

NEW JERSEY ELECTION LAW ENFORCEMENT COMMISSION

MINUTES - October 24, 1977 Meeting

PRESENT

Frank P. Reiche, Chairman
*Sidney Goldmann, Vice-Chairman
Josephine S. Margetts, Member
Archibald S. Alexander, Member
Lewis B. Thurston, III, Executive Director
Edward J. Farrell, Legal Counsel
Herbert Alexander, Consultant
Neil Upmeyer, Director of Public Financing

*Judge Goldmann attended the meeting until 4:25 p.m.

Pursuant to the Open Public Meetings Law, P. L. 1975, c.231, annual notice of the meetings of the Commission, as amended, was filed with the Secretary of State's office, copies were posted in the State House Annex, copies were mailed to the Newark Star Ledger and the Philadelphia Bulletin and the entire State House Press Corps.

The meeting convened at 10:15 a.m. in the offices of Farrell, Curtis, Carlin, Davidson & Mahr in Morristown, N. J.

1. Certification of Public Matching Funds to Gubernatorial Candidates Bateman and Byrne

The Commission reviewed the staff summary and recommendations of the contributions from the latest submission. The Commission indicated that four contributions which had been made by checks to a state or county committee which were accepted by the gubernatorial campaign of one of the candidates must be returned to the contributors. The Commission approved matching 29 union checks based on a letter from the president of a state-wide union which indicated that the contributions were made independently. The Commission indicated that certain other checks from other unions needed to have similar statements regarding the independence of one contribution from another and the director of public financing was directed to obtain additional information. The Commission also agreed that the director of public financing should obtain similar type statements from certain corporations with similar names who had made contributions previously.

On a motion by Vice-Chairman Goldmann, seconded by Chairman Reiche, the Commission voted 4-0, to approve \$65,754.24 in public matching funds to Senator Bateman. On a motion by Vice-Chairman Goldmann, seconded by Commissioner Margetts, the Commission voted 4-0 to certify \$100,001.50 in public matching funds to Governor Byrne. Chairman Reiche indicated that he

had reservations regarding approval of 29 contributions from various PBA locals without obtaining direct information from each of the locals regarding the independence of the contributions.

Commissioner Alexander indicated his objection to not including for match four contributions to the Democratic State Committee and one to the Morris County Democratic Committee received by the Byrne for Governor Committee.

2. Report by Executive Director

The executive director indicated the Bateman-Governor/77 Committee had paid out \$39,000 in public funds to the 21 county Republican organizations to be spent on behalf of the Bateman-Governor/77 Committee. He indicated he had received a letter from Stuart Gavzy of the Bateman-Governor/77 Committee, after staff contact with Mr. Gavzy indicating the problem of accountability for such funds when mixed with non-public funds and outlining a procedure to obtain receipts for expenditure of these funds by the county Republican organizations. On a motion by Commissioner Alexander, seconded by Commissioner Margetts, the Commission voted to require the Bateman-Governor/77 Committee to pay \$39,000 from its private account to its public account to reimburse the public account for the monies paid out to the county committees. The motion also indicated that the procedure outlined by Mr. Gavzy would be acceptable in this instance although the Commission is generally of the opinion that such transfers are unacceptable but will study the question for the future. The burden of proof regarding whether the funds were properly expended for permissible use would be with the county committees in these cases regarding such expenditures. The vote was 3-1 with Vice-Chairman Goldmann indicating that he believed that under no circumstances should the public funds be permitted to be paid out to the county party committees for expenditure and opposing the procedure outlined in Mr. Gavzy's letter.

3. Late Filing of 25-day pre-election Report by Democratic State Committee

The executive director indicated that the Democratic State Committee had filed its 25-day pre-election report late. The Commission directed the executive director to obtain all the pertinent information regarding late filing so that the Commission could make a determination on a hearing at its next meeting. The executive director indicated that he had taken immediate steps to contact the Democratic State Committee as soon as the report was not received on time and had had several conversations with the treasurer of that Committee.

4. Governor's Travel Cost Reimbursement to State Government

The executive director indicated that a review of the 25-day report showed a significant disparity between the helicopter costs incurred by Senator Bateman and Governor Byrne and no billings or outstanding obligations for such costs by Governor Byrne. It also disclosed an arrangement by which the Byrne Campaign was paying certain amounts of campaign funds into an escrow account with the State treasurer for travel expenses of the candidate. The executive director was directed to immediately get additional information regarding Governor Byrne's travel costs, the basis of reimbursement to the State Government for the use of public vehicles and outstanding obligations and billing for such expenditures in time for the next meeting of the Commission.

5. Request for Exemption from Disclosure Act by Socialist Workers Party and its Gubernatorial Candidate

The executive director and counsel reported on this written request and counsel indicated that he is presently doing legal research into the matter. A brief discussion of the matter ensued.

6. Adjournment

Commission adjourned the meeting at 5:10 p.m.

Respectfully Submitted,



LEWIS B. THURSTON, III
Executive Director