MEMORANDUM

TO: Honorable Paul A. Sarlo, Chairman
Senate Budget and Appropriations Committee

FROM: Jeffrey S. Chiesa
Attorney General

DATE: May 9, 2012

SUBJECT: Senate Budget and Appropriations Committee
Follow-Up Questions and Answers

In accordance with your request, enclosed please find the Department’s responses to the
Senate Budget and Appropriations Committee Follow-up Questions. Please contact Howard
McCoach at 292-9660 if you have any questions.

Enclosures

c: Phillip Kwon, First Assistant Attorney General
Marc-Philip Ferzan, Executive Assistant Attorney General
Thomas Calcagni, Assistant Attorney General
Deborah R. Edwards, Chief of Staff
B. Stephan Finkel, Assistant Attorney General, Director, Legislative Affairs
Howard McCoach, Administrator
Barbara Haley, Deputy Administrator
Kristen A. Fischer, Director Budget and Grant Operations
Charlene M. Holzbaur, Director, OMB
Senator Weinberg:

It was noted that the staffing would be increased by four full time employees at the Victims of Crime Compensation Office (VCCO) to serve victims more efficiently. Please provide to the committee the complete budget of VCCO in FY 2010, FY 2011, and FY 2012. Please provide the amount of funds provided to victims in FY 2010, FY 2011, and FY 2012.

The Victims of Crime Compensation Office’s operating budget for FY 2010 and FY 2011 was $1.9 million and $2.3 million respectively. The projected operating budget for FY 2012 is $2.6 million. Please refer to attachment “A” for further budget details.

The amounts provided to victims in FY 2010 and FY 2011 were $9 million and $10 million respectively. The amount to be provided to victims in FY 2012 is estimated at $10 million.

Senator Pou:

Over the past few years, the Victims of Crime Compensation Office (VCCO) was restructured. Some of the changes included priority shifts to streamline the process of assisting the victims. Please provide the committee with the information on the current VCCO backlog of payouts for victims.

Currently, the Victims of Crime Compensation Office ("VCCO") does not have a backlog of victim payments. As of April 30, 2012, the VCCO has 1,684 claims opened, 662 of which have been assigned to investigators (Eligibility Status); the remaining 1,022 are in the ordering/receiving documentation status (In-Take Status).

The court system assesses penalties and orders defendants to make restitution when they are convicted of crimes. Many people are unable to pay these court mandated fees. Has the department evaluated the actual amount of money raised from restitution and penalties assessed by the courts for the Victims of Crime Compensation Fund? Please provide an overview of the amount of outstanding restitution and penalties which are due to the VCCO fund.

Based on the data provided by the Municipal Courts, there is approximately $12,292,059 in uncollected revenue. As of February 2012, the uncollected revenue from the Municipal Courts is broken down into the following revenue accounts: Victims of Crime Compensation Office ("VCCO") $9,476,829, Criminal Disposition and Revenue Collection Fund ("CDRCF") $763,973 and Victim and Witness Advocacy Fund ("VWAF") $2,051,257. It is the responsibility of the Courts to collect the outstanding revenue.

The collected revenue from the Municipal Courts, based on a two year average for FY 2010 and FY 2011, is: VCCO $2,957,338, CDRCF $220,766 and VWAF $591,100 for a total of $3,769,204.

The Superior Court does not forward any statistical information on uncollected revenue to VCCO.

The VCCO collects restitution from the Judiciary - Probation Services, the Department of Corrections and Municipal Courts. For the past two fiscal years, the average of restitution collected was $225,955. The VCCO does not keep statistical information on uncollected restitution.

Historically, the Division of Consumer Affairs has produced large amounts of carry forward from the operation of State Professional Boards. The department has clearly stated that these carry forward amounts are needed to pay for services, as revenue from licensing only occurs in two-year
or three-year cycles. However, it appears that there is a larger ongoing carry forward than needed. Please provide the committee with information on whether this money could be used outside the professional boards.

It is incorrect that there is a larger ongoing carry forward than needed. The professional boards collect the majority of their revenue once every two or three years, depending on the board’s licensing cycle, to support future program costs. The revenue collected in any given fiscal year is meant to support the program expenditures for multiple years.

The carry forward for the professional boards is not typical. It does not reflect, as it does with most agencies, funds that were appropriated that were not spent or needed. Carry forward for the Boards represents revenue collected that is intended to support the operating costs for the remaining licensing cycle.

Each license category has its own licensing cycle that can span 24 or 36 months, depending on the license category. Most of the license categories have a 24 month licensing cycle. There are hundreds of license categories, all with different licensing cycles. In fact, the license cycle almost never matches up with the fiscal year cycle.

Depending on the cycle, those 24 months can span as many as three fiscal years. The following chart provides an example of a licensing cycle:

**Licensing Cycle: January 1, 2011 to December 31, 2012**

<table>
<thead>
<tr>
<th></th>
<th>FY 2011 (Last)</th>
<th>FY 2012 (First)</th>
<th>FY 2013 (Last)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue License</td>
<td>$2,000,000</td>
<td>$0.00</td>
<td>$2,000,000 *</td>
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<tr>
<td>Carry Forward</td>
<td>$0.00</td>
<td>$1,500,000</td>
<td>$0.00</td>
</tr>
<tr>
<td>Balance Program Costs</td>
<td>($500,000)</td>
<td>($1,000,000)</td>
<td>($500,000)</td>
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<tr>
<td>Balance Available</td>
<td>$1,500,000</td>
<td>$500,000</td>
<td>$1,500,000</td>
</tr>
</tbody>
</table>

* The cycle repeats again over the next 24 months.

Furthermore, the law does not allow the Division to collect more revenue than is needed to support program costs. Accordingly, the Division conducts regular fee reviews to ensure that the Boards do not collect more revenue than is needed to support the board’s program costs. Anytime there is a funding surplus, credits are issued during the renewal cycle to ensure that the revenue that is collected is in-line with the projected program costs.

The redirection of any carry forward funds will directly result in insufficient funding to support the program costs and will impact future years within the licensing cycle. Ultimately, this would lead to the shutting down of programs and/or fee increases to the licensees.

**Senator Beck:**

In New Jersey, traditional organized crime has continued to thrive and constitutes a burden to the New Jersey taxpayer. Please provide the committee with an overview of the organized crime cases the Division of Criminal Justice has completed in FY 2011 and to date in FY 2012.

A hallmark of the State's strategy in addressing the threat of Gangs and Organized Crime has always involved the investigation and prosecution of the leadership ranks of the various enterprises as opposed to the multitude of underlings who commit illegal acts in their name. Disruption of the command structure
of any organization, legal or illicit, has long been recognized as the most effective way of dismantling it. This is particularly true as to criminal enterprises that follow rigid and hierarchical command structures. Dismantling top levels of criminal organizations leave obedient underlings scrambling for direction. Consequently, these underlings are rendered impotent in their ability to execute coordinated and far reaching criminal activities formerly orchestrated by the leadership. Indeed, coordination of criminal activities of many by the few in power grants the ability of Gang and Organized Crime enterprises to inflict the greatest economic harm, generate the highest levels of intimidation/violence in our communities, and wield the most significant corrupt influences.

While the Gangs and Organized Crime strategy has always included attack upon the financial resources of Gangs and Organized Crime defendants, this component of enterprise prosecutions has increased in recent years. These efforts are designed to disrupt operations, disgorge illegal proceeds, and deter several of organized crime’s main moneymaking activities, particularly illegal sports betting. Toward that end, the Bureau has seized/restrained millions of dollars in assets, including homes, vehicles, and personal property that cannot be accounted for by legitimate earnings. The Bureau has vigorously pursued recovery of funds on behalf of victims through restitution and takes the necessary steps to ensure that all defendant assets available to fund recovery are identified. The Bureau has also aggressively challenged the source of bail funding and obtained favorable written opinions from two State Grand Jury Judges regarding the ability to use the State Grand Jury to inquire as to the source of legal fee payments by defendants. All of these measures seek to take the profit out of organized crime’s activities and to limit the economic impact to victims and taxpayers alike.

**Operation Heat** - Long term investigation into highest levels of the Lucchese Organized Crime family resulting in the arrest of 32 individuals, including 2 of the 3 ruling commission members out of New York [Matt Madonna and Joe DiNapoli] and the New Jersey capo - Ralph Perna. Using multiple wiretaps, car bugs and other electronic surveillance, the case acquired evidence of $2.2 billion in illegal wagering, millions in money laundering and acts of extortion concerning the collection of monies from that conduct. Additionally, significant narcotics trafficking and an alliance among a State Corrections Officer the Luccheses and the Bloods street gang to smuggle contraband into prison was revealed. The State also utilized the remedial provisions of the Racketeering Statute to seize in excess of 16 bank accounts, 7 parcels of real property, and 16 vehicles, valued in the millions of dollars; all allegedly acquired with the proceeds of this illegal enterprise. Indictment returned on May 13, 2010 charging 34 individuals with a myriad of crimes including racketeering, gambling, extortion, mortgage fraud, tax crimes, money laundering, weapons offenses, and narcotics distribution -seizures remain in place. To date, approximately 15 pleas have been tendered to lower tier defendants. These are the lower level defendants who do not control the operation and as such do not have the significant assets accumulated by the higher level defendants in the operation.

The matter remains ongoing with some defense motions having been filed. Two significant events are delaying the case. First, a defense motion to quash the State’s subpoenas for attorney fee records was just recently decided on April 20, 2012 in the State’s favor. Additionally, the Supreme Court granted Certification on issues regarding one defendant’s application for a Public Defender. Briefs submitted and arguments to be scheduled before the Court.

**Operation Terminal** - Investigation of illicit activities of the Genovese Crime Family in the Port of NY/NJ and the International Longshoreman’s Association (“ILA”). A Cooperating Witness and sources informed that members of the ILA and Local 1 Checkers union are required to pay a cash “tribute” at Christmastime each year to the Genovese Family out of the year-end bonuses each ILA member receives called “Container Royalty Checks.” The payment ensures high paying jobs, shift assignments, and overtime preference for the union members as set by the high ranking Genovese members controlling such assignments.

On April 22, 2010, five individuals were arrested for charges including extortion, loansharking, money laundering, and official misconduct. Defendants included LaGrasso [ILA Sect Tresaurer], Alan Marfia [Newark Police Officer], Nicholas Bergamoto [ILA], Rocco Ferrandino [ILA timekeeper], and Queli
[former ILA]. Marfia gave post arrest statement outlining his involvement in running plates for uncle [LaGrasso] under suspicion of investigation.

Grand Jury returned indictment against Nicholas Bergamotto, Joseph Queli and Regina Queli on October 19, 2010 for Criminal Usury, Money Laundering, Extortion and Tax Evasion. On October 28, 2011, Joseph Queli entered a guilty plea to 2nd degree Conspiracy and 3rd degree False Tax Returns and exchange for a 7 year State Prison sentence. He was sentenced to 5 years state prison, a $57,500 fine, and required to forfeit $24,260 seized during the investigation. Nicholas Bergamotto entered a guilty plea to 3rd degree Money Laundering and is to be sentenced to probation. Regina Queli entered into Pretrial Intervention ("PTI"). On February 10, 2012, Queli sentenced to five years State prison.

There is also a parallel federal prosecution of LoGrasso, Marfia, and Ferrendino. Due to motion arguments in Eastern District and District of New Jersey regarding Racketeering conduct on the Federal Indictment, motions in State case regarding predicate conduct adjourned until May, 2012. As such, the remaining matters are ongoing.

State v. William Vitale - Defendant Vitale pleaded guilty to an Accusation charging theft by deception for falsifying records and collecting wages from his employer Maher Terminals when he was not working. He was sentenced to three years probation and to pay restitution in the amount of approximately $96,000, which has been paid.

The Gangs and Organized Crime Bureau continues to work in conjunction with the Waterfront Commission to combat the continuing problem of organized crime influence at the Ports.

Senator Ruiz:

The Juvenile Justice Commission serves an estimated 1,010 juveniles through the residential, day, and parole programs in FY 2013. Please provide the committee with an overview of the mental health screenings of juveniles. Please include in your response the names of other departments and organizations involved in these screenings.

The Juvenile Justice Commission ("JJC") has a contract with University of Medicine and Dentistry of New Jersey/University Correctional Health Care ("UCHC") to provide mental health testing, screening, evaluation and treatment services by qualified mental health clinicians on site in primarily secure care settings and targeted support in select community residential homes. In other community residential homes, these services are provided by primarily private clinicians.

The UCHC mental health staff is available to administer a variety of testing instruments to residents in the Juvenile Justice Commission, including the following:

The Massachusetts Youth Screening Instrument-Second Version ("MAYSII") is administered by mental health staff to every resident upon intake, and every 90 days thereafter for a resident who has been assigned to the Mental Health Special Needs roster. The test is a brief screening instrument designed to help identify youths (particularly at admission in juvenile justice facilities) who may have special mental health needs. The test’s scales include Alcohol/Drug Use, Angry-Irritable, Depressed-Anxious, Somatic Complaints, Suicide Ideation, Thought Disturbance (boys only), and Traumatic Experiences.

During an intake psychological evaluation, a psychologist administers the Kaufman Brief Intelligence Test ("KBIT-II"), which is designed to measure a resident’s verbal and nonverbal intellectual abilities. If a significantly low-range IQ score (suggesting possible mental retardation) is indicated on the KBIT-II, then a psychologist may administer the Wechsler Intelligence Scale for Children ("WISC-IV"). The WISC-IV is a more comprehensive intelligence test that includes scoring for a Verbal Comprehension Index, a Perceptual Reasoning Index, a Processing Speed Index, and a Working Memory Index.
The UCHC mental health staff is available to administer the Beck Depression Inventory ("BDI-II"), the Beck Anxiety Inventory ("BAI"), or the Connors Rating Scales ("CRS-R") on an as needed basis. The BDI-II is a 21-item test utilized to assess the intensity of a person's depression. The BAI is a 21-item test utilized to screen for anxiety. The CRS-R is a testing tool that helps to assess attention-deficit hyperactivity disorder ("ADHD") and to evaluate problem behaviors in children and adolescents. The UCHC mental health staff is also available to administer the Structured Assessment of Violence Risk in Youth ("SAVRY") upon referrals from the State Parole Board.

*Senator Greenstein:*

The State's DNA database continues to expand through legislative action. Please provide the committee with data confirming whether or not the expanded database assists in solving additional crimes.

Combined DNA Index System ("CODIS") is law enforcement's most effective crime fighting tool. Thanks to New Jersey's CODIS program, every day unsolved criminal cases are being solved and many previously unsuspected individuals are finally able to be charged. CODIS helps protect the innocent from wrongful conviction or incarceration and deters others from committing new crimes. New Jersey's CODIS program is a nationwide leader with the 12th largest convicted offender database (258,904 convicted offender samples to date) in the country. The success of New Jersey's CODIS program is demonstrated by the thousands of matches or "hits" (5,794 to date) that have helped solve crimes by linking one crime to another crime and to convicted offenders whose DNA is already on file. In addition, New Jersey's CODIS database has assisted law enforcement agencies in their investigations. The crimes assisted/solved by the total "hits" include 1,048 sexual offenses, 2,746 burglaries, 1,141 robberies and thefts, and 289 homicides. Please refer to attachments "B through D" for further details on New Jersey's CODIS "hits".

It is very difficult for the public to determine State homeland security measures, as well as how the State is coordinating with the federal government in terms of homeland security. Is there a talking paper that could be provided to the average New Jersey resident which would assist in explaining what our State is doing to keep our residents safe? If so, please provide this information to the committee.


The OHSP Director, Edward Dickson, is prepared to meet with the Senate Budget and Appropriations Committee members to provide them with a fact sheet and talking points to assist them in explaining to their constituents what the State is doing to keep residents safe. Senators may also distribute the attached brochure (Attachment "E"), which is also on our website www.njhomelandsecurity.gov, that informs residents how to report suspicious activity, explains the primary functions of the office, and discusses our coordinating efforts among all levels of government and the private sector.
Department of Law & Public Safety  
Victims of Crime Compensation Office - Operating  
Budget History FY 2010 - 2012

### Summary

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<tr>
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<th>FY 2010 Actual</th>
<th>FY 2011 Actual</th>
<th>FY 2012 Projected</th>
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<td>$2,261,905</td>
<td>$2,569,000</td>
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<tr>
<td>Expenditures</td>
<td>($1,912,749)</td>
<td>($2,250,473)</td>
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<tr>
<td>Balance - Lapse</td>
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### Resources

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<th>Description</th>
<th>FY 2010</th>
<th>FY 2011</th>
<th>FY 2012</th>
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<tr>
<td>Salary</td>
<td>$591,000</td>
<td>$611,000</td>
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<tr>
<td>Non-Salary</td>
<td>$70,000</td>
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<td>Budget Language - Claims/CDRCF</td>
<td>$1,266,110</td>
<td>$1,580,905</td>
<td>$1,517,000</td>
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<tr>
<td>Total Resources</td>
<td>$1,927,110</td>
<td>$2,261,905</td>
<td>$2,569,000</td>
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### Expenditures

<table>
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<th>Description</th>
<th>FY 2010</th>
<th>FY 2011</th>
<th>FY 2012</th>
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<tbody>
<tr>
<td>Salary</td>
<td>($1,586,126)</td>
<td>($2,056,151)</td>
<td>($2,289,000)</td>
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<tr>
<td>Non-Salary</td>
<td>($326,623)</td>
<td>($194,322)</td>
<td>($280,000)</td>
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<tr>
<td>Total Expenditures</td>
<td>($1,912,749)</td>
<td>($2,250,473)</td>
<td>($2,569,000)</td>
</tr>
</tbody>
</table>

CDRCF - Criminal Disposition and Revenue Collection Fund
Total Number of Hits: 5,794

CODIS DNA HITS

County
- Warren
- Union
- Sussex
- Somerset
- Passaic
- Salem
- Ocean
- Monmouth
- Middlesex
- Mercer
- Hudson
- Essex
- Gloucester
- Cumberland
- Cape May
- Atlanti
- Burlington
- Camden

Number of DNA Hits

All Counties
In case of emergency
2-1-1
CALL
REPORT SUSPICIOUS ACTIVITY
something suspicious
something suspicious
If you see or suspect
something suspicious, REPORT IT NOW!
The Preparedness Division

The Preparedness Division is responsible for the statewide preparedness effort. This division is responsible for:

- Developing and implementing the State's Emergency Management Plan
- Coordinating and conducting exercises, training, and drills
- Providing technical assistance to local emergency management agencies
- Coordinating with other state agencies and federal partners
- Coordinating with other states and regionally

The Preparedness Division also:

- Provides guidance and support to local governments in developing their emergency management plans
- Coordinates with federal and state partners to ensure a seamless response during a disaster
- Works closely with the Office of Homeland Security to ensure coordination across all agencies and jurisdictions