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SUPERIOR COURT OF NEW JERSEY
CHANCERY DIVISION-
BERGEN COUNTY
DOCKET NO.

NEW JERSEY ELECTION LAW
ENFORCEMENT COMMISSION,

Plaintiff,

v.

JOSEPH CONIGLIO, LOUIS ROMANO,
and THERESA ROMANO,

Defendants.

Civil Action

SUMMONS

FROM THE STATE OF NEW JERSEY TO THE DEFENDANTS NAMED ABOVE:

The plaintiff, named above, has filed a lawsuit against you in the Superior Court of New Jersey. The complaint attached to this summons states the basis for this lawsuit. If you dispute this complaint, you or your attorney must file a written answer or motion and proof of service with the deputy clerk of the Superior Court in the county listed above within 35 days from the date you received this summons, not counting the date you received it. (A directory of the addresses of each deputy clerk of the Superior Court is available in the Civil Division Management Office in the county listed above and online at [http://www.judiciary.state.nj.us/pro se/10153 deptyclerklawref.pdf](http://www.judiciary.state.nj.us/pro%20se/10153_deptyclerklawref.pdf)).

Address of Defendants to Be Served:

Joseph Coniglio
31 Norwalk
Barnegat, New Jersey 08005-3399

Louis Romano
585 Mazur Avenue
Paramus, New Jersey 07652-1722

Theresa Romano
585 Mazur Avenue
Paramus, New Jersey 07652-1722

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 CIVIL DIVISION
 GENERAL EQUITY
 CASE PROCES

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SUPERIOR COURT OF NEW JERSEY
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NEW JERSEY ELECTION LAW
 ENFORCEMENT COMMISSION,

Plaintiff,

v.

JOSEPH CONIGLIO, LOUIS
 ROMANO, and THERESA ROMANO,

Defendants.

Civil Action

COMPLAINT

Plaintiff, New Jersey Election Law Enforcement Commission
 ("ELEC"), by way of Complaint alleges as follows:

NATURE OF THE ACTION

1. This is an action seeking, among other things, restitution and statutory penalties under the New Jersey Campaign Contributions and Expenditures Reporting Act, N.J.S.A. 19:44A-1, et. seq. (the "Act"), arising out of the Defendants'

unlawful use of campaign contributions to fund personal criminal defense costs.

2. This action is necessary to protect public confidence in the democratic process.

PARTIES AND JURISDICTION

3. Plaintiff ELEC is an administrative agency of the State of New Jersey with offices located at 28 West State Street, Thirteenth Floor, Trenton, New Jersey.

4. ELEC is assigned the duty to enforce the provisions of the Act, including the power to initiate a civil action in any court of competent jurisdiction. N.J.S.A. 19:44A-6(b).

5. Defendant Joseph Coniglio currently resides at 31 Norwalk, Barnegat, New Jersey.

6. Defendant Coniglio served as the State Senator representing the 38th Legislative District in the New Jersey State Legislature from 2001 to January of 2008.

7. Defendant Coniglio was a "candidate," as that term is defined in N.J.S.A. 19:44A-3(c), for the State Senate in the 38th Legislative District in the 2007 primary election held on June 5, 2007, and therefore is subject to the requirements of the Act at all times relevant to this Complaint.

8. Defendant Coniglio was a "candidate," as that term is defined in N.J.S.A. 19:44A-3(c), for the State Senate in the

38th Legislative District in the 2007 general election held on November 6, 2007, and therefore is subject to the requirements of the Act at all times relevant to this Complaint.

9. Defendant Louis Romano currently resides at 585 Mazur Avenue, Paramus, New Jersey.

10. Defendant Louis Romano was designated as campaign treasurer for the primary election for Defendant Coniglio's single candidate committee from December 18, 2003 through February 13, 2006, and also acted as *de facto* campaign treasurer relevant to the primary election. Defendant Louis Romano was designated as campaign treasurer for the general election for Defendant Coniglio's single candidate committee on June 25, 2007. Defendant Louis Romano therefore was subject to the requirements of the Act.

11. Defendant Theresa Romano currently resides at 585 Mazur Avenue, Paramus, New Jersey.

12. Defendant Theresa Romano was designated as a campaign treasurer for Defendant Coniglio's single candidate committee for the 2007 primary election on February 14, 2006, and therefore was subject to the requirements of the Act.

13. On or about December 1, 2003, Defendant Coniglio established "Friends of Joe Coniglio," a single candidate committee as defined in N.J.S.A. 19:44A-9, to fund his candidacy

for the 2007 State Senate primary election ("Primary Election Fund"). The Primary Election Fund's mailing address was 585 Mazur Avenue, Paramus, New Jersey.

14. Defendants filed their 20-day post-election report for the 2007 primary election as their final report on or about June 25, 2007. In the report, Defendants stated that \$132,520.00 had been transferred to the General Election Fund, leaving no remaining balance.

15. On or about June 25, 2007, Defendant Coniglio established "Friends of Joe Coniglio," a single candidate committee as defined in N.J.S.A. 19:44A-9, to fund his candidacy for the 2007 State Senate general election ("General Election Fund"). The General Election Fund's mailing address was 585 Mazur Avenue, Paramus, New Jersey.

16. Defendants filed their final report for the general election with ELEC on or about February 19, 2008. The report showed that all General Election Fund moneys had been disbursed, leaving no remaining balance.

17. Defendant Coniglio designated a "campaign depository" account for the Primary Election Fund and the General Election Fund ("Election Funds"), utilized for purposes of receiving contributions and making expenditures to aid or promote his candidacy in an election. The accounts for each election fund

were maintained at Community Bank of Bergen County located at 210 Rochelle Avenue, Rochelle Park, New Jersey.

18. Venue is proper in Bergen County pursuant to R. 4:3-2 because it is the county where the Defendants are located and the county in which the election campaigns were conducted. Additionally, the campaign depository accounts of the Election Funds are or were located in Rochelle Park, Bergen County.

LEGAL BACKGROUND

19. The Legislature declared that it is "in the public interest and to be the policy of the State to limit political contributions and to require the reporting of all contributions received and expenditures made to aid or promote the nomination, election or defeat of any candidate for public office" N.J.S.A. 19:44A-2.

20. The Act requires that any candidate for public office establish a candidate committee to receive contributions and make expenditures. N.J.S.A. 19:44A-9.

21. The candidate is required to maintain a candidate committee and campaign depository for as long as the candidate receives contributions and makes expenditures. N.J.S.A. 19:44A-9.

22. A candidate committee's expenditures must be made through the treasurer and the designated campaign depository

account. N.J.S.A. 19:44A-9. N.J.S.A. 19:44A-11. N.J.A.C. 19:25-6.4.

23. The Act requires all expenditures of a candidate committee to be reported to ELEC with a certification from the candidate and treasurer as to the correctness of the report. N.J.S.A. 19:44A-16a.

24. A candidate, the treasurer and the candidate committee are subject to the Act and regulations promulgated by ELEC under the Act, which include a prohibition on the use of the candidate committee's funds for personal use, and limit permissible uses of those funds to: paying campaign expenses; paying overhead and administrative expenses of the committee; contributions to charitable organizations; transmittal to other candidates or political committees; pro-rata repayment to contributors; and to pay "the ordinary and necessary expenses of holding public office." N.J.S.A. 19:44A-11.2a(6).

25. The candidate and the treasurer are fiduciaries of the candidate committee and have an obligation to exercise their duties in good faith, free of corrupting influences and in a diligent and intelligent manner.

26. The candidate and the treasurer's control over the candidate committee funds creates a public trust and imposes an obligation that the candidate and treasurer exercise their

duties in good faith, free of corrupting influences and in a diligent and intelligent manner.

FACTUAL ALLEGATIONS

A. Defendants Improperly Used Campaign Funds To Pay For Defendant Coniglio's Criminal Defense Costs.

27. On information and belief, Defendants used campaign contributions held in the Election Funds to pay legal fees or expenses relating to a criminal investigation regarding Defendant Coniglio in his personal capacity.

28. On or about March 26, 2007, the United States Attorney's Office served a subpoena on Defendant Coniglio requesting documents relating to the criminal misuse of his position as a state senator to secure state grants for the Hackensack University Medical Center.

29. Beginning on or about March 27, 2007, multiple media outlets reported that federal law enforcement authorities had initiated an investigation into whether Defendant Coniglio used his position as a state senator to secure state grants for the Hackensack University Medical Center in exchange for a \$60,000.00 per year consulting position.

30. On or about April 2, 2007, Defendants retained Gerald Krovatin, of Krovatin and Associates, LLC, a law firm that specialized in white collar criminal defense.

31. On or about April 2, 2007, Defendants issued Primary Election Fund check number 1877, made payable to "Krovatin & Assoc." in the amount of \$10,000.00, which represented an initial retainer fee. Defendants reported the expenditure to ELEC as a "Retainer" on the 29-day pre-election report for the 2007 primary election filed on May 7, 2007, certified as correct by both Defendants Coniglio and Louis Romano. Defendant Theresa Romano was designated as campaign treasurer during this time.

32. The federal investigation of Defendant Coniglio's activities continued through 2007 until February 14, 2008, when the United States issued an indictment that charged Defendant Coniglio with eight counts of honest services mail fraud and one count of extortion under color of official right.

33. On or about May 4, 2007, Defendants issued Primary Election Fund check number 1894, made payable to "Krovatin & Assoc." in the amount of \$15,000.00. Defendants reported the expenditure to ELEC as a "Legal Fee" on the 11-day pre-election report filed on May 29, 2007, certified as correct by Defendants Joseph Coniglio and Louis Romano. Defendant Theresa Romano was designated as campaign treasurer during this time.

34. On or about May 29, 2007, Defendants issued Primary Election Fund check number 1908, made payable to "Krovatin & Assoc." in the amount of \$25,000.00. The check contained the

notation "Legal Serv.," and Defendants reported the expenditure to ELEC as "Legal Serv." on the 20-day post-election report filed on June 25, 2007, certified as correct by Defendants Joseph Coniglio and Louis Romano. Defendant Theresa Romano was designated as treasurer during this time.

35. On or about July 27, 2007, Gerald Krovatin told reporters that he and Defendant Coniglio would meet with federal investigators regarding a "target letter" investigators had sent stating that Defendant Coniglio was the subject of an investigation into how state lawmakers had steered state moneys into groups in which they had financial interests.

36. On or about August 27, 2007, Defendants issued General Election Fund check number 1964, made payable to "Krovatin & Assoc." in the amount of \$40,000.00. Defendants reported the expenditure to ELEC as "Atty Fees" on the 29-day pre-election report filed on October 9, 2007, certified as correct by Defendants Joseph Coniglio and Louis Romano. Defendant Louis Romano was designated as treasurer during this time.

37. On or about September 18, 2007, Defendants issued General Election Fund check number 1970, made payable to "Krovatin & Assoc." in the amount of \$50,000.00. Defendants reported the expenditure to ELEC as "Atty Fee" on the 29-day pre-election report filed on October 9, 2007, certified as

correct by Defendants Joseph Coniglio and Louis Romano. Defendant Louis Romano was designated as treasurer during this time.

38. On or about November 20, 2007, following federal searches of Defendant Coniglio's home and legislative office, Gerald Krovatin told reporters that Defendant Coniglio had done nothing wrong and had nothing to hide.

39. Gerald Krovatin, Esq. represented Defendant Coniglio in the United States District Court jury trial following the February 18, 2008 indictment.

40. Gerald Krovatin, Esq. also represented Defendant Coniglio throughout the federal grand jury investigation process, including, but not limited to, acting as counsel in proceedings and discussions between federal authorities and Defendant Coniglio and issuing public statements to the media on Defendant Coniglio's behalf.

41. Gerald Krovatin, Esq. also represented Defendant Coniglio in Defendant Coniglio's appeal of his conviction to the United States Court of Appeals for the Third Circuit.

B. Defendants Failed To Request An Advisory Opinion From ELEC And Continued To Improperly Fund Criminal Defense Costs Out Of The Campaign Committee.

42. Neither Defendants, nor any of their representatives, ever requested an advisory opinion from ELEC regarding the use

of the Election Funds to pay legal fees relating to criminal charges, including the costs associated with the investigation.

43. In total, Defendants paid \$140,000.00 for legal fees out of the Election Funds in connection with a criminal investigation.

44. ELEC first initiated an investigation into Defendants' personal use of campaign funds in or around January 2008.

COUNT I

Violation of the New Jersey Campaign Contributions and Expenditures Reporting Act

45. Plaintiff incorporates by reference each and every allegation set forth in paragraphs 1 to 44 as if alleged in full herein.

46. Defendants were prohibited from using campaign contributions deposited into the Election Funds' depository account in a manner not permissible under the Act and regulations, including N.J.S.A. 19:44A-11.2, N.J.A.C. 19:25-6.5, N.J.A.C. 19:25-6.7, and N.J.A.C. 19:25-6.10.

47. Defendants were prohibited from making or authorizing the making of an expenditure of contributions for a use that is not permissible under the Act and/or regulations, including, N.J.S.A. 19:44A-11.2, N.J.A.C. 19:25-6.5, N.J.A.C. 19:25-6.7, and N.J.A.C. 19:25-6.10. Personal uses of campaign funds are

prohibited as they are not "ordinary and necessary expenditures of holding public office." N.J.S.A. 19:44A-11.2a(6).

48. Defendants Coniglio, Louis Romano and Theresa Romano committed no less than five violations of the Act and regulations, including, N.J.S.A. 19:44A-11.2, N.J.A.C. 19:25-6.5, N.J.A.C. 19:25-6.7, and N.J.A.C. 19:25-6.10 by:

- a. Issuing Primary Election Fund check number 1877 on April 2, 2007 to Krovatin & Associates, LLC, to pay legal fees or expenses relating to a criminal investigation regarding Defendant Coniglio in his personal capacity.
- b. Issuing Primary Election Fund check number 1894 on May 4, 2007 to Krovatin & Associates, LLC, to pay legal fees or expenses relating to a criminal investigation regarding Defendant Coniglio in his personal capacity.
- c. Issuing Primary Election Fund check number 1908 on May 29, 2007 to Krovatin & Associates, LLC, to pay legal fees or expenses relating to a criminal investigation regarding Defendant Coniglio in his personal capacity.
- d. Issuing General Election Fund check number 1964 on August 27, 2007 to Krovatin & Associates, LLC,

to pay legal fees or expenses relating to a criminal investigation regarding Defendant Coniglio in his personal capacity.

e. Issuing General Election Fund check number 1970 on September 18, 2007 to Krovatin & Associates, LLC, to pay legal fees or expenses relating to a criminal investigation regarding Defendant Coniglio in his personal capacity.

49. Defendants' use of the Election Funds, to pay legal fees and expenses related to the criminal investigations against Defendant Coniglio in his personal capacity, constituted an unlawful personal use of campaign funds by Defendants Joseph Coniglio, Louis Romano and Theresa Romano prohibited by N.J.S.A. 19:44A-11.2a(6).

50. Defendants' expenditures were not an ordinary and necessary expense of holding public office.

51. Plaintiff is entitled to the relief requested below for violations of the Act.

Count II

Breach of Fiduciary Duty

52. Plaintiff incorporates by reference each and every allegation set forth in paragraphs 1 to 51 as if alleged in full herein.

53. Pursuant to the Act and common law, Defendants Joseph Coniglio, Louis Romano and Theresa Romano have fiduciary duties of care, loyalty and good faith to those who contributed to the Election Funds.

54. Contributions made to the Election Funds were made with the expectation that the contributions would be utilized to promote Defendant Coniglio's candidacy for Senator for the 38th Legislative District.

55. Contributions made to the Election Funds were made with the expectation that the funds would be expended in a manner consistent with the Act. N.J.S.A. 19:44A-11.2.

56. Contributions made to the Election Funds by contributors were not made with the expectation that the contributions would be used for Defendant Coniglio's personal benefit.

57. Defendants had a fiduciary duty to ensure that the contributions made to the Election Funds were not utilized for

personal uses of the candidate or any person associated with the candidate.

58. Defendants breached their fiduciary duty to contributors to the Election Funds by making or authorizing to be made five separate payments to attorneys for personal use of the candidate or any person associated with the candidate.

59. Plaintiff is entitled to the relief requested below for Defendants' multiple breaches of fiduciary duty.

PRAYER FOR RELIEF

WHEREFORE, based on the foregoing allegations, Plaintiff respectfully requests that the Court enter judgment against the Defendants as follows:

(A) Finding that each payment made to an attorney as payment for the legal defense of Defendant Joseph Coniglio and/or Defendant Louis Romano and/or Defendant Theresa Romano constituted a violation of the New Jersey Campaign Contributions and Expenditures Act;

(B) Finding that each payment made to an attorney as payment for the legal defense of Defendants Joseph Coniglio, Louis Romano and/or Theresa Romano constituted a breach of Defendants' fiduciary duty;

(C) Permanently enjoining Defendants from making any additional expenditures from New Jersey candidate committees in violation of the New Jersey Campaign Contributions and Expenditures Reporting Act;

(D) Directing Defendants Joseph Coniglio, Louis Romano and Theresa Romano to re-establish the General Election Fund and return to it the \$140,000.00 paid to attorneys for the personal benefit of Defendants Joseph Coniglio, Louis Romano, and/or Theresa Romano. Should the Court find this restitution impractical now that the General Election Fund has been wound

down, Plaintiff requests the Court use its equitable powers to direct a suitable use for the restitution funds.

(E) Assessing the maximum statutory civil penalties against Defendants, jointly and severally, for each separate violation of the Act in accordance with N.J.S.A. 19:44A-22;

(F) Directing the assessment of costs and fees, including attorneys' fees, against Defendants, jointly and severally; and

(G) Granting such other relief that the Court finds to be necessary and proper to effectuate remedial purposes and to prevent any continuing violations.

JOHN J. HOFFMAN
ACTING ATTORNEY GENERAL of New Jersey
Attorney for Plaintiff

By: *Lindsay Putecka*
Lindsay Putecka
Deputy Attorney General

Dated: 12/3/13

DESIGNATION OF TRIAL COUNSEL

Pursuant to R. 4:25-4, Lindsay Puteska, Deputy Attorney General, is hereby designated as trial counsel on behalf of Plaintiff.

JOHN J. HOFFMAN
ACTING ATTORNEY GENERAL of New Jersey
Attorney for Plaintiff

By: 
Lindsay Puteska
Deputy Attorney General

Dated: 12/3/13

RULE 4:5-1 CERTIFICATION

I certify to the best of my information and belief that the matter in controversy in this action is not the subject of any other action pending in any court or of a pending arbitration proceeding, nor is any other action or arbitration proceeding contemplated.

I further certify that there is no other party who should be joined in this action.

JOHN J. HOFFMAN
ACTING ATTORNEY GENERAL of New Jersey
Attorney for Plaintiff

By: 
Lindsay Puteska
Deputy Attorney General

Dated: 12/3/13