



NEWS RELEASE

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FOR RELEASE:
April 6, 2017

For the third consecutive year, political contributions made by public contractors declined in 2016 to \$8.1 million, the second lowest total since pay-to-play contribution restrictions began, according to an Election Law Enforcement Commission (ELEC) analysis of annual disclosure reports filed recently.

Table 1
Campaign Contributions Reported by Public Contractors in Annual Disclosure Reports

YEAR	AMOUNT	CHANGE-\$	CHANGE-%
2016*	\$ 8,135,595	\$ (1,047,268)	-11%
2015	\$ 9,182,863	\$ (646,856)	-6%
2014	\$ 9,829,719	\$ (877,382)	-8%
2013	\$ 10,707,101	\$ 2,719,219	34%
2012	\$ 7,987,882	\$ (1,992,564)	-20%
2011	\$ 9,980,446	\$ 254,524	3%
2010	\$ 9,725,922	\$ (1,352,791)	-12%
2009	\$ 11,078,713	\$ (1,042,210)	-9%
2008	\$ 12,120,923	\$ (4,315,116)	-26%
2007	\$ 16,436,039	\$ 1,278,098	8%
2006	\$ 15,157,941		

*Preliminary

Jeff Brindle, ELEC's Executive Director, said the falloff in part may reflect the lack of gubernatorial or legislation elections in 2016. But a longer-term decline suggests the complexity of the law also is not only discouraging contractors from contributing directly to candidates and parties, but also encouraging them to circumvent the law by giving to independent groups, he said.

"While there definitely was less incentive to give last year, a clear trend is emerging. Contributions from contractors are less than half their peak in 2007," he said.

The top ten contractors ranked by their contributions gave a combined \$2.4 million in 2016, representing 29 percent of all contributions.

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Table 2
Business Entities that Made Most Contributions in 2016

BUSINESS NAME	AMOUNT
Remington & Vernick Engineers, Inc.	\$430,920
CME Associates	\$374,750
Alaimo Group	\$360,250
T&M Associates	\$341,425
Pennoni Associates Inc	\$263,850
Archer & Greiner PC	\$137,200
Capehart Scatchard PA	\$129,950
Fairview Insurance Agency Associates Inc.	\$121,300
French & Parrello Associates PA	\$116,125
Waters McPherson McNeill PC	\$114,355

Most of the major beneficiaries of contractor contributions in 2016 were county candidates in Camden, Gloucester, and Middlesex Counties.

Table 3
Top Ten Recipients of Contractor Contributions in 2016

RECIPIENT	AMOUNT
Frank DiMarco & Daniel Christy for Freeholder (Gloucester County)	\$ 198,100
Charles Kenny for Freeholder (Middlesex County)	\$ 119,475
Edward McDonnell for Freeholder (Camden County)	\$ 112,050
Blue PAC	\$ 111,400
Mildred Scott for Sheriff (Middlesex County)	\$ 110,375
Kenneth Armwood for Freeholder (Middlesex County)	\$ 109,625
Blanquita Valenti for Freeholder (Middlesex County)	\$ 80,525
GOPAC	\$ 77,300
Constructors For Good Government PAC	\$ 75,676
Forward NJ PAC	\$ 75,000

While contractor contributions overall were down, a group promoting a 2016 ballot question received some checks. Forward NJ, a labor-business coalition that helped win voter approval of a ballot question tied to a new state transportation improvement program, received \$75,000.

Contributions also went to committees aligned with one 2017 gubernatorial candidate and two other elected officials who opted not to run for governor this year.

Contractors reported sending \$24,550 to the Democratic gubernatorial campaign of Phil Murphy, former Ambassador and Goldman Sachs partner.

Two federal Super PACs set up by supporters of two Democrats who decided not to run also received contributions. New Jerseyans for a Better Tomorrow, a federal Super PAC formed by supporters of Senate President Stephen Sweeney, collected \$63,600 from contractors.

Coalition for Progress, a Super PAC affiliated with Jersey City Mayor Steven Fulop, received \$3,000. Sweeney and Fulop did not become gubernatorial candidates.

While political action committees (PACs) and independent groups received slightly less from contractors in 2016, Brindle said a substantial portion of contractor contributions- 16 percent- still went to these groups, which are not subject to pay-to-play restrictions.

**Table 4
Contributions to PACs and Independent Groups**

YEAR	AMOUNT	CHANGE-%	% OF TOTAL CONTRIBUTIONS
2016	\$1,286,280	-1%	16%
2015	\$1,300,622	-30%	14%
2014	\$1,863,693	16%	19%
2013	\$1,604,014	58%	15%
2012	\$1,017,353	-42%	13%
2011	\$1,746,947		18%

One result is that state and county party committees have seen a sharp decline in their fundraising since pay-to-play rules began curbing contractor contributions.

A set of legislative recommendations developed by Brindle and supported by ELEC on a bipartisan basis seek to reverse this trend while greatly simplifying the rules. Pending bills by both parties would implement many of these recommendations.

The reform plan would consolidate pay-to-play restrictions into a single state law; raise from \$300 to \$1,000 the amount contractors could give without jeopardizing their contracts; wave the \$1,000 limit for party committees, though contractors still would be subject to contribution limits that apply to all other donors; and require more contractors to file annual reports with ELEC detailing their contracts and contributions. The proposal also would restrict the amount contractors could give to PACs.

“Without changes, party fundraising will continue to sink while the warchests of independent groups will keep swelling. The public will be the losers since independent groups can more easily hide what they raise and spend,” Brindle said.

Contracts totals were up 4 percent in 2016 to nearly \$8.6 billion.

Table 5
Total Value of Contracts Reported Annually
by Business Entities Subject to Pay-to-Play Law

YEAR	AMOUNT	CHANGE-\$	CHANGE-%
2016*	\$ 8,591,679,591	\$ 313,633,421	4%
2015	\$ 8,278,046,170	\$ 1,295,721,929	19%
2014	\$ 6,982,324,241	\$ 410,018,278	6%
2013	\$ 6,572,305,963	\$ 618,617,899	10%
2012	\$ 5,953,688,064	\$ 444,848,248	8%
2011	\$ 5,508,839,816	\$ (322,590,939)	-6%
2010	\$ 5,831,430,755	\$ (229,983,148)	-4%
2009	\$ 6,061,413,903	\$ 1,057,944,238	21%
2008	\$ 5,003,469,665	\$ (682,923,351)	-12%
2007	\$ 5,686,393,016	\$ (4,710,365,819)	-45%
2006	\$ 10,396,758,835		

*Preliminary

The number of contracts also was up 5 percent.

Table 6
Total Number of Contracts Reported Annually
by Business Entities Subject to Pay-To-Play Law

YEAR	NUMBER	CHANGE	CHANGE-%
2016*	19,916	1,034	5%
2015	18,882	(666)	-3%
2014	19,548	(1,011)	-5%
2013	20,559	(297)	-1%
2012	20,856	(3,847)	-16%
2011	24,703	6,030	32%
2010	18,673	(2,771)	-13%
2009	21,444	(1,388)	-6%
2008	22,832	244	1%
2007	22,588	(2,347)	-9%
2006	24,935		

*Preliminary

The total number of business entities is the second lowest total on record, though it is preliminary.

Table 7
Total Number of Business Entities

YEAR	NUMBER	CHANGE	CHANGE-%
2016*	1,956	(185)	-9%
2015	2,141	(87)	-4%
2014	2,228	19	0.9%
2013	2,209	(23)	-1%
2012	2,232	50	2%
2011	2,182	(4)	-0.2%
2010	2,186	90	4%
2009	2,096	223	12%
2008	1,873	(146)	-7%
2007	2,019	(320)	-14%
2006	2,339		

*Preliminary

The numbers in this report reflect information available to the Commission through April 4, 2017 and should be considered preliminary. Some contractors are likely to submit reports or amendments after that date that could change the totals. Numbers earlier than 2016 reflect these revisions and could differ from those reported in prior press releases. All reports 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 through public contracts must indicate whether they have made any reportable contributions and if so, must disclose contracts and contributions to ELEC by March 30th for the previous calendar year.

With some exceptions, most firms with state contracts in excess of \$17,500 are barred from contributing more than \$300 to gubernatorial candidates, other candidates, state political parties, legislative leadership committees, county political parties and municipal political party committees. Firms that exceed this limit must seek refunds of the excess contributions within a necessary time period or relinquish their contracts for four years.

The average contribution made by contractors in 2016 was \$1,078. The largest average of \$1,222 occurred in both 2006 and 2007.

Two health insurance companies topped the list of contract recipients. The list also includes banks, utilities and construction firms.

**Table 8
Top Ten Business Entities that Reported
Largest Contract Totals in 2016**

BUSINESS NAME	AMOUNT
Horizon Healthcare of New Jersey Inc.	\$ 4,771,425,467
Amerigroup New Jersey Inc.	\$ 1,204,319,742
Torcon Inc.	\$ 130,142,656
South State Inc.	\$ 114,142,690
George Harms Construction Co. Inc.	\$ 97,207,466
Verizon New Jersey Inc.	\$ 96,668,238
Unity Bank	\$ 86,959,864
Union Paving & Construction Co., Inc.	\$ 77,169,458
A. Servidone, Inc./ B. Anthony Construction Corp. JV	\$ 72,391,524
Magyar Bank	\$ 71,797,942

State government again was the largest source of contracts in 2016. Independent authorities, municipalities, counties, school boards, colleges and universities, fire districts and the legislature follow in descending order.

**Table 9
Contracts by Public Entity Type in 2016**

PUBLIC ENTITY TYPE	AMOUNT	PERCENT	NUMBER
State of New Jersey	\$ 6,530,654,867	76%	10,142
Independent Authority	\$ 721,627,129	8%	4,062
Municipality	\$ 659,071,925	8%	2,422
County	\$ 253,904,268	3%	1,470
School Board	\$ 252,275,159	3%	639
College/University	\$ 170,793,467	2%	616
Fire District	\$ 3,162,908	0.04%	445
Legislature	\$ 189,868	0.002%	34
No information			86
GRAND TOTAL	\$ 8,591,679,591	100%	19,916

Also following a long trend, contract awards by the state Department of Human Services again dwarfed those of other public entities.

**Table 10
Top Ten Contracting Agencies in 2016**

CONTRACTING AGENCY	AMOUNT
New Jersey Department of Human Services	\$ 5,957,923,963
NJ Department of Transportation	\$ 406,336,045
New Jersey Turnpike Authority	\$ 350,838,997
University Student Living, LLC	\$ 62,786,951
State of New Jersey	\$ 57,621,508
New Jersey Institute of Technology	\$ 52,213,778
New Jersey Schools Development Authority	\$ 42,644,866
City of New Brunswick	\$ 35,254,621
Port Authority of NY and NJ	\$ 32,023,883
City of Elizabeth	\$ 30,736,619

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