



ELEC tronic

An Election Law Enforcement Commission Newsletter

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Comments from the Chairman

Eric H. Jaso

Funding Inaugural Events

“Such is the love of praise, so great the anxiety for victory.”
Virgil

After every election, the winning candidates often hold swearing-in ceremonies, inaugural balls or parties, and other victory celebrations.

These events provide the newly-elected officeholder the opportunity to publicly thank campaign workers, volunteers, supporters, and contributors.

They also provide the winning candidate with a unique opportunity to raise money for the next campaign or for other political purposes.

Swearing-in ceremonies and inaugural events attract a wide variety of attendees, from campaign staff and volunteers to campaign contributors, government contractors and lobbyists.

These events range from the small and modest to the elaborate and expensive, especially when the victor holds multiple events.

But in all the fanfare and hoopla that goes along with these celebratory events, the official-elect (and key campaign/committee staff) must remember to comply with campaign finance laws and regulations.

Any inaugural event held by or for a state, county or municipal official is subject to guidelines set forth in the ELEC Compliance manual, which states:

“Funds given to, or received by, a candidate or committee for the costs of an inaugural or swearing-in celebratory event, or other election-related event, must be reported as contributions and are subject to the contribution limits and other reporting requirements of the Act.”

In other words, the event must be run through the candidate’s campaign account, and money donated or raised must be reported as political contributions, just as before the election.

All such donations are subject to contribution limits, so that if a contributor had “maxed out” prior to Election Day, he or she would be barred from contributing to inauguration events.

On the other hand, if a contributor had donated less than the maximum amount, he or she could contribute an additional amount up to the limit.

All proceeds and expenditures must be included on the campaign report filed 20 days after the election or on a future quarterly report.

So, while newly-elected candidates are certainly entitled to celebrate, they must not rest on their laurels when it comes to continued compliance with campaign finance laws.

As always, ELEC’s website contains many resources to explain these sometimes-complex requirements, and our compliance staff is ready to answer questions. (But no, you can’t invite them to your parties!)

“Furthering the Interest of an Informed Citizenry”

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Executive Director's Thoughts

Jeff Brindle

The Federal Government Finally is Catching Up with New Jersey on Campaign Finance Disclosure

Reprinted from insidernj.com

A provision in a recent appropriation bill requires candidates for U.S. Senate to file campaign finance reports directly with the Federal Election Commission (FEC).

Until now, Senate candidates have been filing reports with the Secretary of the Senate, which then processes reams of paper disclosure reports before sending them to the FEC.

In turn, the Federal Election Commission bids out a contract with a private vendor to convert the paper reports into electronic data.

While presidential and House candidates have filed directly with the FEC since 2001, this antiquated system involving U.S. Senate candidates results in meaningful data taking weeks or even months to be made available to the public.

Moreover, as attested to by the Center for Public Integrity, numerous mistakes often occur as the result of converting paper reports into electronic data.

This situation should not be placed at the doorstep of the FEC, the watchdog over campaign financing at the national level, but rather is the responsibility of Congress, which by law created this unwieldy system.

When the FEC was established in 1974, all federal candidates should have been required to report directly to the FEC. Only now, after 44 years, will all federal candidates be filing directly with the Commission. This thanks to the bipartisan efforts of Senators John Tester (D) and Steve Daines (R), both from Montana, who were able to include this provision in the appropriations bill.

By contrast with the federal system, New Jersey voters since 1999 have been able to look up online the campaign finance reports of all 120 legislators, including members of the Senate and the Assembly.

Fortunately, the archaic system that has plagued federal officials does not exist in New Jersey, and never has.

Since its inception in 1973, the New Jersey Election Law Enforcement Commission (ELEC) has required all candidates throughout the State to file disclosure reports with ELEC.

That bit of legislative wisdom has allowed ELEC to be one of the premier agencies of its kind in the nation. Moreover, it has allowed the Commission to be exceedingly expansive in providing information to the public.

ELEC's jurisdiction is very wide in scope, perhaps the broadest of any similar agency.

Besides its jurisdiction over the filings of gubernatorial and legislative candidates, disclosure requirements extend to candidates for fire district, school board, municipal, and county offices.

Further, state, county, and municipal party committees, legislative leadership committees, political action committees, and political committees

report their financial activity to the Commission.

In addition, ELEC has jurisdiction over the Lobbying Law, the Pay-to-Play Law, and administers the Gubernatorial Public Financing Program. It also regulates Professional Fundraisers.

While the Commission does have the ability to issue civil fines to violators of the various acts, its main mission is disclosure.

Unhampered by an out-moded system like the one at the federal level, the Commission makes public detailed reports filed by political entities, lobbyists, and contractors on an ongoing basis.

Not only are reports from statewide candidates available to public view, but since 2009, a local contributor database has allowed viewing of information on local candidates.

Electronically-filed lobbyist annual and quarterly reports, along with detailed information taken from those reports, are available to the public, respectively, within three weeks and one week of filing deadlines. Pay-to-Play reports are available to the public within a week of filing. Electronic filing of reports has been available to candidates since a pilot program was initiated in 1999.

A recent upgrade to its Information and Technology system, supported by a special appropriation of \$2 million in Fiscal Year 2015, already has led to a more simplified, modern and comprehensive website and will enable parties, political committees and PACs in January to start filing their reports electronically.

As an independent agency, the Commission has been fortunate to have been structured in a way that has allowed it to function effectively and

efficiently, free from any direct interference from governors or legislatures, past and present.

Though operating on roughly the same budget of \$4.6 million for the last 11 fiscal years, and with a staff compliment that has varied between 61-65 people, ELEC has produced many accomplishments over that period.

Besides a significant upgrade of its Information Technology system and its expansion of electronic filing capacity and contributor databases, the Commission continues to provide analytical press releases and white papers.

It also is active in pushing for campaign finance reform measures that would strengthen political parties, reform pay-to-play, and require disclosure of independent groups.

Measures recommended and supported by ELEC such as restricting political fundraising on public property, requiring lobbyists representing local entities to file reports, and replacing gubernatorial printed gubernatorial ballot statements with online ones, have been enacted.

As the result of the foresight on the part of the Legislature in 1973, the ELEC has avoided many of the pitfalls experienced by its counterparts at the federal level.

Decades ago, the Legislature established an agency the public can look toward to establish trust in government. It established ELEC as an autonomous body overseen by a Commission of four members (there is one vacancy now though), no more than two of which can be from the same political party. It granted the Commission sufficient powers to enforce the various laws under its

jurisdiction. It also gave it a mission of promoting transparency in government.

Because of the wisdom of the Legislature, ELEC is not subject to an unwieldy bureaucracy as is its big sister agency at the federal level.

ELEC Participated at the 103rd NJLM Conference in A.C.

On November 13th, 14th and 15th the Compliance Division of the Commission attended the New Jersey League of Municipalities Convention held at the Convention Center in Atlantic City. The event is heavily attended by elected officials and other individuals employed by local public entities. In 2016, the Compliance Division of the Commission attended the entirety of the Convention for the first time at a booth in the Exhibitor Hall to provide regulatory guidance materials, information about electronic filing and provide instruction regarding use and disclosure of information on ELEC’s website.

This year the ELEC booth was set up to promote the upcoming release of a new web-based filing program that will become available for use in January of 2019. Filers will be able to file 1st quarter reports for 2019 or begin election cycle reporting for elections in 2019. The new filing program will be available for all committee types.

Compliance and Information Technology staff provided an abundance of regulatory guidance materials, included campaign finance manuals, continuing political committee manuals, calendars with filing dates and other guidance materials that outline required filing for candidates and committees.

2019 Meeting Schedule

“OPEN PUBLIC MEETINGS ACT,”
N.J.S.A. 10:4-6 et seq.

The New Jersey Election Law Enforcement Commission has announced its meeting schedule for 2019. Unless otherwise indicated in the future, meetings will be held at the Commission’s offices at 25 South Stockton Street, 5th Floor, in Trenton. It is anticipated that meetings will begin at 11:00 a.m., unless otherwise indicated.

January	15
February	19
March	19
April	16
May	21
June	18
July	16
August	20
(if necessary)	
September	17
October	15
November	19
December	17

CASH BONANZA FROM FEDERAL COMMITTEES PUMPS UP COUNTY PARTIES

County parties combined are having their best fund-raising success during a federal election year in about a decade, according to the latest reports filed with the New Jersey Election Law Enforcement Commission (ELEC).

With congressional candidate committees sending them scores of checks worth more than \$1 million to help with next Tuesday’s election, county parties collectively reported raising \$5.8 million through September 30, 2018.

The fundraising total is more than any even-numbered year dating back to 2008. Even-numbered years are dominated by federal elections, while odd-numbered years feature statewide elections for the governor’s seat and/or the state legislature. At this point last year, when there were state elections, county parties had raised \$6.6 million.

Table 1
County Party Fundraising and Spending
through Third Quarter 2008-2018

YEAR	RAISED	SPENT	CASH-ON-HAND	STATE OR FEDERAL	STATEWIDE ELECTION
2008	\$5,517,282	\$5,078,682	\$2,400,031	Federal	P/S/H
2009	\$7,398,692	\$6,375,763	\$2,952,853	State	G/A
2010	\$4,526,290	\$4,393,487	\$2,365,419	Federal	H
2011	\$4,798,299	\$3,694,423	\$2,134,219	State	S/A
2012	\$3,662,456	\$3,189,326	\$1,573,648	Federal	P/S/H
2013	\$5,319,655	\$4,447,403	\$2,456,395	State	G/S/A
2014	\$4,410,348	\$3,764,798	\$1,980,600	Federal	S/H
2015	\$4,843,498	\$4,176,856	\$2,123,801	State	A
2016	\$4,199,012	\$3,625,063	\$2,328,583	Federal	P/H
2017	\$6,661,677	\$5,527,347	\$3,266,399	State	G/S/A
2018	\$5,769,747	\$4,793,929	\$3,571,919	Federal	S/H

P=Presidential; S=US or State Senate; H=House; G=Gubernatorial; A=Assembly

“Republican county committees have prospered the most this year from contributions by federal candidates,” said Jeff Brindle, ELEC’s Executive Director. “So far, Republicans have taken in nearly a third of their funds from federal candidates. Democrats have received about \$1 out of \$19 from federal candidates.”

Table 2
Donations by Congressional Candidates to County Parties

YEAR	DEMOCRATS	REPUBLICANS	TOTAL
2018	\$156,400	\$868,910	\$1,025,310
2017	\$ 69,850	\$117,500	\$ 187,350
2016	\$203,821	\$122,463	\$ 326,284

The GOP’s big benefactor is Republican US Senate Candidate Bob Hugin. He is a former business executive who already has spent \$36 million of his personal wealth on his bid to oust incumbent Democratic US Senator Bob Menendez, according to Federal Election Commission filings.

Hugin has sent \$37,000 checks to all 21 Republican county committees while also reimbursing them for some rental payments, bringing his total county party payout so far to \$788,310.

Hugin joins three other wealthy candidates- two Democrats and one Republican- who have been generous to county party committees during runs for US Senate or Governor since 1999.

Table 3
Contributions by US Senate or Gubernatorial
Candidates to County Parties Since 1999

CANDIDATE	TOTAL	PARTY	WHEN	OUTCOME
Bob Hugin	\$ 798,310	Republican	2018	Pending
Phil Murphy	\$ 722,957	Democrat	2014-2017	Won Governor
Doug Forrester	\$ 326,105	Republican	2002-2005	Lost US Senate Seat and Governor
Jon Corzine	\$4,759,820	Democrat	1999-2008	Won US Senate Seat and Governor; Lost Governor

Brindle said both parties have enjoyed an advantage during elections when they had wealthy party members run for office who could afford to financially support their efforts to get-out-the-vote and other election activities.

“As we are seeing this year and previous ones, self-financed candidates can reinvigorate their entire party network,” he said, noting that the four candidates listed in Table 3 aided state party coffers as well.

“Candidates besides those who self-finance also share the cost of elections with their parties,” Brindle said. “With polls showing competitive campaigns for this year’s US Senate seat and some congressional spots, it is no shock that county parties are receiving a windfall from federal contenders who need their help.”

Even though Republicans have gotten more than five times the money from federal candidates, Democrats still have raised and spent more than Republicans this year, and report a larger cash reserve.

Democrats last year received big checks from the Democratic Governors Association and national union affiliates to help with the gubernatorial election. Their nearly two-to-one cash-on-hand edge suggests they held onto some of that money for this year’s elections.

Courtesy of this year’s windfall, Republicans do show a 62 percent jump in fundraising since four years ago versus 11 percent for Democrats. The \$2.8 million raised through three quarters by the GOP is the most in more than a decade.

While Democrats have raised \$3 million so far in 2018, the total is eclipsed by the \$4.7 million they raised last year through three quarters.

Table 4
Summary of Campaign Finance Activity by County Committees
January 1 through September 30, 2018 Versus 2014

	RAISED-2018	SPENT-2018	CASH-ON-HAND-2018	NET WORTH-2018*
Democratic County Party Committees	\$3,008,015	\$2,764,522	\$2,308,278	\$2,127,090
Republican County Party Committees	\$2,761,732	\$2,029,407	\$1,263,642	\$1,801,799
Total-Both Parties	\$5,769,747	\$4,793,929	\$3,571,919	\$3,928,889
	RAISED-2014	SPENT-2014	CASH-ON-HAND-2014	NET WORTH-2014*
Democratic County Party Committees	\$2,705,414	\$2,310,919	\$1,265,988	\$ 899,727
Republican County Party Committees	\$1,704,934	\$1,453,880	\$ 714,612	\$1,548,634
Total-Both Parties	\$4,410,348	\$3,764,798	\$1,980,600	\$2,448,361
Difference 2018 versus 2014				
Democratic County Party Committees	11%	20%	82%	136%
Republican County Party Committees	62%	40%	77%	16%
Total-Both Parties	31%	27%	80%	60%

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

While county party fundraising in 2018 is good for a federal election year, it remains well below totals before 2005 when tight limits on contributions by public contractors had not yet kicked in, and spending by independent special interest groups had not yet exploded due to federal court rulings.

Brindle said legislation recommended by ELEC could make it easier for state and county parties to raise money while shifting funds away from independent groups that dominate federal, state and even local elections. Parties are far more transparent and accountable than many independent groups.

“Since both parties have introduced legislation that incorporate most of ELEC’s recommendations, we remain hopeful that action soon will be taken on our suggested reforms,” Brindle said.

Among Democratic county party committees, Camden, Gloucester, Passaic and Union all reported more than \$100,000 cash-on-hand. Burlington and Hudson Counties reported a negative net worth, meaning they owe more than their cash reserves.

Table 5
Campaign Finance Activity of
Democratic County Party Committees
January 1 through September 30, 2018

COUNTY	RAISED	SPENT	CASH-ON-HAND	NET WORTH*
Atlantic	\$ 42,570	\$ 40,029	\$ 11,916	\$ 11,916
Bergen	\$ 395,773	\$ 333,425	\$ 70,217	\$ 29,585
Burlington	\$ 29,986	\$ 42,525	\$ 11,156	\$ (6,422)
Camden	\$ 379,085	\$ 227,029	\$ 501,060	\$ 501,060
Cape May	\$ 73,051	\$ 73,138	\$ 1,439	\$ 1,439
Cumberland	\$ 24,182	\$ 48,298	\$ 8,531	\$ 8,531
Essex	\$ 219,803	\$ 256,045	\$ 89,088	\$ 89,088
Gloucester	\$ 260,105	\$ 149,984	\$ 433,202	\$ 433,202
Hudson	\$ 77,675	\$ 172,775	\$ 49,725	\$ (89,419)
Hunterdon	\$ 48,237	\$ 48,719	\$ 18,506	\$ 18,506
Mercer	\$ 1,316	\$ 38,155	\$ 86,846	\$ 86,846
Middlesex	\$ 424,928	\$ 457,429	\$ 7,063	\$ 7,063
Monmouth	\$ 201,853	\$ 177,950	\$ 32,620	\$ 32,620
Morris***	\$ 78,615	\$ 70,332	\$ 18,577	\$ 18,577
Ocean	\$ 27,686	\$ 59,301	\$ 36,121	\$ 52,288
Passaic	\$ 346,306	\$ 243,882	\$ 630,728	\$ 630,728
Salem***	\$ 3,911	\$ 3,000	\$ 96,855	\$ 96,855
Somerset	\$ 64,255	\$ 64,877	\$ 35,417	\$ 35,417
Sussex	\$ 60,422	\$ 24,459	\$ 42,288	\$ 42,288
Union	\$ 246,902	\$ 232,288	\$ 126,398	\$ 126,398
Warren**	\$ 1,353	\$ 883	\$ 524	\$ 524
Democrats-Total	\$3,008,015	\$2,764,522	\$2,308,278	\$2,127,090

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

**First quarter totals.

***Second quarter totals.

Among Republican county committees that filed their reports, Passaic, Salem and Somerset Counties reported cash-on-hand totals above \$100,000.

Table 6
Campaign Finance Activity of
Republican County Party Committees
January 1 through September 30, 2018

COUNTY	RAISED	SPENT	CASH-ON-HAND	NET WORTH*
Atlantic	\$ 46,774	\$ 18,008	\$ 51,166	\$ 51,166
Bergen	\$ 137,382	\$ 82,931	\$ 61,788	\$ 61,788
Burlington	\$ 788,014	\$ 793,084	\$ 32,542	\$ 581,207
Camden	\$ 37,250	\$ 24,027	\$ 39,181	\$ 39,181
Cape May	\$ 162,105	\$ 108,634	\$ 61,168	\$ 61,168
Cumberland	\$ 91,984	\$ 43,912	\$ 62,611	\$ 62,611
Essex	\$ 55,500	\$ 27,514	\$ 31,233	\$ 31,233
Gloucester	\$ 45,911	\$ 20,759	\$ 33,490	\$ 33,490
Hudson	\$ 37,000 [†]	NA	NA	NA
Hunterdon	\$ 60,423	\$ 44,453	\$ 24,518	\$ 24,518
Mercer	\$ 46,880	\$ 22,623	\$ 45,684	\$ 45,684
Middlesex	\$ 62,935	\$ 41,682	\$ 31,642	\$ 31,642
Monmouth	\$ 196,056	\$ 152,447	\$ 77,379	\$ 73,996
Morris	\$ 162,119	\$ 140,092	\$ 30,412	\$ 31,692
Ocean	\$ 145,703	\$ 117,447	\$ 30,565	\$ 30,565
Passaic	\$ 173,774	\$ 60,575	\$ 113,199	\$ 113,199
Salem	\$ 58,976	\$ 45,457	\$ 236,684	\$ 236,684
Somerset	\$ 233,921	\$ 138,223	\$ 137,532	\$ 138,222
Sussex	\$ 70,015	\$ 47,645	\$ 56,717	\$ 56,717
Union	\$ 82,550	\$ 54,309	\$ 70,923	\$ 70,923
Warren	\$ 66,460	\$ 45,586	\$ 35,208	\$ 26,114
Republicans-Total	\$2,761,732	\$2,029,407	\$1,263,642	\$1,801,799

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

[†]Reported by US Senate Candidate Bob Hugin.

NA= No reports available.

The numbers in this analysis are based on reports filed by noon October 31, 2018. They have yet to be verified by ELEC staff, and should be considered preliminary.

Individual reports can be reviewed on ELEC's website (www.elec.state.nj.us).

Reporting Dates Reminder

	INCLUSION DATES	REPORT DUE DATE
GENERAL (90-DAY START DATE: AUGUST 8, 2018)*** - NOVEMBER 6, 2018		
29-day Preelection Reporting Date	6/23/2018 - 10/5/2018	10/9/2018
11-day Preelection Reporting Date	10/6/2018 - 10/23/2018	10/26/2018
20-day Postelection Reporting Date	10/24/2018 - 11/23/2018	11/26/2018
48-Hour Notice Reporting Starts on 10/24/2018 through 11/6/2018		
RUNOFF (DECEMBER)** - DECEMBER 4, 2018		
29-day Preelection Reporting Date	No Report Required for this Period	
11-day Preelection Reporting Date	10/24/2018 - 11/20/2018	11/23/2018
20-day Postelection Reporting Date	11/21/2018 - 12/21/2018	12/24/2018
48-Hour Notice Reporting Starts on 11/21/2018 through 12/4/2018		
PACS, PCFRS & CAMPAIGN QUARTERLY FILERS		
3 rd Quarter	7/1/2018 - 9/30/2018	10/15/2018
4 th Quarter	10/1/2018 - 12/31/2018	1/15/2019
GOVERNMENTAL AFFAIRS AGENTS (Q-4)		
3 rd Quarter	7/1/2018 - 9/30/2018	10/10/2018
4 th Quarter	10/1/2018 - 12/31/2018	1/10/2019

* Inception Date of Campaign (first time filers) or from January 1, 2018 (Quarterly filers).

** A candidate committee or joint candidates committee that is filing in a 2018 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, 2018 for Primary Election Candidates and June 15, 2018 for Independent General Election Candidates.

Note: A fourth quarter 2017 filing is needed for Primary 2018 candidates if they started their campaign prior to December 7, 2017. A second quarter 2018 filing is needed by Independent/Non-Partisan General Election candidates if they started their campaign prior to May 9, 2018.

HOW TO CONTACT ELEC

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