outside groups by redirecting money back to candidates and parties.

Governor Christie has endorsed the concept of one state pay-to-play law, as have Senators James Beach (D-6) and Linda Greenstein (D-14). The Senators have introduced legislation that includes many of the provisions included in ELEC's pay-to-play proposal.

It is time for solid pay-to-play reform to move forward so that the public can better follow the flow of money in order to judge the relationship between contributions and contracts. Moreover, it's time for reforms that will help stem the tide of money flowing to independent groups and redirect it back to candidates and parties.

## CONTRACTORS DONATIONS UP IN 2013

Contributions by public contractors jumped more than \$2 million in 2013 to nearly \$10.1 million, the biggest increase since 2007, according to an Election Law Enforcement Commission (ELEC) analysis of annual disclosure reports filed last month.

In a year with the governor's seat and all 120 legislative seats at stake, contributions shot up 27 percent. "Since 2007, the only other year when there was a contribution spurt was 2011. The increase was tiny- 3 percent-compared to last year's surge," said Jeff Brindle, ELEC's Executive Director. "You must keep in mind, however, that overall contributions still are down 39 percent from a peak of \$16.4 million in 2007."

**Table 1**  
**Campaign Contributions Reported by Public Contractors in Annual Disclosure Reports**

YEAR	AMOUNT	CHANGE-\$	CHANGE-%
2013	\$10,098,611	\$ 2,136,879	27%
2012	\$ 7,961,732	\$ (1,992,813)	-20%
2011	\$ 9,954,546	\$ 256,323	3%
2010	\$ 9,698,222	\$ (1,379,990)	-12%
2009	\$11,078,213	\$ (1,038,461)	-9%
2008	\$12,116,673	\$ (4,318,765)	-26%
2007	\$16,435,439	\$ 1,279,397	8%
2006	\$15,156,041		

Brindle said that "the surge in contributions can be explained by the fact that for the first time since 2001, both houses of the Legislature and the governor were up for election. This means there were more state candidates running than any time in the last 13 years."

"My guess is that in the future, the decline in contracting firm contributions directly to candidates and parties will continue, barring legislation overhauling the law," he added.

## BIG-SIX 1<sup>ST</sup> QUARTER 2014

The 2013 state elections, which featured the most candidates since 2001, has left the so-called “Big Six” fundraising committees with depleted coffers, according to an analysis by the New Jersey Election Law Enforcement Commission (ELEC).

Reports filed by the two state parties and four legislative leadership committees revealed a combined reserve of just \$750,904. That is less than a third of the \$2.6 million cash balance at this point last year when the same groups were mobilizing for fall elections.

Not since 2001 has the campaign for governor taken place during the same year elections were held for both legislative houses.

**TABLE 1  
FUNDRAISING BY “BIG SIX” COMMITTEES  
JANUARY 1 THROUGH MARCH 31 2014**

REPUBLICANS	RAISED	SPENT**	CASH-ON-HAND	NET WORTH*
New Jersey Republican State Committee	\$194,109	\$345,344	\$261,128	\$ 26,954
Senate Republican Majority	\$ 40,606	\$ 24,914	\$ 71,927	\$ 71,927
Assembly Republican Victory	\$ 67,503	\$ 40,642	\$ 67,574	\$ 67,574
<b>Sub Total-Republicans</b>	<b>\$302,218</b>	<b>\$410,900</b>	<b>\$400,629</b>	<b>\$166,455</b>
<b>DEMOCRATS</b>				
New Jersey Democratic State Committee	\$ 34,170	\$ 52,372	\$140,820	\$117,579
Senate Democratic Majority	\$ 76,018	\$136,896	\$ 24,759	\$ 4,759
Democratic Assembly Campaign Committee	\$188,120	\$ 94,053	\$184,696	\$154,257
<b>Sub Total-Democrats</b>	<b>\$298,308</b>	<b>\$283,321</b>	<b>\$350,275</b>	<b>\$276,595</b>
<b>Total-Both Parties</b>	<b>\$600,526</b>	<b>\$694,221</b>	<b>\$750,904</b>	<b>\$443,050</b>

\*Net worth is cash-on-hand adjusted for debts owed to or by the committee.

\*\*Some spending totals exceed fundraising totals because of reserves carried over from last year.

“The parties definitely are tapped out. But that is part of the normal fund-raising cycle,” said Jeff Brindle, ELEC’s Executive Director. “I’m sure the tempo will pick up as they start gearing up for the 2015 Assembly elections.”

Looking at first quarter totals dating back to 2010, the combined 2014 party totals for fundraising and net worth- cash-on-hand adjusted for debts owed to or by the committee- are the lowest during that period.

However, the parties jointly spent more this year than they did during the first quarter of 2013, and reported a higher cash-on-hand figure this year than after the first quarter of 2012.

**TABLE 2  
CAMPAIGN FINANCE ACTIVITY BY “BIG SIX”  
AT END OF 1<sup>ST</sup> QUARTER BY YEAR**

BOTH PARTIES	RAISED	SPENT	CASH-ON-HAND	NET WORTH
2010	\$ 885,123	\$ 694,309	\$1,474,272	\$1,290,437
2011	\$1,738,239	\$ 777,847	\$2,500,926	\$2,191,738
2012	\$1,293,649	\$1,617,192	\$ 704,601	\$ 503,541
2013	\$1,464,033	\$ 583,756	\$2,564,802	\$2,421,411
2014	\$ 600,526	\$ 694,221	\$ 750,904	\$ 443,050

“It is clear that party fundraising is a shadow of what it was ten years ago. Tighter contribution limits for public contractors, a big surge in independent spending by special interest groups and other trends have made it harder for the “Big Six” committees to attract campaign funds,” Brindle said.

“That said, the first quarter after an election year is a traditional low point. Fundraising activity should be picking up in coming months,” he said.

State Parties and Legislative Leadership Committees are required to report their financial activity to the Commission on a quarterly basis. The reports are available on ELEC’s website at [www.elec.state.nj.us](http://www.elec.state.nj.us). ELEC also can be accessed on Facebook ([www.facebook.com/NJElectionLaw](http://www.facebook.com/NJElectionLaw)) and Twitter ([www.twitter.com/elecnj](http://www.twitter.com/elecnj)).

## TRAINING SEMINARS

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

<b>TREASURER TRAINING FOR CANDIDATES AND JOINT CANDIDATES COMMITTEES</b>	
September 11, 2014	10:00 a.m.
September 30, 2014	10:00 a.m.
<b>TREASURER TRAINING FOR POLITICAL PARTY COMMITTEES AND PACS</b>	
June 26, 2014	10:00 a.m.
September 23, 2014	10:00 a.m.
December 10, 2014	10:00 a.m.
<b>R-1 ELECTRONIC FILING SOFTWARE (REFS) TRAINING</b>	
July 23, 2014	10:00 a.m.
September 9, 2014	10:00 a.m.
October 1, 2014	10:00 a.m.

## LOBBYING REPORTING DATES

	<b>INCLUSION DATES</b>	<b>ELEC DUE DATE</b>
<b>Lobbying Quarterly Filing</b>		
2 <sup>nd</sup> Quarter	4/1/14 – 6/30/14	7/10/14
3 <sup>rd</sup> Quarter	7/1/14 – 9/30/14	10/10/14
4 <sup>th</sup> Quarter	10/1/14 – 12/31/14	1/12/15

## REPORTING DATES

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

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

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

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