Thank you Chairman Prieto, Vice-Chairman Schaer and members of the Assembly Budget Committee.

It's my pleasure to be here this morning, and to have the opportunity to address the Committee.

I welcome the chance to discuss the Department of Law and Public Safety's work, and to talk about its proposed budget for the coming fiscal year.

Accompanying me today are: First Assistant Attorney General Phillip Kwon, Executive Assistant Attorney General Marc Ferzan, Counsel to the Attorney General Thomas Calcagni, Chief of Staff Deborah Edwards, Administrator Howard McCoach, Budget Director Kristen Fischer and other key members of the Law and Public Safety team.

I have served as Attorney General for more than three months now – during which time I've come to more fully appreciate the Department's mission and gain a fuller understanding of its reach and impact.

As you know, more than 8 million people live in New Jersey.

And millions more visit the State each day or travel through it.
In one way or another, our work has the potential to touch all of these lives in significant ways, and that is a major responsibility.

I’m confident we’re meeting that responsibility, and that we’re doing so while remaining true to the highest standards of performance and public service.

However, we could not do it alone.

Today I want to thank this Committee for its ongoing support of the Department’s mission, and for providing us the annual funding needed to do the job right.

Let me begin by acknowledging what we all recognize -- that every facet of State government, no matter what its mission or scope of operations, continues to have a duty to allocate its resources responsibly.

We have a duty to purchase wisely.

We have a duty to avoid waste and duplication.

We have a duty to realize cost savings wherever we can.

In short, we have a duty to set priorities and find ways to stretch a dollar – just as New Jersey citizens do every day.

We take these obligations very seriously, and are always searching for ways to be more efficient.
On a continuing basis, our department looks at such areas as management structure, procurement, staffing, equipment and technology to ensure optimal efficiency.

The result has been an ability to hold the line on costs while channeling our resources into efforts that make a real difference in the lives of the people of New Jersey.

Of course, a major aspect of what we do involves fighting violent crime and keeping the public safe.

But that’s only part of the Department’s mission.

We have many other critical responsibilities which include:

Protecting our children from sexual predators.

Prosecuting corrupt public officials and employees.

Protecting consumers.

Preserving civil rights.

Combating drunk driving and keeping alcohol away from minors.

Defending New Jersey’s criminal and civil statutes.

Ensuring the integrity of New Jersey’s casino gambling and horse racing industries.

Promoting safe driving through awareness and enforcement.
• And pursuing affirmative litigation to protect children, safeguard our environment, preserve the State’s financial assets and accomplish other goals important to our state.

• The scope of the Department’s mission is vast, and the challenges are many.

• But our commitment is to meet the challenges – and to do it while spending prudently.

• One example: we’ve reduced the number of vehicles assigned to Department personnel on a permanent basis in favor of a “pool” system, and have cut back on the costly practice of leasing vehicles in favor of purchasing them.

• We continue to save money by hiring private contractors to perform certain services while, in other cases, assigning work once handled by private contractors to State employees – doing as much work in-house as possible.

• We continue to realize significant cost savings through streamlining and consolidation where appropriate.

• And we continue to employ technology to save money and operate more efficiently.

• I’ll talk more about our cost-saving efforts a little later.

• But I’m pleased to say that, overall, our proposed budget is a responsible one that supports the Department’s mission in critical ways.
For example, this budget provides funding for the creation of two much-needed State Police training classes.

The two new classes are scheduled to begin their Academy training in April and June of 2013, respectively, and are scheduled to graduate in October and December of 2013.

Allowing for candidate attrition, we expect that the two groups – the 152nd and 153rd State Police classes – will add about 225 highly-trained new Troopers to the NJSP.

These graduates will be a welcome addition to the State Police, and it is our hope – in fact our expectation -- that the new classes will also increase diversity within the State Police ranks.

The State Police will accept employment applications from prospective Troopers beginning next month, from May 7th through May 29th.

In the meantime, I have been joining representatives of the State Police in a community outreach effort designed to spread the word that the State Police is hiring, we are urging all qualified candidates to apply, and that we stand ready to help these candidates succeed.

To be certain, State Police training is rigorous, and some candidates who make it through the application process and enter the Training Academy may ultimately drop out.

But we do our best to ensure a successful outcome for every recruit through a variety of initiatives including an “Academy Awareness” weekend held prior to the official start of training, pre-Academy physical training guidance and a recruit mentoring program designed to assist and support Trooper candidates who encounter personal or other issues.
Our baseline message is that we want qualified Trooper candidates to succeed, we want the State Police to continue to grow, and we want the State Police to become a model of diversity in law enforcement.

Diversity is an invaluable asset to the law enforcement mission.

And it can only strengthen public confidence -- particularly in minority communities.

This budget also enables the purchase of 250 new State Police vehicles.

Around the clock, our State Police vehicles are subject to often rigorous use, and nearly 40 percent have greater than 125,000 miles on them.

It’s important to the safety of both our Troopers and the public they serve that we upgrade our State Police vehicle fleet, and this budget supports that effort.

State Police aside, our proposed budget also supports the hiring of personnel to backfill investigator and other positions in such important areas as the Division of Alcoholic Beverage Control, the Division on Civil Rights, the Bureau of Securities and the Victims of Crime Compensation Office.

As I mentioned earlier, our Department’s mission is broad in scope – and has the potential to impact on New Jersey residents in many ways.

Each day, our efforts make neighborhoods safer, protect the State’s most vulnerable citizens, uphold our laws and otherwise enhance the quality of life throughout New Jersey.
For example:

- Our Gangs and Organized Crime Bureau filed charges in 107 new cases last year and obtained a number of important convictions that put gang members and other violent criminals behind bars for extended terms.

- Recently, we obtained a five-year prison sentence against a Trenton man believed to be the leader of the Nine Trey Gangsters set of the Bloods for unlawful possession of a gun by a convicted felon.

- The five-year term – with no chance of parole – will be served consecutive to an eight-year sentence this alleged gang leader is already serving for unrelated weapons and narcotics offenses.

- We also continue to focus on public corruption and illegal activity aimed at exploiting public programs and undermining the public's trust in our government. Since the beginning of the year, our efforts have included:

  - Obtaining an indictment charging 31 people with defrauding the State of more than $2 million by filing false claims for unemployment benefits. These bogus claims were sometimes filed in the names of co-conspirators, sometimes in the names of identity theft victims and sometimes in the names of people who were dead.

  - Obtaining a guilty plea from a Newark grocery store manager for conspiring to steal more than $1 million from the federally-funded Women, Infants and Children program. The defendant has not yet been sentenced, but our recommendation to the court is five years in State Prison.

  - Securing a three-year prison term against an engineer who oversaw construction projects for three Union County school districts for his illegal acceptance of thousands of dollars in kickbacks on contracts he recommended -- contracts that involved rigged bids and fraudulently-inflated costs.
• Last year, our Division of Criminal Justice filed 42 new public corruption cases against 60 defendants.

• Included among those cases was the indictment of the former Middlesex County Sheriff, who is accused of engaging in a jobs-for-cash scheme.

• Also included was the indictment of three former high-level administrators of the Passaic Valley Sewerage Commission and a shop foreman. The defendants are accused of having subordinate Commission employees work on their private homes, or on the private homes of others, while on the clock for the Commission. With this budget support, we'll continue to investigate and prosecute these individuals, who put their financial interests ahead of the public trust.

• Through our Division of Consumer Affairs, we administratively banned the manufacture and sale of dangerous, man-made chemicals known as “synthetic marijuana” and “bath salts.”

• We cracked down on unregistered home improvement contractors through undercover sting operations and civilly prosecuted those who sought to profit by taking advantage of consumers through fraud or misleading ad claims.

• In the interest of time, I cannot highlight all of our important policy, prevention and enforcement efforts, but here are a few other examples:

• Our State Police continue to play a significant role in supporting local law enforcement efforts in our urban centers. A recent State Police deployment in Trenton, for example, resulted in 122 arrests — many of them on charges related to drugs or weapons — 455 motor vehicle summonses issued, and the removal of 12 drunk drivers from the road.
• Our Division of Law obtained more than $139 million in recoveries and judgments for the State last year through affirmative litigation, and our Office of Insurance Fraud Prosecutor recovered another $10.9 million through civil litigation related to its fraud investigations.

• New Jersey joined a landmark $25 billion, multi-state-federal settlement concerning alleged mortgage foreclosure abuses, fraud and unacceptable business practices by the country’s five largest mortgage servicers. As a result, affected homeowners in New Jersey will receive more than $760 million in direct relief. Going forward, the settlement will reform mortgage loan servicing practices to provide consumers with more robust protections from industry abuse.

• Our Division of Highway Traffic Safety -- through its own programs and through the funding of local awareness and enforcement initiatives continued to make our roads safer.

• Our Division on Civil Rights continues to protect the rights of our citizens by taking action against those who unlawfully discriminate in housing, the workplace and elsewhere.

• Among other efforts, the Division has launched an initiative to help military veterans and active duty personnel know their employment-related rights and other civil rights under state and federal law.

• The Division also has obtained settlements in the past year for various discrimination victims, such as a former public school district student who was bullied for many years in a school setting. (Emerson school district, in Bergen County)
Our Bureau of Securities continues to protect investors by taking action against unscrupulous operators, including a purported "alternative energy company" and its CEO who were unregistered, misled investors and used investor funds for personal benefit. In that case, the Bureau assessed $400,000 in penalties.

Earlier, I mentioned our Department’s commitment to being both effective and efficient, and I touched on some ways in which we’re doing just that.

Here are a few more:

Through implementation of a new outside counsel electronic billing system in the Division of Law, we have saved approximately $748,000.

Through a Juvenile Justice Commission consolidation that will unfold over the next few months, the State will realize a net savings of $325,000. The savings will be realized by placing juveniles who are in the process of transitioning back to their home communities in one facility in Cumberland County, as opposed to three different facilities located throughout South Jersey.

Our proposed budget supports the hiring of 25 civilian State Police employees – on top of the 50 civilians supported by last year’s budget in the continuing effort – to free up enlisted personnel for duty assignments more directly involved with the frontline State Police mission.
Currently, we have interviewed and selected 46 civilian State Police employment candidates. Some of these candidates have been hired already and, in other cases, we’re working with the Civil Service Commission to achieve final approval. Ultimately, these civilian hires – both the ones in progress and the 25 additional hires supported by our proposed budget -- will enable the State Police to redeploy approximately 75 Troopers who had been handling administrative and other non-front-line tasks.

- I want to assure the Committee that whatever cost savings and other efficiencies we realize, they will never dilute our standards, or compromise our ability to fulfill the Law and Public Safety mission.

- Looking ahead, our Department will continue with many important programs and initiatives in the coming months – the kind of efforts we believe will make citizens safer and contribute to a better New Jersey.

- As I’m sure you’re aware, we recently launched the “Clean and Safe” initiative in Atlantic City led by a Tourism District Commander from my office – Tom Gilbert.

- “Clean and Safe” is a collaborative law enforcement effort designed to strengthen Atlantic City as a premier resort destination by increasing police presence, using cutting-edge technology and taking other steps to strengthen security. The District Commander works closely with the Atlantic City Violent Crime Task Force, which is made up of personnel from our State Police and Division of Criminal Justice, as well as other law enforcement agencies. The Task Force has arrested more than 180 people since last August on charges ranging from narcotics possession and distribution to weapons offenses and homicide.
• Of course, the continued integrity of the casino gambling industry is also crucial to Atlantic City's future, and our Division of Gaming Enforcement will continue to be vigilant in that regard.

• In 2011, about 70 percent of all Atlantic City casino revenues derived from slot machine play.

• The Division’s Technical Services Bureau reviews, inspects and certifies every new slot machine -- more than 1,000 of them last year -- before they can be activated for use on the casino floors.

• In addition, the Division will work with our State Police to protect casino patrons and employees. Last year, more than 600 people were arrested and more than 1,900 criminal charges were filed as a result of their collaborative efforts.

• Our Division of Alcoholic Beverage Control will oversee the implementation of direct shipping of wine by New Jersey and out-of-state wineries.

• And the Division will continue an initiative -- begun last year -- to identify and prosecute cases involving the service of alcohol to patrons who were intoxicated.

• We’ll also continue in the coming months to combat illicit prescription drug sales through our recently-implemented Prescription Drug Monitoring Program.

• Through the Program, we’ve created a data base that enables us to "flag" aberrant prescription drug sales activity, and to zero in on individuals and businesses who may be diverting narcotics for illicit use and abuse.
• In one such case revealed by the Monitoring Program, our investigators learned that a single consumer had obtained thousands of doses of the highly-addictive drugs oxycodone and methadone by presenting prescriptions thought to be forged -- on 14 separate occasions.

• As we all know, prescription drug abuse is a growing health menace, now responsible for more deaths than cocaine and heroin combined.

• And any kind of increased drug abuse has troubling implications for public safety, so it is vital that we do all we can to attack the problem.

• Consistent with our mission, we’ll also continue working to protect the citizens of New Jersey from terrorist attack.

• Our Office of Homeland Security and Preparedness (OHSP) leads this effort through a number of critical functions, including allocation of millions of dollars in Homeland Security grant funds each year to local and state government entities for projects designed to protect critical infrastructure, strengthen disaster-related detection and response capabilities, and otherwise make communities less vulnerable to terrorism.

• The OHSP also manages a comprehensive counter-terrorism training program that has trained more than 6,500 first-responders and 1,500 private sector participants, and has assigned staff to the Regional Operational Intelligence Center to aid in the timely analysis and dissemination of critical threat information.

• Certainly, our Department will always focus significant resources on such problems as public corruption, violent street gangs, drug and weapons traffic, financial fraud, organized crime and other illegal activity.
But one of our most vital missions in a post-September-11 world remains the protection of New Jersey’s communities, its critical infrastructure and -- most importantly -- its people against the threat of terrorism.

I assure you we take this mission very seriously, and are committed to working with our law enforcement and homeland security partners at every level to ensure the safety of New Jersey citizens.

In closing, I want to again thank the Committee members for their time, and for the chance to appear here today to discuss our budget and our work.

The Department’s mission is vast in scope, but our various Divisions are up to the challenge, and as a team we welcome the opportunity to serve the citizens of New Jersey.

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

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