



NEWS RELEASE

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FOR RELEASE:
July 24, 1991

PRESS RELEASE

Frederick M. Herrmann, Executive Director of the Election Law Enforcement Commission (ELEC), today renewed the Commission's call for reform of New Jersey's Personal Financial Disclosure (PFD) Act.

New Jersey law requires gubernatorial and legislative candidates to disclose their sources of earned and unearned income in personal financial disclosure statements with ELEC. The PFD statement is filed the year of the election, but covers activity during the preceding calendar year. These statements include only sources of income but no specific amounts.

"The law should be amended to require these candidates to report the amounts of honoraria, reimbursements, and gifts they received during the previous year," said Herrmann. "It should also be changed to direct that persons passing such benefits disclose their employers as well as their names and home addresses."

The Commission has recommended this proposal on numerous occasions in the past.

As of July 1, 1991, 336 out of a total field of 357 Senate and Assembly candidates filed PFD reports with ELEC. According to these reports, Senate and

Assembly candidates reported receipt of 40 honoraria, 49 gifts, and 100 reimbursements during calendar year 1990.

Nine Senate candidates reported receiving 12 honoraria and 12 Assembly candidates reported receiving 28 honoraria. A total of 31 gifts were reported by nine Senate candidates while 18 gifts were reported by 14 Assembly candidates. Finally, 18 Senate candidates reported receiving 30 reimbursements and 38 Assembly candidates received 70 reimbursements.

"Only the sources of honoraria and reimbursements over \$100, and gifts over \$250 are reportable," said Herrmann. "As long as the amounts of honoraria, reimbursements and gifts are not required, the PFD law provides very little meaningful disclosure," Herrmann remarked.

The PFD law specifies that fees and honoraria totalling more than \$100 received from named payers for personal appearances, speeches, or writings be reported. On the basis of political party, six Senate Democratic candidates reported receiving seven honoraria, while two Senate Republican candidates reported receiving two honoraria and one Senate Independent candidate reported receiving three honoraria. There were five Assembly Democratic candidates reporting receiving seven honoraria, five Assembly Republican candidates reporting receiving 10 honoraria, and two Assembly Independents reporting receiving 11 honoraria.

"Gift" is defined by the PFD law as any money or thing of value (more than \$250) received by the candidate, other than a political contribution, or a gift or bequest from a relative. Of the gifts reported, five Senate Democratic candidates reported receiving 23 gifts and four Senate Republican candidates reported receiving eight gifts. Six Assembly Democratic candidates reported receiving seven gifts and eight Assembly Republican candidates reported receiving 11 gifts. No Independent candidates reported the receipt of gifts.

Reimbursements totalling more than \$100 for travel, subsistence, or facilities provided in kind, received by providers other than the State or its subdivisions, a principal employer, or nonprofit organization, are reportable under the PFD law. Reporting reimbursements were eight Senate Democratic candidates, who reported receiving 15 reimbursements, eight Senate Republican candidates reported receiving 13 reimbursements and two Senate Independent candidates reported receiving two gifts. Twenty-one Democratic candidates for the Assembly reported receiving 41 reimbursements, 14 Assembly Republican candidates reported receiving 21 reimbursements and three Assembly Independent candidates reported receiving eight reimbursements.

On the basis of incumbent and challenger status, five incumbents in the Senate reported receiving five honoraria versus four challengers, who reported receiving seven honoraria. In the Assembly, six incumbents reported receiving 10 honoraria versus six challengers who reported receiving 18 honoraria.

Challengers in the Senate reported overwhelmingly more gifts than incumbents. Four incumbent Senate candidates reported receiving seven gifts while five challengers reported receiving 24 gifts. This situation was not the case with the Assembly candidates, however. Twelve incumbent Assembly candidates reported receiving 15 gifts. Only two Assembly challengers reported receiving three gifts.

Of the 30 reimbursements reported by the Senate candidates, 20 were reported by 11 incumbents and 10 were reported by seven challengers. Of the 70 reimbursements reported by Assembly candidates, 44 were reported by 23 incumbents and 26 were reported by 15 challengers.

"These statistics make it abundantly clear that the law must be changed to require amounts to be disclosed," said Herrmann. "The reporting of the source of a

gift without an amount and a description makes it impossible for the public to distinguish the receipt of a Rolls Royce automobile from a Rolex watch," remarked Herrmann.

Because the PFD Act mandates the disclosure of "personal benefits" given to candidates, it may even be more important than the Campaign Act that requires disclosure of campaign contributions. "The appearance and possibility of impropriety is much greater when the benefit goes directly to a candidate for personal use rather than to his or her campaign for election use," Herrmann commented.

The Commission has also recommended that this law should be strengthened to disclose more clearly major sources of private income that could represent conflicts of interest and changed to require reporting 20 days after the filing of nominating petitions instead of only 10 days. ELEC has often expressed concern that it has never received an appropriation to enforce this law, which has been in existence for a decade.

Herrmann said that ELEC continues to advocate reform of the "Personal Financial Disclosure Act" to enhance the public's trust in government and to assure that the important goal of an informed electorate is met.

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Total Honoraria, Gifts, and Reimbursements Reported by 1991
Senate and Assembly Candidates

	<u>No. Candidates</u>	<u>No. Candidates Filing</u>	<u>No. Candidates Reporting</u>	<u>Total Items Reported</u>
Honoraria	357	336	21	40
Gifts	357	336	23	49
Reimbursements	357	336	56	100

Honoraria of \$100 or More (Senate)

	<u>No. Candidates</u>	<u>No. Reporting Honoraria</u>	<u>Total Honoraria</u>
Total	113	9	12
Democrats	45	6	7
Republicans	45	2	2
Independents	23	1	3
Incumbents	36	5	5
Challengers	77	4	7

Honoraria of \$100 or More (Assembly)

	<u>No. Candidates</u>	<u>No. Reporting Honoraria</u>	<u>Total Honoraria</u>
Total	223	12	28
Democrats	94	5	7
Republicans	87	5	10
Independents	42	2	11
Incumbents	66	6	10
Challengers	157	6	18

Gifts of \$250 or More (Senate)

	<u>No. Candidates</u>	<u>No. Reporting Gifts</u>	<u>Total No. Gifts</u>
Total	113	9	31
Democrats	45	5	23
Republicans	45	4	8
<u>Independents</u>	<u>23</u>	<u>0</u>	<u>0</u>
Incumbents	36	4	7
Challengers	77	5	24

Gifts of \$250 or More (Assembly)

	<u>No. Candidates</u>	<u>No. Reporting Gifts</u>	<u>Total No. Gifts</u>
Total	223	14	18
Democrats	94	6	7
Republicans	87	8	11
<u>Independents</u>	<u>42</u>	<u>0</u>	<u>0</u>
Incumbents	66	12	15
Challengers	157	2	3

Reimbursements of \$100 or More (Senate)

	<u>No. Candidates</u>	<u>No. Reporting Reimbursements</u>	<u>Total No. Reimbursements</u>
Total	113	18	30
Democrats	45	8	15
Republicans	45	8	13
<u>Independents</u>	<u>23</u>	<u>2</u>	<u>2</u>
Incumbents	36	11	20
Challengers	77	7	10

Reimbursements of \$100 or More (Assembly)

	<u>No. Candidates</u>	<u>No. Reporting Reimbursements</u>	<u>Total No. Reimbursements</u>
Total	223	38	70
Democrats	94	21	41
Republicans	87	14	21
<u>Independents</u>	<u>42</u>	<u>3</u>	<u>8</u>
Incumbents	66	23	44
Challengers	157	15	26