MINUTES - August 13, 1976 Meeting

<u>Absent</u>

Frank P. Reiche, Chairman Sidney Goldmann, Vice Chairman Archibald S. Alexander, Member Edward J. Farrell, Legal Counsel Lewis B. Thurston, III, Executive Director Josephine Margetts, Member Herbert Alexander, Consultant

The meeting convened at 10:15 a.m.

Pursuant to the Open Public Meetings Law, P.L. 1975, c.231, annual notice of the meetings of the Commission (as amended from time to time) was filed with the Secretary of States office, copies were pasted in the State House Annex, copies were mailed to the Newark Star Ledger and the Philadelphia Bulletin and the entire State House Press Corps.

 Commission vs. Charles J. Gilroy, Jr., C-02-76 Commission vs. Alexander Haak, C-298-75 Commission vs. Robert H. Malanga, C-300-75 Commission vs. R.A.M. Associates, C-303-75

Pursuant to N.J.S.A. 10:4-12 (6) of the Open Meetings Law, P.L. 1975, C.231, the Commission resolved to go into executive session to discuss the above-cited matters.

At the conclusion of the discussion the Commission returned to public session and took the following action:

A. Re Charles J. Gilroy, Jr.

On motion by Chairman Reiche, seconded by Commissioner Alexander, the Commission found Mr. Gilroy guilty of a negligent violation of Section 16 of the Act for not properly reporting on his 15-day post-election report for the 1974 General Election, the contribution of the East Dover Citizens for Gilroy. A fine of \$50 was imposed. Vote 3-0 (Commissioner Margetts absent).

The Commission found that the record indicated that Mr. Gilroy did not have knowledge of East Dover Citizens for Gilroy prior to the publication of the newspaper advertisements. However, testimony indicated that Mr. Gilroy and at least 3 responsible officials of his campaign had sufficient knowledge well in advance of the required reporting date, to require an in-depth inquiry into the facts and, based upon those facts, accurately report the contribution. Mr. Gilroy's 15-day report did not include mention of East Dover Citizens for Gilroy or the total cost of the advertisements, \$555. The 4 contributions listed totaled \$480. These facts indicated that there was not reasonable compliance with the duty to report under the Act.

B. Re: Robert A. Malanga and R.A.M. Associates

On motion of Vice Chairman Goldmann, seconded by Chairman Reiche, the Commission found that Robert A. Malanga and R.A.M. Associates acted in a professional advertising and public relations capacity and did not violate the Act. Therefore, the complaints were dismissed. Vote 3-0 (Commissioner Margetts absent).

C. Re: Alexander Haak

On motion of Chairman Reiche, seconded by Vice Chairman Goldmann, the Commission found Mr. Haak guilty of gross negligence at the very least in violating Sections 8, 10, 11 and 12 of the Act. These violations entail not filing a 15-day post-election report for East Dover Citizens for Gilroy for the 1974 General Election, not designating a campaign depository and treasurer for the organization, failing to make expenditures through a lawful treasurer and failing to deposit funds in a proper campaign depository for the organization. The Commission imposed fines of \$150 each for the violations of Sections 8 and 10 and \$50 each for the violations of Sections 11 and 12, for a total of \$400.

Commissioner Alexander moved that the Commission forward the record regarding Mr. Haak to the Attorney General for possible criminal prosecution under Section 21 of the Act pursuant to the authority of C.19:44A-6. The motion did not receive a second and, thus, failed.

2. ELEC Staff Personnel Matter

Mr. Thurston was excused from the meeting at this point. The Commission agreed to increase the salary of the Executive Director by 7% effective July 3, 1976, consistent with the 7% across-the-board increase for State employees recently enacted by the Legislature and Governor effective July 3, 1976.

3. Commission vs. Eugene Santoli, C-100-76 Commission vs. Walter Barr, C-192-76

These two cases, in which the candidates withdrew before the election, were discussed. The staff was directed to determine whether the candidates' names appeared on the ballot and, if so, to direct the candidates to file affidavits, if appropriate. The Commission agreed to dismiss the complaints if the candidates satisfy these requirements or if it is determined that their names did not appear on the ballot.

4. Commission vs. Wallace R. Johnson, C-119-76 Commission vs. Robert Erisman, C-105-76

The Commission agreed to dismiss both of these complaints in which the candidates are deceased.

5. Reports by Executive Director

Mr. Thurston reported on and the Commission reviewed the following:

- A. <u>ELEC Annual Report</u> A quote from Justice Brandeis to be added to the report was discussed and agreed upon.
- B. Federal Election Commission Policy Statement Mr. Thurston indicated that he had referred the statement received on August 4, 1976 to the Attorney General for his consideration in rendering an opinion to ELEC in accordance with the previously agreed upon procedure. It was agreed that the staff should determine precisely what information delegates are required to disclose to the FEC prior to the election. It was agreed further that the staff suggest to the National Municipal League that the subject of State-Federal coordination regarding the reporting requirements for delegates be considered for the agenda for the annual conference of that group in December.
- C. New Reporting Forms Mr. Thurston described the revised forms which are being printed for use in the 1976 General Election.
- D. <u>Dismissal of Civil Suit in Essex County (Cooke et al vs. Lerner)</u> Mr. Thurston reported that Judge Kimmelman had dismissed this suit brought by Democratic Freeholder Cooke against Essex County Democratic Chairman Lerner and the subject was discussed.
- E. Political Action Committees A request from Ford Motor Co. about whether their PAC would have to designate a New Jersey treasurer and bank account was discussed. It was agreed to inform them that they may seek an advisory opinion on this if they wish to do so in writing.
- F. <u>Personnel Matters</u> The Executive Director reported that Mrs. Elizabeth Knoblock resigned on August 12 because she and her family are moving to Florida.

6. Miscellaneous Matters

The Commission agreed to go into executive session under the authority of C.10:4-9 of the Open Meetings Law (P.L. 1975, c.231) to discuss certain matters under investigation.

7. Adjournment - The Commission returned to public session and then adjourned the meeting at 2:30 p.m.

Respectfully submitted, Lewis B. Turston, 44

LEWIS B. THURSTON, III Executive Director