

Remarks of Attorney General Stuart Rabner
Attorney General's Budget Testimony
Assembly Budget Committee
April 12, 2007, 2 p.m., Committee Room 11, 4th Floor
New Jersey Statehouse Annex
Trenton, N.J.

Thank you, Chairman Greenwald, Vice-Chairman Payne, and members of the Assembly Budget Committee.

It is my pleasure to be here this afternoon, and to discuss with you the proposed budget and work of the Department of Law and Public Safety.

With me today are First Assistant Attorney General Anne Milgram; Chief of Staff Lisa Thornton; Chief Administrator Kimberly Ricketts and Deputy Administrator Dan Foster. Also here are other key members of the department's management team, including the directors of our many Divisions and Commissions.

Through its unique role as New Jersey's principal law enforcement agency and chief legal advisor to state government, the work of our Department affects virtually every New Jersey citizen.

Staffed by approximately 9,500 employees, the Department has an essential mission that includes a duty to enforce the laws and prevent crime, maintain safe roads, preserve civil rights, ensure fair elections, and help young people involved with the juvenile justice system to become productive, law abiding citizens.

But the mission does not stop there.

The Department is responsible for safeguarding consumers, ensuring the integrity of our state's legal casino gaming and horse racing industries, regulating the sale of alcoholic beverages, and – of paramount importance – protecting our citizens from such threats as terrorism, gun violence, drug trafficking and street gang activity.

The Department has been pursuing this diverse mission on many fronts, with highlights including the following:

- We have made significant progress toward implementing a Statewide Voter Registration System, and we anticipate running the statewide system by May 30, 2007.
- Thanks to the efforts of our Racing Commission and others, New Jersey will host the Breeder's Cup – the "Super Bowl" of horse racing – in October 2007.
- Our Division of Gaming Enforcement continues to do excellent work regulating and safeguarding the legalized casino gambling industry in Atlantic City.
- During 2006, the Division of Highway Traffic Safety distributed more than 550 grants, worth more than \$9 million, to help local jurisdictions reduce traffic fatalities and injuries by combating drunk driving, aggressive driving and other conduct that endangers lives. The Division has also focused its efforts on greater pedestrian and bicycle safety.
- We created a new Affirmative Litigation Section in the Division of Law. This Section will seek to improve the quality of life for the people of New Jersey by bringing civil actions to vindicate the public interest.

- During the past year, our Division on Civil Rights obtained almost \$3 million in monetary awards for individual victims of discrimination.

These are just a few brief examples of the fine work done this past year by some of our Divisions. I will now discuss in more detail some of our other divisions as well as our major priorities.

Let me start with certain items relating to the Department of Law & Public Safety as a whole.

During the past year, we have approached our mission with a commitment to cost-cutting, consolidation and efficiency of operations. We have cut costs by streamlining, eliminating duplication of effort, and by making some difficult personnel decisions. Combining these reductions with our other management efficiencies, the Department of Law and Public Safety has saved \$20 million.

The Department eliminated 120 positions through a reduction in the workforce. Beyond that, we have not filled an additional 338 positions vacated through attrition. These cuts have been difficult for the Department, and reduction beyond this level could make it difficult for us to successfully carry out our mission.

A top priority for our department is strengthening public confidence in government, including the workings of our own department. To that end, we recently revised the Department's ethics code. Our goal, put simply, is to avoid any actual or perceived conflict of interest related to our employees.

Previously, employees in senior positions were permitted to hold appointed public office but not elected public office. The revised code bars them from holding any

public office. In addition, the list of individuals covered by the code has been expanded to include additional, upper level individuals who were not previously included.

The new code, which was approved by the State Ethics Commission on March 21, also extends the prohibition against the outside practice of law.

The Department has also hired an outside firm (Jefferson Wells) to conduct an independent audit and assessment of our internal controls, operations and major business practices. We will share the results of the audit with this committee. We hope the results will provide an accurate picture of where the Department is in these important areas and a roadmap for continued improvement.

Let me discuss the critical work of some of our Divisions, starting with the State Police. They recently marked the opening of a new, state-of-the-art fusion center known as the ROIC, which is short for the Regional Operations Intelligence Center. The ROIC fuses three vital areas of information by bringing together intelligence data, public safety information, and information pertaining to private infrastructure. It is located at State Police headquarters and will provide all-hazards information for all events, ranging from natural disasters to terrorism related acts, to flu pandemics and beyond. Moreover, during all significant emergencies, the ROIC now serves as New Jersey's official, 24-hour Emergency Operations Center.

I would like to take this opportunity to thank the entire Legislature, and this committee in particular, for supporting the Regional Operations Intelligence Center project. The ROIC is truly a remarkable facility that will serve us well in protecting New Jersey. I invite each of you to tour the center, and the Colonel and I would be pleased to arrange a convenient time when you can visit.

The work of the State Police is vital to our State. As you can see from the proposed budget, we believe we must invest in the future of the Division of State

Police to ensure its continued success. As State Police responsibilities continue to grow, we must sustain their strength and provide them with the equipment and resources necessary to perform these functions. I am pleased that we plan to graduate an additional 200 new troopers during FY 2008. This will bring the staffing level of the State Police to about 3075 by the end of the fiscal year, which represents an increase from our current size of 2987.

This year, as a result of the Governor's recommended budget, we will also be able to purchase 250 new State Police patrol vehicles, as well as five new State Police helicopters. As members of this committee know, our State Police helicopter fleet is aging. In light of the demands put on it by our state's emergency medical evacuation needs, as well as the state's law enforcement and homeland-security-related requirements, the new aircraft are essential in fulfilling these missions.

Now let me turn to the Division of Criminal Justice, which obtained an impressive 539 indictments and criminal accusations in 2006. At DCJ, we are engaged in a statewide effort to investigate and prosecute public corruption and criminal gangs, among other areas.

In order to focus our resources on our highest priorities, we reorganized the Division of Criminal Justice earlier this year by consolidating a large number of small units into three large sections that will focus on: (1) public corruption; (2) gangs, organized crime, and related drug and gun violence; and (3) major white collar crimes. Each section will be staffed by 20 or more attorneys. Importantly, in the area of public corruption, this represents a nearly three-fold increase in staff -- from 7 to 20 attorneys.

This new structure will give us the flexibility to work complex, labor-intensive investigations in all three areas. Although it takes time to build investigations and cases, we believe that in the months and years to come, this restructuring of DCJ will greatly enhance our work.

Make no mistake -- this is a cooperative effort. In order to pursue more corruption leads, and eventually enable DCJ to pursue more cases, the State Police re-tasked its Organized Crime Strike Force Units in the northern, central, and southern parts of the state to work on corruption investigations as well.

Although it will take time to succeed, we are committed to aggressively pursuing public corruption cases. We know that many of the seeds that we plant now will grow during years to come, and we are beginning to see some progress. Late last year, a municipal mayor was charged with official misconduct. And more recently, a principal and administrator in the Camden City school system were charged with stealing money from students who paid to go on school field trips.

Our white collar crime unit is engaged in critical work that complements this effort. In February, we charged three defendants with defrauding ratepayers and taxpayers of more than \$11 million. Subsequently, a former Jersey City Power and Light company manager and an accomplice pleaded guilty to conspiring to steal \$11.5 million from the state energy rebate program, which was intended for companies who install more efficient energy systems.

With regard to gangs, our aim is to make all of our neighborhoods safer -- to have real hometown security in our towns, cities, and suburbs -- by reducing gang activity and related gang crime, including violence, drug trafficking, and gun offenses.

A recent example of our approach to addressing the gang problem are the charges brought against 21 leaders and members of the Bloods street gang set Sex Money Murder, in Mercer, Monmouth and Ocean Counties. That investigation was led by the State Police, working in conjunction with the Division of Criminal Justice and county, local, and federal agencies.

The investigation began in response to a series of shootings of 15 individuals in Trenton during a five-day period in the spring of 2006. The State Police focused their attention on the gang, Sex Money Murder, and the individuals whom they believed to be involved. The investigation went on for months and crossed three counties -- Mercer, Monmouth, and Ocean -- ultimately leading to charges and arrests on January 31, 2007 of more than 20 Sex Money Murder Blood gang members. These defendants stand accused of numerous crimes, including conspiracy to commit murder, racketeering, distribution of drugs, and the illegal transfer of weapons.

In addition to our specific gang investigations and prosecutions, our Department is continuing to work on a broad, anti-violence initiative known as "Operation Ceasefire." This is a collaborative effort among law enforcement, community groups, and prosecutors to directly confront the problem of gun violence by stopping the next shooting.

We have done a lot of work on the Ceasefire initiative but have a great deal more to accomplish. The law enforcement component of the program is up and running in Newark/Irvington, Camden, and Paterson. By next month, it will be operational in Trenton and Plainfield. By June, the community component will be fully operational in all six of these locations. We will continue the expansion of Ceasefire cities in the coming year.

I must emphasize today that enforcement and gun violence prevention are just a part of our overall anti-gang strategy.

They are just a part because we cannot arrest our way out of the gang problem. If we do not work to prevent at-risk youth from joining gangs, and focus on re-entry issues presented by those completing prison terms, we will never solve the gang problem. So this is a three-part process: prevention, law enforcement, and re-entry. At the Governor's request, the Department is completing a comprehensive inventory of

programs throughout state government that relate to prevention and law enforcement. The Governor's Counsel's Office and Policy Office are separately leading the effort to address re-entry issues.

Related to these criminal justice efforts are important projects underway at the Juvenile Justice Commission.

Through a joint initiative involving JJC and the Department of Treasury, young people in the custody of JJC or under JJC parole supervision are taking part in a program designed to help them acquire job and social skills, and to begin the process of building successful, law-abiding lives.

This "Warehouse" initiative involves 25 young offenders who are employed six hours each day at a Department of Treasury warehouse in Hamilton, working as furniture restorers, computer technicians and general warehouse helpers. The participants are paid a regular wage, and will ultimately receive a certificate outlining the skills they learned in order to help them obtain future employment. Our goal is to help young people who made wrong choices turn the corner, and take real steps toward positive change.

Our proposed budget allocation also includes approximately \$4 million for expansion of an important juvenile justice program known as the JDAI -- the Juvenile Detention Alternatives Initiative. When the expansion is ultimately complete, all 17 New Jersey counties that operate juvenile detention centers will run the JDAI program.

JDAI ensures that youth who are considered a public safety risk or a risk of flight are detained. JDAI also provides detention alternatives -- for example, electronic monitoring, in-home detention, shelter care/host homes, and evening reporting centers -- for youth that are not a public safety risk.

JDAI has generated encouraging results. It has helped us address public safety needs while placing select juveniles in alternative settings that are more appropriate to their individual needs and circumstances. As a result of the initiative, on any given day in 2006, there were 215 fewer youth in detention centers compared to the number in 2003, representing a decrease of more than 43 percent. The actual numbers are as follows: 284 youth in 2006, compared to 499 youth in 2003.

In addition to the many issues that I have just discussed, our Department also functions as New Jersey's largest law firm, providing legal advice to agencies of state government, defending state statutes, and handling, literally, tens of thousands of civil litigation matters each year.

On an annual basis, lawyers assigned to the Division of Law handle more than 40,000 matters, including nearly 14,400 litigated cases in Superior and Federal Court, nearly 18,200 administrative matters, and some 1,700 appeals.

In calendar year 2006, litigation handled by the Department resulted in recoveries by the State of more than \$88 million, including more than \$53 million from pension security fraud matters brought on behalf of the Division of Investments, \$14 million from cases involving the clean-up of contaminated properties, uncollected taxes and unpaid debt, and more than \$19 million in settlements, costs, penalties, and restitution related to consumer fraud prosecutions. Our civil litigation also includes, among many other things, efforts to protect children from harm and advocate for those whose civil rights have been violated.

We have also filed numerous civil actions to protect the environment. Litigation handled by the Division of Law recovered a total of \$10.8 million last year in environmental cleanup costs, and more than \$1.2 million in natural resource damages.

Just last month, our efforts resulted in the recovery of nearly \$1 million in state costs associated with the clean-up of a Hoboken factory that polluted the environment when they made vapor lamps and mercury connector switches. And we have played a significant role in multi-state litigation challenging the Environmental Protection Agency's weakening of federal Clean Air Act regulations.

Our Department also works to protect consumers and combat fraud through the efforts of our Division of Consumer Affairs. In 2006, the Division of Consumer Affairs conducted more than 1,000 investigations and assessed more than \$61 million in penalties and costs related to fraudulent and misleading practices. We also conducted significant outreach efforts aimed at helping consumers -- particularly senior citizens who are a frequent target -- to avoid becoming victims of fraud.

During 2006, the Division of Consumer Affairs also filed lawsuits against two major drugstore retail chains -- Rite Aid and Duane Reade -- alleging that they charged more than the listed price for certain products, and sold infant formula, baby food, non-prescription drugs and other products that had already passed the manufacturer's expiration date.

The Division of Elections is another critical component of our Department. In addition to implementing the Statewide Voter Registration System, we are presently working to meet the Legislative requirement that all state voting machines have a voter "verified paper trail" as of January 2008. This means that all voting machines will have a permanent paper record, approved by the voter, for each vote cast. To achieve this, we will need to retro-fit the voting machines in 20 of our 21 counties. The estimated cost for this is between \$21 and \$25 million, depending on our ability to negotiate with the vendors and the need for backup parts for the attachments. We are now working through the procedures established by the U.S. Election Assistance Commission to determine whether we can utilize approximately \$15 million in remaining federal Help

American Vote Act (HAVA) funds towards satisfying this State mandate. We will come back to this Committee when we have more details.

Another important element of our department's mission involves the Division of Alcoholic Beverage Control ("ABC"). National surveys tell us that one out of two eighth grade students has tried alcohol, and in New Jersey 46% of our seventh and eighth grade students responding to a survey said that they have used alcohol. These alarming statistics led us to undertake an initiative against underage drinking. And so in February, we invited seniors at high schools throughout the state to devise scripts for 30-second, television Public Service Announcements encouraging alcohol-free enjoyment of the prom and graduation season.

From among the scripts submitted, we will select one overall winning entry. The top-prize-winning PSA script will be produced and distributed for broadcast on local television stations. In addition, students who took part in developing the prize-winning script, as well as the runner-up entries, will be invited to a special party in their honor at the Governor's Mansion at Drumthwacket. To date, response to this initiative among high school seniors around the state has been enthusiastic, with over 50 PSA script entries submitted already.

As part of our campaign to combat underage drinking, we also developed a Public Service Announcement for television and radio broadcast featuring Rutgers University football coach Greg Schiano. The PSA, which is excellent, is expected to begin airing later this spring, and we thank Coach Schiano for volunteering his time in this important campaign.

One final aspect of our Department that I would like to mention here today is our commitment to work closely with the Office of Homeland Security and Preparedness (OHSP) to protect the people of our State.

As you know, the Governor's Executive Order created the Office of Homeland Security and Preparedness, which recently marked its one-year anniversary. The Office is located in, but not of, the Department of Law and Public Safety, and I will defer to its excellent director, Richard Canas, if you have questions on this subject. But with his permission, let me briefly mention a few points. First, the Office of Homeland Security and Preparedness is a cooperative player in our ongoing efforts on homeland security. OHSP staffers are assigned to the ROIC, and also work closely with the State Police Office of Emergency Management on a daily basis. The Office of Homeland Security has stationed investigators with the Joint Terrorism Task Force at the FBI offices in Newark and will soon station an additional investigator in the Philadelphia JTTF.

Second, each Wednesday morning, either Anne Milgram or I join Dick Canas, Col. Fuentes and the leadership of the FBI for a weekly conference call on any new security issues. We then brief the Governor whenever necessary.

Finally, on the critical issue of school security, the Office of Homeland Security and Preparedness has taken the lead and has done a superb job in this area, working closely with local education, community, and law enforcement officials.

In closing, I want to thank the members of this committee again for your continuing support of the Department of Law and Public Safety.

I will be pleased to try to answer your questions.

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