



NEWS RELEASE

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P.O. Box 185
Trenton, New Jersey 08625-0185

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CONTACT: JEFF BRINDLE
EXECUTIVE DIRECTOR

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REVISED

Public contractors reported making \$9.4 million in political contributions in 2010, a 13 percent falloff from a year earlier, according to Jeff Brindle, Executive Director of the New Jersey Election Law Enforcement Commission (ELEC).

“This is the first time since we started monitoring contractor contributions that the total has dropped under \$10 million,” said Brindle.

Contributions from contractors peaked at \$16.4 million in 2007, the last year in which both legislative houses were up for reelection, he said. Total reported contributions have dropped 38 percent since State law required such reports five years ago under “pay-to-play” restrictions.

Table 1
Total Contributions Reported Annually
by Public Contractors from 2006 to 2010

YEAR	AMOUNT	TWO-YEAR TREND	PERCENT
2010	\$ 9,413,012	\$ (1,456,553)	-13%
2009	\$ 10,869,565		
2008	\$ 12,190,643		
2007	\$ 16,399,852	FIVE-YEAR TREND	PERCENT
2006	\$ 15,093,816	\$ (5,680,804)	-38%

Brindle said there are several possible explanations for the decline.

“For one thing, there were no statewide elections last year, and only a handful of special legislative elections. That could cause some drop-off,” he said.

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“Also, some contractors have simply stopped making political contributions altogether because they are afraid of losing business by inadvertently violating pay-to-play laws,” he said.

“The recession and widespread budget-cutting by government agencies also could be taking a toll,” Brindle said. However, he noted that the overall value of the contracts reported last year fell -4 percent to \$5.8 billion.

Another factor could be the proliferation of political action committees (PACs) that are extensions of parties or candidates rather than political fund-raising arms for special interests groups like banks, realtors or unions. “Use of these PACs becomes a problem if they are intended to deliberately circumvent state contribution limits and pay-to-play laws,” said Brindle.

Table 2
Total Value of Contracts Reported Annually
by Business Entities Subject to State Pay-to-Play Law

YEAR	AMOUNT	TWO-YEAR TREND	PERCENT
2010	\$ 5,816,588,558 *	\$ (245,382,611) *	-4% *
2009	\$ 6,061,971,169		
2008	\$ 5,008,857,958		
2007	\$ 5,686,716,597	FIVE-YEAR TREND	PERCENT
2006	\$ 10,395,179,530	\$ (4,578,590,972) *	-44% *

The number of business entities with public work that filed reports with ELEC was down.

Table 3
Total Number of Business Entities Reporting
Annually under State Pay-to-Play Law

YEAR	NUMBER	TWO-YEAR TREND	PERCENT
2010	1,900	(149)	-7%
2009	2,049		
2008	1,834		
2007	1,990	FIVE-YEAR TREND	PERCENT
2006	2,312	(412)	-18%

The total number of contracts also was down.

Table 4
Total Number of Contracts Reported Annually
by Business Entities under State Pay-to-Play Law

YEAR	NUMBER	TWO-YEAR TREND	PERCENT
2010	18,298 *	(3,122) *	-13.5% *
2009	21,420		
2008	23,109		
2007	22,589	FIVE-YEAR TREND	PERCENT
2006	24,927	(6,629) *	-27% *

It should be noted that 2010 numbers are preliminary. They reflect information available to the Commission through March 31. Some contractors are likely to submit amendments after that date that could change the totals. Numbers before 2010 more fully reflect these revisions. While 2010 numbers are likely to change, the downward trend is expected to hold. Reports from 2010 and earlier years are available at ELEC's website at www.elec.state.nj.us.

Under pay-to-play laws, all businesses that have received \$50,000 or more in total public contracts must report their contracts and contributions to ELEC each spring.

Those with State contracts are prohibited from contributing more than \$300 to gubernatorial candidates, state political parties, legislative leadership committees, county political parties and municipal political party committees. Firms that exceed this limit must refund the excess contributions within a necessary time period or relinquish their contracts for four years.

Similar limits apply to municipal or county contractors unless local officials adopt a "fair and open" bidding process intended to encourage competition. Where "fair and open" rules are adopted, normal contribution limits, which are much higher, apply to contractors.

State contribution limits range from \$2,600 per election from individuals or corporations to candidate committees to \$37,000 annually to county party committees. During the five-year period, the average donation from contractors fell from \$1,225 to \$1,101- down 10 percent.

As one of its legislative priorities, the bi-partisan Commission has recommended adopting a single statewide pay-to-play law that would end separate local and county pay-to-play laws as well as the "fair and open" loophole. The Commission also is urging the Legislature to reduce the current threshold for disclosure from \$50,000 to \$17,500.

“Commission members believe this move would greatly streamline the pay-to-play reporting process while increasing the amount of disclosure to the public,” said Brindle.

He added that the Commission also has recommended making it harder for one candidate or group to establish multiple, affiliated PACs as a means of skirting campaign finance and pay-to-play laws. The Federal Election Commission already has such regulations, he added.

Ten firms that reported the largest contract totals for 2010 are listed below.

Table 5
Ten Business Entities that Reported Largest Contract Totals in 2010

BUSINESS NAME	AMOUNT
Horizon Healthcare of New Jersey, Inc.	\$ 1,416,973,042
Amerigroup New Jersey, Inc.	\$ 377,566,876
The Prudential Insurance Company of America	\$ 257,952,092
Tilcon New York, Inc.	\$ 248,097,029 *
PKF-Mark III, Inc.	\$ 234,945,741
South State, Inc.	\$ 191,767,158
Verizon New Jersey Inc.	\$ 143,877,111
Colonial Bank FSB	\$ 115,651,783
Crisdel Group - Sordoni Construction, A Joint Venture	\$ 101,656,146
George Harms Construction Co., Inc.**	\$ 80,433,374 **

The following firms reported the largest contribution totals for 2010.

Table 6
Business Entities that Reported Largest Donation Totals in 2010

BUSINESS NAME	AMOUNT
T&M Associates	\$ 435,110
CME Associates	\$ 346,650
Remington & Vernick Engineers, Inc.	\$ 342,450
Pennoni Associates Inc.	\$ 201,020
Maser Consulting P.A.	\$ 193,590
Birdsall Services Group	\$ 180,800
Richard A. Alaimo Associates	\$ 168,150
Waters, McPherson, McNeill, P.C.	\$ 147,075
Parker McCay P.A.	\$ 129,348
Capehart Scatchard P.A.	\$ 124,075

Note: In some cases, rankings would be higher if contributions by related businesses were added to these amounts.

State government was the largest source of contracts in 2010, followed by independent authorities, municipalities, counties, school boards, fire districts and the Legislature.

Table 7
Contracts by Public Entity Type in 2010

PUBLIC ENTITY TYPE	NUMBER	AMOUNT
State	1,314 *	\$ 3,522,930,700 *
Independent Authority	2,162 *	\$ 748,313,310 *
Municipality	8,935 *	\$ 704,210,350 *
County	1,752 *	\$ 514,423,677 *
School Board	3,463 *	\$ 315,561,363 *
No Information	137	\$ 7,356,629
Fire District	522	\$ 3,749,416
Legislature	13	\$ 43,112
	18,298 *	\$ 5,816,588,558 *

* Revised

** New Item