NEWS RELEASE

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Frederick M. Herrmann, Executive Director of the New Jersey Election Law Enforcement Commission (ELEC), today urged changes in the law requiring the reporting of financial activity by lobbyists.

In his statement, Herrmann repeated the Commission's call made over four years ago for the Legislative Activities Disclosure Act to require reporting of "good will" lobbying expenditures as well as expenditures made only for the purpose of discussing specific legislation.

Under current law, only expenditures for "direct, express and intentional communication" with legislators and/or the Governor and his staff about legislation are reportable. Existing law does not require lobbyists to report "good will" lobbying expenses.

"If a lobbyist takes a legislator on a trip to Bermuda, for instance, and does not talk specifically about a piece of legislation, that expense is currently not reportable," Herrmann said. "Because this type of activity is not subject to disclosure, the public does not get a true measure of the impact lobbyists may have on the legislative process by the passing of personal benefits."

Herrmann said that this "good will" lobbying definitely should be disclosed. "There is personal benefit passing when a lobbyist takes a government official on a trip, to a ballgame, for an expensive meal, or to the

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theater," said Herrmann. "These types of benefits may well have the potential for influencing lawmaking, even though there may be no discussion of legislation during the social event. The public perception may be that in the future the government official will be more receptive to the lobbyists overtures regarding specific pieces of legislation. There will be no possibility of such a perception if there is no disclosure."

In addition to disclosing "good will" lobbying expenditures, Herrmann also proposed that the administration and enforcement of the program should rest solely with ELEC.

"Lobbyists now register and file quarterly activity reports with the Attorney General. They also file annual financial reports with the Commission," Herrmann said. "Consolidating these filings within one agency in one report makes all the sense in the world. It would remove confusion from the process and improve the effectiveness of enforcement and disclosure."

Herrmann also suggested that all lobbying reporting be done on a quarterly basis rather than annually. He said that this schedule would provide for a more complete and up-to-date disclosure of lobbying activity. In addition, he suggested that the Commission would simplify and improve its forms to make it both easier for lobbyists to file reports and to accomodate changes to the lobbying law.

He said, however, that despite weaknesses in the current law, statistics have been developed by the Commission in regards to lobbying activity in 1986 as reported by lobbyists in their February 1987 reports.

"Without these changes to the law," continued Herrmann, "the reports do not depict the true impact of lobbying activity in the state. Nevertheless, they do contain some useful information."

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According to the Commission's reports, lobbyists spent a total of $5,803,305 in 1986. This total includes expenditures for salaries; support personnel; materials; employee travel and lodging; retainers and fees; contributions and dues; specific events; and the passing to public officials during "express" communications of benefits such as entertainment, food and beverages, travel and lodging, honoraria, loans, and gifts.

Reported expenditures benefiting public officials and highlighting ELEC's concern amounted to only $37,993, a 32 percent increase over the 1985 level ($28,677). Total expenditures for 1986 amounted to a 36 percent increase over 1985 levels ($4,280,078).

The figures also show that the Commission received 360 filings from persons and entities engaged in lobbying in 1986. These filings increased by 6 percent over 1985 levels (340).

Since 1982, there has been a 25 percent increase in the number of lobbyists submitting filings. During this same period, expenditures rose by 128 percent. In 1982 there were 289 filings and expenditures were reported at $2,549,442.

"Certainly, said Herrmann, "there is absolutely nothing wrong with lobbying. Indeed, lobbyists perform a positive role in providing our governmental officials with vital information. However, the public has a right to know when a lobbyist confers a personal benefit on a public official."

Repeating the major assertion of the Commission's 1982 report with the Attorney General, Herrmann concluded, "if the current statutory program in fact represents the public policy of this State, serious consideration should be given to eliminating the program of financial disclosure by lobbyists so as not to continue a program which gives the appearance of disclosure while denying public access to meaningful information."

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