Remarks of Attorney General Paula T. Dow
Attorney General’s Budget Testimony
2 p.m. Wednesday, April 21, 2010
Assembly Budget Committee
State House Annex
Trenton, N.J.

• Thank you and good afternoon Chairman Greenwald, Vice-Chairman Schaer and members of the Assembly Budget Committee.

• I appreciate the chance to speak with you today about our work on behalf of New Jersey citizens, and about the proposed budget for our department.

• I realize the committee’s time is valuable, so I will not spend it belaboring the obvious -- that times are tough and money is tight.

• At the Department of Law and Public Safety, we understand that state resources are stretched – as are those of many hard-working New Jersey residents.

• We share the belief that state government must live within its means.

• And we stand ready to confront what Governor Christie has described as the “day of reckoning” -- the time, namely now, when every state agency must accomplish its mission without mortgaging the future.

• We are fully prepared to meet that challenge, and we will do so without compromising our standards.

• For the coming fiscal year, the Governor’s proposed budget allocation for our department is $538 million.

• That represents a 7 percent reduction compared with last year.
• The new budget anticipates attrition in the Department’s civilian workforce that will save upwards of $1 million.

• The budget also anticipates attrition among State Police enlisted members that will realize $5.4 million in additional savings.

• The budget also reflects the difficult – but necessary – decision to delay having a new State Police recruit class until next summer.

• Although we would prefer not to delay a new recruit class, the decision will save the state approximately $3 million.

• And we are confident there will be no compromise in the essential State Police mission.

• However, it is also true that certain staffing realities do present a challenge department-wide.

• For example, our Division of Law currently has 24 fewer Deputy Attorneys General on staff than it did last year.

• The challenge, simply put, is that our department-wide resources will continue to shrink in the coming year while our responsibilities will not.

• But, as I said, we are up to the challenge.

• And our commitment is to do everything we can to ensure the Department’s mission is carried out thoroughly and effectively – as we do every day.

• Speaking of our mission, I would like to take a moment now to describe for you some of our many areas of responsibility.

• At the Department of Law and Public Safety, we have a unique role as both New Jersey’s lead law enforcement agency and its chief provider of legal representation to state government.
• That is, we are a large, multi-faceted police force and a major law firm rolled into one.

• Our essential mission includes making neighborhoods safer by combating drug dealing, weapons trafficking, gang activity and other violent crime.

• It includes prosecuting public corruption and economic crimes.

• It includes preserving civil rights and protecting consumers and investors.

• But the mission does not end there.

• We license and regulate the alcoholic beverage industry.

• We ensure the integrity of New Jersey’s legalized casino gaming and horse racing industries.

• We work to ensure the safety of drivers, passengers and pedestrians on our streets and roads.

• We are responsible for the custody, care and post-custodial supervision of juvenile offenders.

• We handle, literally, thousands of litigation matters that help decide the future of children, uphold New Jersey statutes, preserve the state’s financial assets, protect its investments, safeguard our natural resources, ensure the integrity of the electoral process and defend the actions of state government.

• We assist crime victims, provide emergency management services, help protect our state’s key industries and infrastructure from the threat of terrorism, and handle many other responsibilities as well.

• One of the nation’s most diverse and populous states, New Jersey is also a “corridor” state traversed by countless cars, trucks, buses and trains each day.
• It is a hub of international commerce, air travel and shipping.

• It is a center for manufacturing, education, health care, sports and entertainment.

• And it is a global vacation destination.

• Against this backdrop, it is not hyperbole to suggest that the work of our department is indispensable.

• Our mission touches the lives of millions of people who reside, work, travel and do business in New Jersey each day.

• And each day, we achieve results that make a genuine difference.

• For example, we recently announced the indictment of 22 alleged members and associates of a violent set of the Bloods street gang that had been dealing drugs and creating fear in Paterson, as well as other locations in Passaic County and three other counties – Essex, Monmouth and Cumberland.

• The indictment includes charges of first-degree gang criminality, and represents the first time the Attorney General’s Office has obtained an indictment under our state’s new anti-gang laws.

• The defendants are accused of murder conspiracies, the distribution of heroin and cocaine, the smuggling of cell phones and narcotics into our prisons and other crimes.

• Under the law, they face lengthy prison terms – sentences of between 15 and 30 years -- for each offense charged.

• This case was an excellent example of what can be accomplished through cooperation among law enforcement agencies at every level.
• The investigation upon which this indictment was founded was conducted by our New Jersey State Police and Division of Criminal Justice, working in unison with the Department of Corrections’ Special Investigations Division, the Paterson Police Department, the Passaic County Prosecutor’s Office and the Passaic County Sheriff’s Department.

• Earlier this year, we achieved another major collaborative success as our State Police -- working in conjunction with Jersey City Police, the Hudson County Prosecutor’s Office and federal Drug Enforcement Administration agents – arrested a total of 46 people involved in a North Jersey drug distribution network with ties to a violent street gang.

• In that investigation -- dubbed Operation Wetlands -- we also seized PCP, heroin, marijuana and the prescription pain killer Oxycodone, as well as firearms and cash.

• As a former County Prosecutor and former Assistant U.S. Attorney, I know well the public safety benefits that can accrue when law enforcement agencies work together, as they did in these cases.

• And through my past experiences, I feel uniquely qualified to foster such cooperation from my position as Attorney General.

• But I am also surrounded by an excellent leadership team – a team made up of people with excellent legal minds and track records of achievement in law enforcement.

• I believe I speak for all of them when I say this type of collaborative success is the wave of the future as long as we are here.

• For we are not interested in matters of turf or who gets the credit.

• We are interested in meaningful results, and often the best way to achieve those results is by joining forces with law enforcement agencies at the local, county and federal level.
Time does not permit me to describe all of the ways in which our department has been making a difference during the past three months, but here are some other examples:

- Through the efforts of our Bureau of Securities within the Division of Consumer Affairs, several major investment firms have agreed to repurchase Auction Rate Securities (ARS) from clients and pay millions of dollars to the State in civil penalties for failing to properly disclose the risks of the ARS market to investors. Among those who recently entered into Consent Orders with the State are Merrill Lynch, which agreed to pay $4.8 million in civil penalties, and the Bank of America, which agreed to pay $1.3 million.

- Last month, former Irvington Mayor Michael Steele was sentenced to seven years in state prison as a result of a successful public corruption prosecution by our Division of Criminal Justice. Mr. Steele rigged school district contracts and took thousands of dollars in kickbacks while serving as business administrator for the Irvington Board of Education. For betraying the citizens and students he was supposed to serve, he will not only spend time in prison, but must pay $120,000 in restitution to the Irvington school board and is permanently barred from public employment in our state.

- Through the efforts of our Division of Law, the State reached a settlement last month that nullified a planned “golden parachute” severance payout to the former superintendent of the Keansburg school district. At a time when resources are stretched tight at every level of government, the settlement reached by our attorneys on behalf of the Department of Education represented a savings to taxpayers of more than half-a-million dollars.
Our State Police emergency management personnel performed exceptionally during the mid-March Nor’Easter, assisting in the evacuation of hard-hit areas and otherwise helping residents and businesses to deal with a historically severe coastal storm that caused widespread flooding, wind damage, power outages and other threats to public safety.

Our Division of Highway Traffic Safety has worked closely with the legislature and local law enforcement to reduce pedestrian deaths by making crosswalks safer. Effective April 1, a new law requires that motorists stop – and remain stopped – for pedestrians in a crosswalk. Previously, drivers were merely required to yield to pedestrians in a crosswalk. Last year there were 157 pedestrian deaths in New Jersey, and pedestrians made up nearly 27 percent of all traffic deaths – a rate higher than the national average. Our efforts to have the crosswalk law changed, and our efforts to generate awareness of the change, have been rightly hailed by safety advocates and the media as an important step in dealing with a significant public safety problem.

Our Division of Gaming Enforcement continues to protect the integrity of the state's legalized gambling industry in Atlantic City by collaborating with our State Police and Division of Criminal Justice to identify and investigate cheating scams, and by working to ensure the industry remains free of organized crime influences.

Our Divisions of Alcoholic Beverage Control and Highway Traffic Safety continue to work collaboratively – both with each other and with local police departments throughout the state -- to combat drunk driving and underage drinking through a variety of awareness and enforcement initiatives.
Our Division on Civil Rights continues to hold those who discriminate accountable, and to assist those who have been discriminated against. Recently, the Division obtained two settlements that resulted in a measure of justice for workers who had accused their employers of discrimination. One who received a settlement payout was a female restaurant employee who had reported being sexually harassed on the job. The other was an African-American employee of a major bank who reported being the victim of race-based harassment and humiliation in the workplace.

The Juvenile Justice Commission continues to make great strides in its work with our courts and community-level stakeholders on the JDAI or “Juvenile Detention Alternatives Initiative.” As some of you may know, JDAI has allowed for the placement of thousands of young offenders – people who would otherwise be incarcerated, inappropriately – in alternate settings while maintaining community safety. Across eight JDAI counties reporting detention alternative outcome data from 2009, the success rate was 79 percent. Deservedly, New Jersey has received recognition as a national model in this area. So far, representatives of two states – Minnesota and Missouri – have visited to learn more about how we have made JDAI such a success, and a delegation from Indiana is scheduled to visit in May.

As I mentioned at the outset of my remarks, we at the Department of Law and Public Safety realize we live in a time when austerity must be the watchword.

I have already indicated some of the ways in which our proposed budget takes this into account.

Let me share with you a few more ways in which we intend to realize efficiencies.

By re-allocating enlisted State Police personnel, we plan to save approximately $2 million in overtime costs in the coming fiscal year.
• We will save another $2 million through changes in the handling of maintenance for the state’s Emergency Operations Center and the Hamilton Technology Complex.

• Less formidable in terms of dollars -- but nonetheless important at a time when every penny matters -- we expect to save approximately $200,000 by eliminating telephone land lines assigned to certain investigators who spend most of their time in the field, and by reducing our vehicle fleet.

• And we will continue to examine ways in which we can streamline operations department-wide using consolidation and other means.

• We are also taking a hard look at what we spend on outside counsel with an eye toward possible savings that might be realized in the future.

• I alluded earlier in my remarks to a staffing issue in the Division of Law, but allow me now to expand on that.

• In 2006, the Division of Law had 594 Deputy Attorneys General on staff.

• Today, the Division employs 468 deputies.

• The Division of Law has approximately 40,000 legal matters pending at any given time, including 15,000 cases that are in actual litigation.

• So, as you can see, the Division’s resources are taxed.

• Although I have talked a great deal today about austerity and the challenge our state’s budget crisis presents, I want to emphasize again that we have every intention of carrying out the Law and Public Safety mission without lowering the bar.
• And while the proposed budget for our department contains no frills, it does allow a number of important initiatives – initiatives that will help make New Jersey safer – to move ahead.

• For example, the budget enables us to go forward with the acquisition of five new State Police Medevac helicopters to replace our aging fleet.

• These helicopters are an essential resource, as they are used for emergency medical transport in severe trauma cases, for search-and-rescue efforts, and for homeland-security-related missions.

• The helicopters are already under purchase, and we will take delivery of the first two in February of next year.

• In addition, we will still be able to acquire 145 new State Police vehicles, as planned.

• And 600 State Police cars will be outfitted with new, digital in-vehicle recording equipment -- also as planned.

• Importantly, this budget also preserves $500,000 that will enable us to fund the preliminary selection process required for a new State Police recruit class of significant size sometime in 2011.

• With our current enlisted troop strength at 3,015 and all of these vital expenditures and acquisitions preserved for the coming year, I believe the State Police organization remains well-positioned to carry out its mission without any erosion in quality.

• And I believe that, through innovation, collaboration, hard work and old-fashioned determination to succeed, our entire department will continue to protect and serve New Jersey citizens while adhering to the very highest standards of excellence.

• Thank you. I will now be happy to answer any questions you have.