



NEWS RELEASE

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“Special interest” political action committees (PACs) reported spending a record \$35.3 million last year, according to a new analysis by the New Jersey Election Law Enforcement Commission (ELEC).

The *39 percent increase, which amounts to a \$9.8 million increase, came during a year in which campaigns took place for the Governor’s seat and all 80 General Assembly seats. By comparison with PAC spending in 2005 - the last election with contests for the same seats - special interest PAC spending was up \$6.4 million, or nearly 22 percent.

Year	2009	2008	2007	2006	2005
Total Spending by Special Interest PACs	\$ 35,313,902*	\$ 25,462,804	\$ 32,667,372	\$ 28,956,659	\$ 28,862,346

Jeff Brindle, ELEC’s Executive Director, said candidates may be relying more heavily on special interest PACs in part because pay-to-play laws have sharply reduced the amount of donations from public contractors since 2005. For instance, about one in every 4.5 dollars received by individual legislators - about \$6.8 million, or 22 percent of their receipts - were provided by special interest PACs. By comparison, all special interest PACs combined gave just under \$6 million to individual legislators in 2005 - or 16 percent. **(See Appendix, Table 1)**

“With a large falloff in contributions from contractors, one consequence is that many candidates may be more dependent on other special interest groups to fund their New Jersey campaigns,” said Brindle. Last year’s high-stakes election drew major funding from out-of-state PACs and other groups, he added. Between 2005 and 2009, the number of special interest PACs rose by a net increase of 63. The number of special interest PACs jumped by 10 between 2008 and 2009 to a total of 587.

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Among all special interest PACs last year, labor union PACs were the heaviest spenders. Their outlay totaled \$24 million - more than the other seven types of PACs combined. **(See Appendix, Table 2).**

Twenty of the top twenty-five PAC spenders were established by labor unions. The other five included PACs operated by three professional associations, one trade association and an ideological group.

While union PACs were the major fundraisers, their percentage relative to overall special interest PAC spending was only slightly higher than four years earlier - 68 percent in 2009 versus 66 percent in 2005. **(See Appendix, Tables 2 and 3).**

To best gauge the impact of special interest PACs within New Jersey, ELEC developed a list of the top twenty-five contributors to state, county and local candidates or committees. Together, these contributors donated more than \$11.3 million to state, county and local committees. More than half of the receipts of individual legislators - \$3.4 million, or 11 percent of total receipts by individual legislators - came from just the top twenty-five special interest PACs. **(See Appendix, Table 4 for Top 25 Listing).**

Collectively, the top 25 PACs also spent \$3.8 million on lobbying in 2009. That includes \$2.25 million in grassroots lobbying directly related to the governor's race.

PACs, technically known as continuing political committees, are required to file with ELEC when, during a calendar year, they contribute in excess of \$4,900 to state and/or local candidates. Each quarter, they are required to file reports with ELEC that list their contributions and expenditures.

For purposes of this analysis, special interest PACs are defined as those that identified themselves as a business, labor union, professional association, ideological group, civic association, trade association, or simply "other." The list also includes PACs formed by employees of regulated industries such as banks and insurance companies, which cannot use corporate funds for campaign contributions.

Many PACs are formed by groups with a clear economic or ideological stake in New Jersey politics. These include individual businesses or unions, trade associations representing clients like the chemical industry or car dealers, groups that support or oppose gun or abortion rights and other ideological causes.

However, individuals that appear to be closely connected to parties and candidates may have formed special interest PACs to promote their political interests. Sometimes these PACs have generic sounding names

without any mention of a candidate or party. But these groups seem to focus their spending in ways that benefit a particular candidate or party.

One clue to this activity was a much higher turnover rate between 2005 and 2009 within the three PAC categories - other ongoing, ideological and civic associations - that are most vaguely defined. Turnover by these types of PACs was about five times the rate exhibited by professional, union or regulatory industry PACs. **(See Appendix, Table 5).**

“We suspect that there is a growing number of so-called “special interest” PACs in recent years that really appear to be appendages of parties or candidates. For some, it is just an extra way to promote a particular candidate,” Brindle said.

“It becomes a problem, however, if the PACs are used to try to circumvent state contribution limits. For instance, public contractors generally are subject to a \$300 limit,” said Brindle.

“These PACs should not be used to indirectly funnel larger contributions to candidates. This is an ongoing concern for the Commission.”

Partly as a reaction to this proliferation of PACs, the Commission, on a bi-partisan basis, has unanimously endorsed a recommendation urging the Legislature to empower the agency to prevent one group from establishing numerous PACs, which may serve as conduits to evade contribution limits and “pay-to-play” laws. Federal Election Commission guidelines regulating affiliated PACs could be a model, Brindle said.

More information about special interest PACs in New Jersey is available in two previous ELEC White Paper reports: “Non-connected, Ideological PACs in the Garden State” at <http://www.elec.state.nj.us/pdf/whitepapers/white10.pdf> and “Is There a PAC Plague in New Jersey?” at <http://www.elec.state.nj.us/pdf/whitepapers/white7.pdf>.

The figures contained in this press release have been taken from committee reports on file with the Commission as of June 1, 2010. Amendments to reports filed after that date are not included.

This press release is a compilation of figures reported to the Commission, and is not intended to express any opinion concerning the accuracy or completeness of any filed report. Further, although the Commission has taken all reasonable precautions to prevent mathematical or typographical errors, the possibility of their existence cannot be entirely eliminated. Copies of reports are available on ELEC’s website at www.elec.state.nj.us.

APPENDIX

TABLE 1

	2009	2005
Fundraising by Individual Legislators	\$30,838,778	\$38,080,719
Donations received from Special Interest PACs	\$ 6,787,844	\$ 5,961,036
Special Interest PACs as Percent of Total Fundraising	22%	16%

APPENDIX

TABLE 2

PAC Type	Total Spending in 2009	% of Total PAC Spending
Union	\$ 24,030,211*	68%
Professional	\$ 3,888,084	11%
Trade Association	\$ 1,906,401	5%
Ideological	\$ 1,728,059	5%
Business	\$ 1,465,769	4%
Regulated Industry	\$ 964,859	3%
Other Ongoing Committee	\$ 679,282	2%
Civic Association	\$ 651,238	2%
TOTAL	\$ 35,313,902*	100%

APPENDIX

TABLE 3

PAC Type	Total Spending in 2005	% of Total PAC Spending
Union	\$ 18,188,783	66%
Professional	\$ 3,215,543	9%
Ideological	\$ 2,667,998	6%
Business	\$ 1,673,655	5%
Trade Association	\$ 1,441,021	6%
Regulated Industry	\$ 771,738	3%
Other Ongoing Committee	\$ 735,669	2%
Civic Association	\$ 167,989	3%
TOTAL	\$ 28,862,346	100%

APPENDIX
TABLE 4

Name of PAC	Type of PAC	Gubernatorial	Legislative/ State Parties	County or Local	Total
NJ State Laborers PAC (1)	Union	\$ 56,800	\$ 364,140	\$ 826,335*	\$ 1,247,275
NJ Education Association PAC (2)	Union	\$ 525,713	\$ 602,145	\$ 0	\$ 1,127,858
NJ State Carpenters Non -Partisan Political Education Committee	Union	\$ 6,800	\$ 454,350	\$ 618,440	\$ 1,079,590
AFSCME Public Employees Organized to Promote Legislative Equality (3)	Union	\$ 146,666	\$ 140,700	\$ 620,000	\$ 907,366
International Brotherhood of Electrical Workers Local #351	Union	\$ 6,800	\$ 203,400	\$ 595,494	\$ 805,694
CWA NJ Political Education Committee	Union	\$ 0	\$ 211,300	\$ 351,575*	\$ 562,875*
Local Union 164 IBEW COPE Fund (4)	Union	\$ 6,800	\$ 164,000*	\$ 363,157	\$ 533,957
Realtors PAC	Professional	\$ 500	\$ 424,715	\$ 30,745	\$ 455,960
Plumbers & Pipefitters Local 9	Union	\$ 3,400	\$ 221,250	\$ 227,479	\$ 452,129
Democrat Republican Independent Voter Education (Teamsters) (5)	Union	\$ 2,300	\$ 53,900	\$ 302,966	\$ 359,166
Local 32BJ SEIU NY/NJ American Dream Fund	Union	\$ 0	\$ 119,611	\$ 229,125	\$ 348,736
Local 322 Committee for Political Education (Plumbers and Pipefitters)	Union	\$ 6,800	\$ 78,100	\$ 228,638	\$ 313,538
International Brotherhood Of Electrical Workers Committee on Political Education (Trenton)	Union	\$ 6,800	\$ 90,650	\$ 215,200	\$ 312,650
International Union of Painters and Allied Trades Political Action Together Legislative and Educational Committee	Union	\$ 4,400	\$ 100,000	\$ 188,860	\$ 293,260
IBEW PAC (Washington DC) (6)	Union	\$ 2,300	\$ 100,850	\$ 177,970	\$ 281,120
NJ Organization for a Better State	Ideological	\$ 0	\$ 270,250	0	\$ 270,250
District Council of Northern NJ	Union	\$ 6,800	\$ 85,120	\$ 177,855	\$ 269,775
NJ State Association of Pipe Trades PAC Fund	Union	\$ 0	\$ 96,400	\$ 167,000	\$ 263,400
Laborers Local 472 PAC	Union	\$ 6,800	\$ 178,800*	\$ 65,200*	\$ 250,800
1199/SEIU NY State Political Action Fund	Union	\$ 3,400	\$ 97,200*	\$ 138,700	\$ 239,300*
CAR PAC	Trade Association	\$ 500	\$ 220,154	\$ 0	\$ 220,654
IBEW LU 400 COPE Fund	Union	\$ 6,800	\$ 59,700	\$ 138,290	\$ 204,790
NJ Dental PAC	Professional	\$ 6,800	\$ 182,619	\$ 3,100	\$ 192,519
IBEW Local 456 COPE Fund	Union	\$ 6,800	\$ 113,100	\$ 63,450*	\$ 183,350*
NJ Funeral Directors PAC	Professional	\$ 0	\$ 174,136	\$ 0	\$ 174,136
TOTALS		\$813,979	\$4,806,590*	\$5,729,579*	\$11,350,148*

(1) Does not include \$500,000 donation by Laborer's Political League to grassroots lobbying activity related to 2009 Governor's race.

(2) Does not include \$744,512 spent through separate political committee in 2009 on local school board elections.

(3) Does not include \$1.75 million donation to grassroots lobbying activity related to 2009 Governor's race and \$2.25 million given directly to Democratic Governor's Association.

(4) Does not include \$30,400 contributed directly to Democratic Governor's Association.

(5) Does not include \$250,000 given directly to Democratic Governor's Association.

(6) Does not include \$325,000 given directly to Democratic Governor's Association.

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APPENDIX

TABLE 5

Type of PAC	New Since 2005	2009 Total	% New
Other Ongoing	55	115	48%
Ideological	53	124	43%
Civic Association	21	44	48%
Regulated Industry	3	34	9%
Professional	6	67	9%
Union	16	119	13%