

NEW JERSEY ELECTION LAW ENFORCEMENT COMMISSION

PUBLIC SESSION MINUTES

DECEMBER 21, 1981

PRESENT

Sidney Goldmann, Chairman
Josephine S. Margetts, Member
Andrew C. Axtell, Member
M. Robert DeCotiis, Member
Scott A. Weiner, Executive Director
William R. Schmidt, Assistant Executive Director
Gregory E. Nagy, Staff Counsel
Edward J. Farrell, General Legal Counsel

The Chairman called the meeting to order and announced that pursuant to the Open Public Meetings Law, P.L. 1975, c.231, annual notice of the meetings of the Commission, as amended, has been filed with the Secretary of State's office, and that copies have been filed in the State House Annex, and mailed to the Newark Star Ledger, the Philadelphia Bulletin and the entire State House press corps.

The meeting convened at 10:00 a.m. at the Commission's offices.

1. Report on Legislation

The Executive Director reported that the bill to amend the Lobbyist Disclosure Act had passed the Senate 21-1 and is scheduled for action in the General Assembly on January 4, 1982. He also reported that the Senate State Government Committee had voted 2-3 to report unfavorably the bill to increase the contribution limit from \$250 to \$500 for gubernatorial inaugural events.

2. 1982 Meeting Schedule

The Commission reviewed the proposed 1982 Commission meeting schedule and changed the February 8th meeting to February 5th. On a motion by Commissioner Axtell, seconded by Chairman Goldmann and a vote of 4-0, the Commission approved the 1982 meeting schedule, as amended. The dates of the Commission meetings are as follows: January 11 and 25; February 5 and 22; March 8 and 22; April 12 and 26; May 10 and 24; June 14 and 28; July 12 and 26; August 9 and 23; September 13 and 28; October 12 and 25; November 8 and 22; and December 13 and 27.

3. Advisory Opinion - 46-81

The Commission reviewed the draft advisory opinion prepared in response to a request from Senator Steven P. Perskie in which he asked what the permissible uses were for contributions not spent in the furtherance of the candidates's campaign. On a motion by Chairman Goldmann, seconded by Commissioner Axtell and a vote of 4-0, the Commission approved the draft opinion.

4. Advisory Opinion 47-81

The Commission reviewed the advisory opinion request submitted under date of December 10, 1981 by Henry Ramer in which Mr. Ramer asked if the proceeds of a testimonial event may be used to repay a campaign debt of an unsuccessful gubernatorial primary candidate who accepted public financing. Also, Mr. Ramer asked if the candidate could take out a bank loan to repay the vendors and if the proceeds of the testimonial event could be used to repay the bank loan. The Commission agreed that the \$800 contribution limit to the gubernatorial campaign had to be adhered to. The Commission generally agreed that a testimonial event could be held and that part of the proceeds could be used to pay campaign debts and part could be used for a gift to the defeated candidate. However, the proceeds must be segregated and a clear audit trail maintained. Furthermore, the expenses of the event itself must be divided between a portion spent on behalf of the gubernatorial campaign and a portion spent on behalf of the event itself. Finally, the testimonial event must be reported fully. The Commission also agreed that the candidate could take out a bank loan, up to a maximum of \$25,000, and repay the bank loan with proceeds from the testimonial event.

On a motion by Commissioner Margetts, seconded by Commissioner DeCotiis and a vote of 4-0, the Commission directed Staff Counsel to prepare an advisory opinion following the above guidelines.

5. Proposed Legislation on Personal Use of Surplus Campaign Funds

The Commission reviewed a proposed draft of legislation which addresses the issue of permissible uses of campaign funds. The Executive Director reported that the proposed statute had been intentionally drafted in a broad scope. The proposed statute includes an expressed prohibition on the personal use of surplus campaign funds plus a list of permitted uses.

In reviewing the proposed legislation, the Commission decided that gubernatorial candidates who take public funds should be specifically excluded from the provisions of this proposed legislation. Furthermore, in paragraph 6(a) on page 2, lines 6 and 7, that the reference to "two times the amount of the unlawful expenditure" should be deleted from the penalty provision.

The Commission directed the Executive Director to write Senator Perskie, sending the Senator the advisory opinion dealing with the issue of the use of surplus campaign funds plus a copy of the draft statute.

6. Report on Recount Reports

The Executive Director reported that reports had been received for the Kean recount account, for the Democratic State Committee Recount account and for the Florio Recount account. He reported that the Kean Recount account showed approximately \$150,000 in expenditures. He reported that the Democratic State Committee had reported two accounts with a few expenditures plus a \$40,000 loan to the Florio Recount account. He reported that the Florio Recount account showed approximately \$80,000 in expenditures but did not show outstanding obligations.

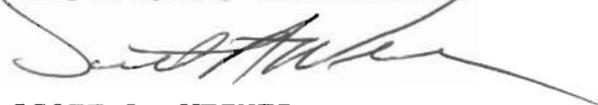
7. Public Financing

The Executive Director distributed a copy of a December 20, 1981 article by David Wald published in the Newark Star Ledger. Furthermore, the Executive Director reported that Common Cause is holding a forum on public financing on Wednesday, January 4, 1982 and that he is participating on one of the panels.

8. Executive Session

On a motion by Commissioner DeCotiis, seconded by Commissioner Margetts and a vote of 4-0, the Commission voted to resolve to go into executive session to discuss investigations and enforcement actions, the results of which will be made public at their conclusion.

Respectfully submitted,



SCOTT A. WEINER
Executive Director