



NEWS RELEASE

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Lobbyists reported spending over \$10 million in 1990 but only reported \$31,043 being spent directly on Legislators, the Governor, and the Governor's staff, according to Frederick M. Herrmann, Executive Director of the Election Law Enforcement Commission (ELEC).

"This staggeringly low number for direct expenditures," said Herrmann, "graphically points out why the lobbying disclosure law needs to be amended to require all monies spent on behalf of State officials to be reported whether or not specific legislation is discussed in the process of passing benefits such as meals and trips." Under current law, if legislation is not discussed, no reporting is required of so-called goodwill lobbying expenditures.

"The loophole in the current law is so vast," said Herrmann, "that it has become a blackhole preventing the public from seeing the true extent of efforts by lobbyists to influence public policy much as the astronomical phenomenon emits no light."

Herrmann said that while the dollar figure reported by lobbyists as spent on benefit passing for goodwill lobbying increased from 1989, the percentage of total expenditures made by lobbyists for this purpose actually decreased, from a negligible .4 percent to .3 percent. In 1989, lobbyist reported \$29,728 spent on goodwill lobbying.

"Overall," continued Herrmann, "lobbyists reported expending \$10,181,665 in 1990, for an increase of 18 percent over 1989, when they reported \$8,599,381 in expenditures."

According to Herrmann the largest proportion of these expenditures were made for legislative agent and support personnel salaries, fees, and retainers. He said that \$6,836,742 was reported as spent for the salaries of legislative agents and support personnel, while \$2,544,711 was reported as spent on fees and retainers.

The Commission's figures also show expenditures of \$346,959 for the distribution of materials, \$171,212 for travel and lodging, \$164,625 for membership dues, and \$86,373 for special events.

Herrmann said: "the figures show that the overall trend in lobbying activity is upward. Sadly, however, the figures show also that truly pertinent information about the attempts of organized lobbyists to influence the governmental process is not being disclosed."

"There is a gaping hole in the law that results in a distorted view of the extent of lobbying expenditures in New Jersey that are linked to efforts by organized

lobbyists to influence the policy choices of decision makers," said Herrmann.

"Certainly lobbying is healthy and an integral part of the democratic process. It should be encouraged and protected. What isn't healthy is that the cost of the activity isn't fully and completely disclosed," he said. "It's the treating not the talking that is of paramount public concern."

Herrmann said that in addition to the Commission's position that all benefit passing should be reported, ELEC has also suggested that organized grassroots media efforts by lobbyists be reported, that lobbying of legislative staff be disclosed, and that responsibility for lobbying regulation be consolidated in the Commission, which has been established by law as an independent agency.

According to Herrmann, 587 lobbyist and legislative agents reported activity in 1990 as compared with 524 in 1989.

Expenditure Totals

	<u>1989</u>	<u>1990</u>	<u>Percentage Change</u>
Pro rata shares of salaries of legislative agents.	\$ 4,808,924	\$ 5,965,742	+24%
Allocated cost of salaries of support personnel.	704,550	871,000	+24%
Disbursements for the preparation & distribution of materials.	353,973	346,959	- 2%
Travel and lodging.	133,172	171,212	+29%
Fees and retainers paid to legislative agents.	2,374,634	2,544,711	+ 7%
Membership dues and fees.	140,153	164,625	+18%
Direct expenditures for Legislators and Governor/Staff.	29,728	31,043	+ 4%
Expenditures for specific events.	54,247	86,373	+59%
Total lobbying expenditures.	8,599,381	10,181,665	+18%