

EXECUTIVE ORDER NO. 117

WHEREAS, the residents of New Jersey are entitled to a government that is effective, efficient, and free from corruption, favoritism, and waste; and

WHEREAS, in pursuit of those goals, a series of actions have been taken in New Jersey since 2004 - through legislation, executive order, and regulation - to protect the integrity of government contractual decisions and increase the public's confidence in government by prohibiting the awarding of government contracts to business entities that also are contributors to certain candidates and political parties; and

WHEREAS, among those actions were the issuance of Executive Order No. 134 (2004) and the codification of its provisions into statute in P.L.2005, c.51 (C.19:44A-20.13 et seq.) ("Chapter 51"); and

WHEREAS, since its adoption, Chapter 51 has significantly reduced the influence of contractor contributions in the process of awarding State government contracts and has proven to be an effective method of ensuring that merit and cost-effectiveness drive the government contracting process; and

WHEREAS, this administration is committed to ensuring the highest ethical standards in government contracting and rooting out corruption, favoritism, and waste; and

WHEREAS, experience has shown that additional measures are needed to ensure there is no dilution of the protections provided by Chapter 51 against the improper influence of political contributions on the process of awarding State government contracts and to ensure compliance with the provisions of Chapter 51; and

WHEREAS, many State government contractors, particularly those that provide professional services, are business entities whose form of business organization and ownership structure are such that the political contribution limits in Chapter 51 apply to few if any of the individuals who own or control the entity; and

WHEREAS, the strong public interest in limiting political contributions by businesses that contract with the State requires that the contribution limits in Chapter 51 be applied to such individuals and that those limits otherwise be applied in such a way that the purposes of Chapter 51 will be served regardless of the form of business organization of the State government contractor; and

WHEREAS, because New Jersey's campaign finance laws permit large, and in some cases unlimited, political contributions to flow between and among various types of political committees and State officeholders, the effectiveness of the restrictions in Chapter 51 can be, and have been, undermined by the current ability of State government contractors to make large contributions to legislative leadership committees and municipal political party committees; and

WHEREAS, the Constitution of this State requires the Governor to manage the operations of State government effectively and fairly, uphold the law to ensure public order and prosperity, and confront and uproot malfeasance in whatever form it may take; and

WHEREAS, it is the Governor's responsibility to safeguard the integrity of the State government procurement process by ensuring that there is no dilution of the protections provided by Chapter 51 against the improper

influence of political contributions on the process of awarding and overseeing the performance of State government contracts and that there be full compliance with the provisions of Chapter 51;

NOW, THEREFORE, I, JON S. CORZINE, Governor of the State of New Jersey, by virtue of the authority vested in me by the Constitution and by the Statutes of this State, do hereby ORDER and DIRECT:

1. . For the purposes of this Order:

a. "Business entity" means:

(i) a for-profit entity as follows:

(A) in the case of a corporation: the corporation, any officer of the corporation, and any person or business entity that owns or controls 10% or more of the stock of the corporation;

(B) in the case of a general partnership: the partnership and any partner;

(C) in the case of a limited partnership: the limited partnership and any partner;

(D) in the case of a professional corporation: the professional corporation and any shareholder or officer;

(E) in the case of a limited liability company: the limited liability company and any member;

(F) in the case of a limited liability partnership: the limited liability partnership and any partner;

- (G) in the case of a sole proprietorship: the proprietor; and
- (H) in the case of any other form of entity organized under the laws of this State or any other state or foreign jurisdiction: the entity and any principal, officer, or partner thereof;
- (ii) any subsidiary directly or indirectly controlled by the business entity;
- (iii) any political organization organized under section 527 of the Internal Revenue Code that is directly or indirectly controlled by the business entity, other than a candidate committee, election fund, or political party committee; and
- (iv) with respect to an individual who is included within the definition of business entity, that individual's spouse or civil union partner, and any child residing with the individual, provided, however, that, this Order shall not apply to a contribution made by such spouse, civil union partner, or child to a candidate for whom the contributor is entitled to vote or to a political party committee within whose jurisdiction the contributor resides unless such contribution is in violation of section 9 of P.L.2005, c.51 (C.19:44A-20.13 et seq.) ("Chapter 51").
- b. "Contribution" means a contribution reportable by the recipient under "The New Jersey Campaign Contributions and

Expenditures Reporting Act," P.L.1973, c.83 (C.19:44A-1 et seq.) made on or after the effective date of this Order.

2. Any Executive Branch department, agency, authority, or independent State authority charged with implementing and enforcing Chapter 51 shall apply its provisions to a "business entity" as defined in Paragraph 1(a) of this Order in the same manner as those provisions apply to a "business entity" as defined in section 5 of Chapter 51.

3. Any Executive Branch department, agency, authority, or independent State authority charged with implementing and enforcing Chapter 51 shall apply its provisions to a contribution made to a legislative leadership committee or a municipal political party committee in the same manner as those provisions apply to a contribution to any candidate committee, election fund, or political party committee identified in Chapter 51.

4. Any Executive Branch department, agency, authority, or independent State authority charged with implementing and enforcing Chapter 51 shall apply its provisions to a contribution made to a candidate committee or election fund of any candidate for or holder of the office of Lieutenant Governor in the same manner as those provisions apply pursuant to Chapter 51 to a contribution to any candidate committee or election fund of any candidate for or holder of the office of Governor.

5. This Order shall take effect on November 15, 2008, and is intended to have prospective effect only. This Order shall not apply to any contribution made prior to November 15, 2008.

GIVEN, under my hand and seal
this 24th day of
September, Two Thousand
and Eight, and of the
Independence of the
United States, the Two
Hundred and Thirty-
Third.

/s/ Jon S. Corzine

Governor

[seal]

Attest:

/s/ Edward J. McBride, Jr.

Chief Counsel to the Governor