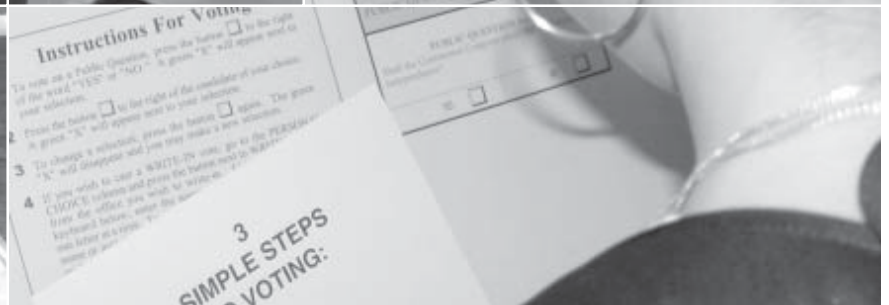
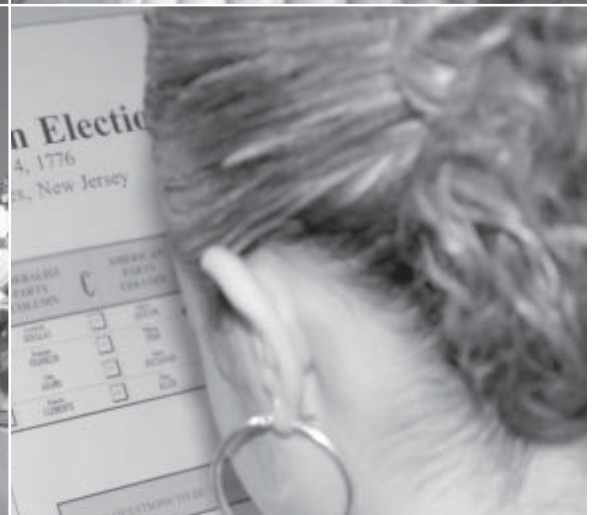
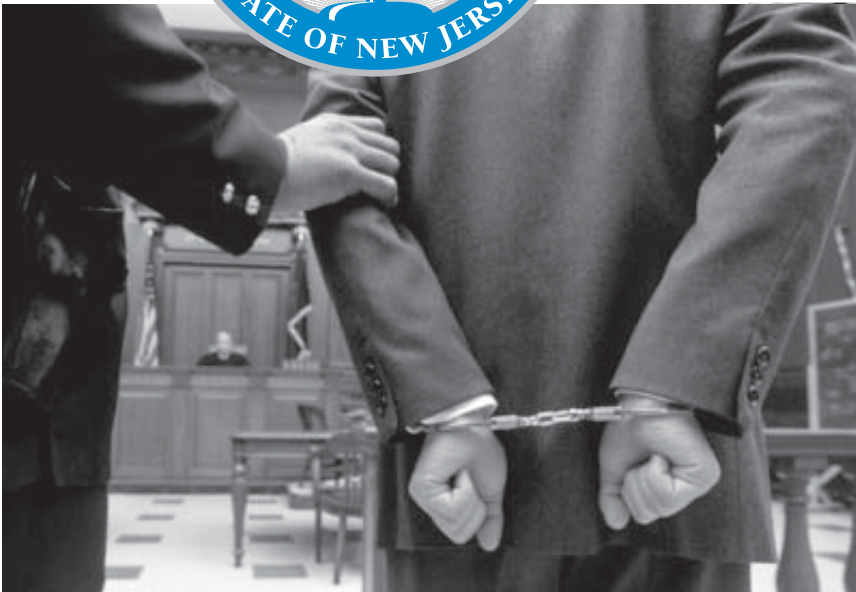




2006

# Annual Report



*Stuart Rabner, Attorney General of New Jersey*



## *Dear Governor Corzine, members of the State Legislature and citizens of New Jersey:*

Through its unique, dual role as the state's chief law enforcement agency and primary legal advisor to state government, the Department of Law and Public Safety touches the lives of virtually all New Jersey citizens.

Staffed by approximately 9,500 employees working in 10 divisions, the Department has a diverse and vital mission that includes responsibility for protecting communities, enforcing criminal and civil laws, defending state statutes and providing legal representation to state agencies.

In 2006, the Department pursued its mission on many fronts, with highlights including the launch of a comprehensive, statewide effort to reduce violent street gang activity and related drug trafficking, the use of technology to create state-of-the-art disaster management systems, and a vigorous campaign to identify and prosecute public corruption.

Among the significant gains for state law enforcement in 2006 was the "Nine Trey" sweep, a major investigative attack on gang activity. State Police, working in cooperation with local and federal authorities, arrested more than 60 members of the so-called "Nine Trey" gang, a violent subset of the Bloods operating in cities throughout New Jersey. The Nine Trey sweep was the largest single gang sweep operation in state law enforcement history, and was the culmination of an 11-month investigation. As a result of the effort, members and associates of the Nine Trey gang were charged with conspiracy, extortion, drug dealing and weapons traffic. Meanwhile, through a \$750,000 state appropriation, our anti-gun-violence initiative Operation Ceasefire continued to grow in 2006. Operation Ceasefire is a collaborative effort among law enforcement, community groups, and prosecutors to directly confront the problem of gun violence by stopping the next shooting. By mid-2007, we anticipate that the program will be fully operational in Newark/Irvington, Camden, Paterson, Trenton and Plainfield.

Among the Department's noteworthy public corruption cases in 2006 was Operation Slapshot, an investigation into illegal sports gambling by the Division of Criminal Justice and State Police that resulted in charges filed against a veteran New Jersey State Trooper, a former Philadelphia Flyers hockey player, and a resident of Gloucester County. The State Trooper, James Harney, ultimately resigned his position and pleaded guilty in August 2006 to gambling-related criminal charges.

The Gloucester county resident, James Ulmer, pleaded guilty to criminal charges in December 2006. As of year's end, Slapshot-related criminal charges remained pending against former Philadelphia Flyers hockey star Rick Tocchet. Investigators found that, during one 40-day period alone, the Philadelphia-South-Jersey betting ring took in \$1.7 million in illegal sports wagers.

The Division of Criminal Justice also prosecuted a former official of the New Jersey Department of Community Affairs in 2006 for allegedly stealing hundreds of thousands of dollars from the Union County Homelessness Prevention Program. The Prevention Program makes rent money available to eligible persons and families to help them avoid homelessness. Former program field representative Robin Wheeler Hicks pleaded guilty in March 2006 to bribery and theft charges, acknowledging that she submitted at least 428 false applications to the program totaling \$866,560. Eight other people and four corporations have also pleaded guilty in the case.

In another widely-reported public corruption case in 2006, Attorney General Stuart Rabner announced the indictment of former Carney's Point Township (Salem County) Mayor John "Mack" Lake on charges of official misconduct and bribery. Lake was charged in the indictment with offering a political opponent municipal government jobs in return for the opponent dropping his campaign for election to the township committee.

Meanwhile, work continued toward creating a new, state-of-the-art Regional Operations and Intelligence Center (ROIC) in 2006. Referred to as "The Rock," the Regional Operations and Intelligence Center is located on the site of State Police Division Headquarters and will cost approximately \$28 million – all of it state funding. Managed by the New Jersey State Police, the ROIC features state-of-the-art information technology and will serve as the state's official Emergency Operations Center when there is a natural disaster, an elevated homeland security threat level or other significant emergency. The ROIC is a disaster response hub for the future – a facility that can best inform decision-makers who are dealing with emergencies related to all types of hazard, from natural disaster to terrorist attack to flu pandemic and beyond. The ROIC also serves as a law enforcement intelligence data hub serving the state's anti-gang and anti-gun-violence efforts.

As of year's end, the New Jersey Office of Insurance Fraud Prosecutor (OIFP) had obtained 175 criminal convictions, and OIFP prosecutions had resulted in the sentencing of 18 defendants to state prison. Total criminal fines and penalties imposed as a result of OIFP prosecutions in 2006 topped \$124,000 for the year, and civil fines and penalties relative to Medicaid-fraud-related cases totaled approximately \$848,000. In one auto fraud case, the OIFP obtained an indictment charging a Pennsylvania man with multiple criminal counts related to the sale of stolen automobiles. Overall, the investigation uncovered a conspiracy to steal \$1 million or more through vehicle thefts and phony insurance company claims. If convicted, defendant Arthur Lipinski of Bethlehem, Pa., faces up to 10 years in state prison. As of year's end, the investigation was continuing.

The Department also acted to protect the environment in 2006 through a variety of criminal prosecutions and civil lawsuits.

On the criminal front, innovative use of New Jersey's criminal assault statute by the Department resulted in a guilty plea to assault charges by the exterminating firm Terminex International, and an agreement by the company to pay \$300,000 to the state's School Integrated Pest Management Program. (The program is a legislatively-mandated effort aimed at reducing or eliminating pesticide use in school settings. ) Terminex pleaded guilty to assault in connection with a botched cocoa bean fumigation effort at a warehouse in Pennsauken, Camden County. State investigators who reviewed the incident found that the fumigation represented a gross misapplication of the chemical compound methyl bromide, and that all safety requirements for protective equipment and air testing had been ignored. Terminex agreed to pay the state \$80 million as part of a civil settlement related to the fumigation mishap. The Department's Division of Law was a participant in those settlement negotiations.

In another environmental prosecution by the Division of Criminal Justice, two managers for United Water Toms River Inc., George Flegal and Richard Ottens Jr., were indicted in 2006 on charges of tampering with public records and falsifying records for allegedly manipulating a water source during water quality testing. The two defendants are accused of trying to conceal the actual level of contaminants in the drinking water supplied by United Water.

Civilly, actions by the Division of Law in 2006 recovered a total of \$10.8 million in past environmental cleanup costs, and more than \$1.2 million in natural resource damages for the year. In addition, the Division played a significant role in a series of multi-state lawsuits challenging the federal Environmental Protection Agency's recent weakening of federal Clean Air Act regulations, and engaged in litigation to challenge EPA's attempt to exempt power plants from stringent controls on potentially harmful mercury emissions.

Meanwhile, the Division of Consumer Affairs continued to vigorously enforce the state's consumer protection laws in 2006 while also continuing its outreach efforts aimed at

helping consumers – particularly senior citizens, who are a frequent target of fraud — to avoid being victimized by unscrupulous contractors, phony sales pitches, too-good-to-be-true investment opportunities and other scams. Among other significant actions, the Division filed lawsuits against two major drugstore retail chains — Rite Aid and Duane Reade — alleging that both charged more than the posted price for certain products, and that both sold products that were past the manufacturer's expiration date, including infant formula, baby food and non-prescription drugs.

The Division on Civil Rights demonstrated its ongoing commitment to combating discrimination – and its agility in adjusting to changing societal trends – by prosecuting several cases in 2006 in which landlords had advertised their intention to discriminate via the Internet, then reiterated their discriminatory policies while speaking directly with state-employed “testers.” In all but one case, landlords who were prosecuted had advertised their refusal to rent to children and/or would-be tenants using federal Section 8 rental assistance via a popular Internet site, [www.Craigslist.org](http://www.Craigslist.org).

These are just a sampling of the Department of Law and Public Safety's keynote actions and initiatives for 2006. In the pages that follow, there is much more to learn about the Department's Divisions of Alcoholic Beverage Control, Civil Rights, Consumer Affairs, Criminal Justice, Elections, Gaming Enforcement, Highway Traffic Safety, Law and State Police, as well as the New Jersey Juvenile Justice Commission and the New Jersey Racing Commission.

Through enforcement actions, litigation, legal advice, regulatory oversight, policy initiatives, grants to local jurisdictions, awareness forums and other outreach, each of these agencies served to improve the quality of life of New Jersey residents in 2006.

Dovetailing with extensive and varied efforts to protect New Jersey residents in 2006 was a commitment by the Attorney General to keep them as informed as possible regarding Law-and-Public-Safety-related developments by making the Department's Internet Web pages as user-friendly as possible.

Extensive planning went into a ground-up redesign of the OAG Web site that began in early 2006 and continued throughout the year. Careful attention was given to “transparency” between the Department's various divisions and commissions while preserving their unique identities. The new design employed consistent and clear navigation from one division to another. As a result, each division became only a “click” away, since the new design displayed a list of every division on each page. The new design was “modular,” allowing divisions to easily promote and trade space for important programs or upcoming events in much the same way that advertising space would work on a commercial Web site. First out of the gate with redesigns in 2006 were the top-level OAG pages, as well as pages devoted to the Division of Criminal Justice, the Help America Vote Act, and the Office of the Insurance Fraud Prosecutor. The balance of the Department's divisional Web page redesigns were to debut in 2007.

New Jersey is a heavily-traveled “corridor” state, a center for international shipping and air travel, a hub for education, industry and commerce, and a global destination for tourism and legalized gaming. Moreover, New Jersey is home to more than 8 million people, and its population is among the most diverse in the nation.

Protecting a state as complex and multi-faceted as New Jersey is a significant challenge, but the Department of Law and Public Safety remains committed to meeting that challenge, today and in the future.

Stuart Rabner  
Attorney General





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# Division of Criminal Justice

New Jersey's unified, integrated system of law enforcement is unique in the nation. The Criminal Justice Act of 1970 designated the Attorney General as the chief law enforcement officer of the state. The Division of Criminal Justice, on behalf of the Attorney General, is charged with responsibility to enforce the criminal laws of the state and serve a variety of functions pertaining to the administration of criminal justice. It is the goal of the Division to help coordinate law enforcement efforts and resources at all levels – state, county and municipal – to ensure the safety and security of all New Jersey citizens.



## Key Initiatives

### Division Reorganization —

At the close of 2006, Attorney General Rabner and Director Gregory A. Paw announced a reorganization of the Division of Criminal Justice to direct greater resources to two top priorities: public corruption and gangs. The reorganization, which allows more flexibility in assigning investigators and attorneys, reflects strategies initiated in 2006 to focus efforts on those complex, labor-intensive cases. The reorganization consolidated 21 units into seven. In particular, 14 smaller trial units were consolidated into three major crime-fighting groups: Corruption, Gangs/Organized Crime, and Major White Collar Crimes. Three other units – the Office of Insurance Fraud Prosecutor, Appeals, and Prosecutors Supervision – remained in existing form, while a new Fiscal Oversight unit for Schools Construction Corporation matters absorbed much of the former Office of Government Integrity. The reorganized major crimes section consolidated eight different sections that had been dealing with white collar and financial crimes, including the environmental crimes bureau, computer crimes, money laundering and labor offenses.

### Operation Slapshot/Corrupt Trooper Prosecution—

As the result of an investigation by the State Police and Division of Criminal Justice into a multi-million dollar illegal sports bookmaking operation, veteran State Trooper James Harney was forced to resign and pleaded guilty on August 3, 2006 to conspiracy, official misconduct and promoting gambling. Another participant, James A. Ulmer of Swedesboro, pleaded guilty to conspiracy and promoting gambling on Dec. 1, 2006. Charges remained pending against former Philadelphia Flyers player Rick Tocchet. Investigators found that during one 40-day period alone, the betting ring took in more than 1,000 bets totaling \$1.7 million.

### Other Public Corruption Prosecutions—

The Division charged 22 other public officials with crimes in 2006 for alleged corrupt activities, including bribery, theft of public funds and selling driver's licenses and other official forms of identification to unauthorized persons. In November, Attorney General Rabner announced the indictment of former Carney's Point Mayor John "Mack" Lake on charges of official misconduct and bribery for allegedly offering municipal jobs to a political opponent on the condition that the opponent drop out of the race for township committee. In an unrelated case, the Division successfully prosecuted Robin Wheeler-Hicks, a former senior field representative for the Department of Community Affairs, for allegedly stealing hundreds of thousands of dollars from the Union County Homelessness Prevention Program. The program provides rent money to eligible individuals and families to help them avoid homelessness. Wheeler-Hicks pleaded guilty in March 2006 to bribery and theft charges, admitting she submitted at least 428 false applications to the program totaling \$866,560. Eight other people and four corporations ha

The Division also obtained indictments in 2006 against the director of the state Division of Taxation, the deputy director and four other state managers on charges related to their alleged acceptance of thousands of dollars worth of illegal gifts from a vendor, including dinners, entertainment, golf outings and spa treatments. The gifts were provided by officers of OSI Collection Services Inc., a company contracted by the State to collect unpaid taxes. Also indicted were a former OSI sales director who managed the state contracts and a former OSI vice president for sales.





## Fighting Gangs—

In July 2006, the Division of Criminal Justice and the State Police, working in cooperation with local and federal authorities, carried out the largest single gang sweep in state law enforcement history, arresting more than 60 members of the Nine Trey street gang. “Operation Nine Connect” targeted top leaders of Nine Trey, which has been identified as the most violent set of the Bloods operating in New Jersey. The gang members were charged with racketeering, extortion and drug and weapons trafficking. In a related development, the State Police and Division of Criminal Justice arrested Atlantic City recording studio owner John “Johnny Hooks” Abbey in November 2006 on charges of first-degree racketeering conspiracy for allegedly laundering more than \$100,000 for Nine Trey. The arrest marked a significant break in unraveling how Nine Trey funds its illegal operations.

Also, through a \$750,000 state appropriation, the anti-gun-violence initiative Operation Ceasefire continued to grow in 2006. Operation Ceasefire is a collaborative effort among law enforcement, community groups, and prosecutors to directly confront the problem of gun violence – much of which is gang-related — by stopping the next shooting. By mid-2007, it is anticipated that the program will be fully operational in Newark/Irvington, Camden, Paterson, Trenton and Plainfield.

## Office of Insurance Fraud Prosecutor—

In 2006, OIFP charged 220 defendants and sent defendants to jail for a total of 81 years. Indictments were up 30 percent from 2005, and accusations were up 25 percent. OIFP obtained restitution orders totaling nearly \$35 million and imposed 1,263 civil sanctions. OIFP secured a major victory in a New Jersey Supreme Court decision that reversed the lower courts and held that the burden of proof in civil insurance fraud actions is the preponderance of the evidence standard, not the higher clear and convincing standard.

OIFP dismantled several large auto theft rings in 2006, some of which operated out of car dealerships and solicited owners to turn over cars and file false theft claims in

“give ups.” One case involved the illegal duplication of ignition keys and the fencing of stolen cars on eBay. OIFP recovered more than 150 stolen high-end vehicles worth more than \$3 million.

In other high-profile cases, OIFP convicted former Camden police officer Jerome Bollettieri at trial on charges he sold police accident reports to a retired Camden officer so runners could illegally solicit individuals for chiropractic treatments. In another OIFP trial victory, former pharmacy manager Verona Boodram and former pharmacy technician Alpha Bangoura were convicted of enticing HIV/AIDS patients to sell their medications back to Ojah Pharmacy in East Orange so the defendants could fraudulently bill Medicaid for prescriptions never dispensed. Boodram was sentenced to five years in prison, and Bangoura to six and one-half years.

## Other Significant Division Cases

Rosa Victoria Rivera of Lyndhurst, her boyfriend, John Arturo Perez Silva, and her son, Wilson Armondo Pinos Rivera, were arrested in December 2006 and charged with stealing \$827,000 by filing 540 fraudulent state tax returns.

Mack Barden of Paterson was indicted in July 2006 on charges that he stole \$210,000 by filing fraudulent state tax refund and homestead rebate claims. He pleaded guilty to second-degree theft by deception.

New Africa Day Care Center Inc., formerly located on South Orange Avenue in Newark; its executive director, Muslimah Suluki of College Park, Georgia; her son, Robert Parish of Neptune; and her ex-husband, Mahdi Suluki were indicted in June 2006 on theft and other charges for allegedly diverting more than \$200,000 in state funding from the day care center for personal use.

Frances Portlock, the former director of operations for the South Amboy Housing Authority, and Colleen Middleton, the former Section Eight coordinator for the Old Bridge

Township Housing Authority pleaded guilty to official misconduct in December 2006 for stealing a total of \$91,000 from two publicly funded rental assistance programs. Each woman was sentenced to three years in prison.

Two former clerks at the Morristown Motor Vehicle Commission agency, Tressa V. Schumacher and Trucinder "Trudy" Clark, pleaded guilty in April 2006 to conspiracy to commit official misconduct for selling driver's licenses to unauthorized persons. Each woman was sentenced to five years in prison.

Former Newark police officer Brandy Johnson pleaded guilty in September 2006 to selling cocaine and hindering law enforcement efforts to arrest her boyfriend, who also was dealing narcotics. She was sentenced to seven years in state prison.

Charles "Black" Hamilton of Irvington, the former leader of a violent heroin cartel operating in Mercer and Essex counties, was convicted at trial in October 2006 of first-degree charges of conspiracy, racketeering and drug distribution. In related cases involving the cartel, Robert Cashwell of Elizabeth was sentenced to 10 years in prison after pleading guilty to first-degree distribution of heroin, and Akeem Blue of Trenton was sentenced to 17 years in prison after pleading guilty to possession of heroin with intent to distribute and additional charges filed by the Mercer County Prosecutor's Office.

In October 2006, Diane M. Oakley of Cream Ridge was convicted at trial of attempted murder and conspiracy, both in the first degree, for attempting to hire an undercover state trooper as a hit man to kill her ex-husband. She was sentenced to 10 years in state prison.

Six North Jersey men and one Pennsylvania man were indicted in January 2006 on charges they operated a multi-state coupon redemption fraud scheme that netted \$580,000 in illegal profits. All of the defendants pleaded guilty to theft by deception.

Four family members from Point Pleasant Beach were sentenced to state prison in 2006 for illegally obtaining hundreds of thousands of dollars in cash and luxury merchandise

through various mortgage, real estate, bank fraud and identity theft schemes. The family members used Atlantic City casinos to launder their illegal proceeds. The defendants were sentenced as follows: Robert Issa was sentenced in May to 13 years in prison; Roger Issa was sentenced in May to 10 years; Antwan Issa was sentenced in June to eight and one-half years; and Rita Issa was sentenced in July to three years.

A joint investigation by the Division of Criminal Justice - Environmental Crimes Bureau and the New Jersey DEP Pesticide Control Program led to a guilty plea in October 2006 from Terminix International to a criminal charge of assault related to a botched co-coa-bean fumigation that exposed nine employees in a Pennsauken warehouse to the highly toxic pesticide methyl bromide in 2004. Under the plea agreement, Terminix agreed to pay \$300,000 to the School Integrated Pest Management Program, a legislatively mandated program to train those responsible for pest management in public and private schools across New Jersey how to reduce or eliminate pesticide use in compliance with state law to avoid exposing students and staff.

Two managers for United Water Toms River Inc., George Flegal and Richard Ottens Jr., were indicted in June 2006 on charges of tampering with public records and falsifying records for allegedly manipulating a water source during water quality testing in order to conceal the actual level of contaminants in the drinking water they supplied.



# Division of State Police

Founded in 1921, the New Jersey State Police is a diverse agency with a broad-based and evolving law enforcement mission. The State Police is charged with ensuring the safety of the general public by providing and maintaining statewide police services including those related to homeland security, general highway and traffic safety, criminal investigation and enforcement, intelligence gathering, forensic science and laboratory services, emergency medical transport, disaster management, support of local law enforcement efforts and maintenance of criminal records and identification systems. As a means of most efficiently carrying out its mission, the State Police is organized into three branches – Administrative, Homeland Security and Investigations. The Investigations Unit has been segmented into three Organized Crime Control Bureaus – each made up of a Street Gang Unit, Drug Trafficking Unit and Organized Crime Unit. These three anti-crime bureaus employ what is known as an Intelligence-Led Policing Model (ILP) — to more effectively target official corruption, illegal drug distribution and violent street gang activity throughout New Jersey. More information on the State Police is available at [www.njsp.org](http://www.njsp.org).



## Investigations Branch Highlights

### Major Sweep of 'Nine Trey' Gang—

In 2006 the State Police, working in cooperation with local and federal authorities, arrested more than 60 members of the Nine Trey street gang, a violent subset of the Bloods operating in cities throughout New Jersey. The Nine Trey sweep was the largest single gang sweep operation in state law enforcement history, and was the culmination of an 11-month investigation. As a result of the effort, members and associates of the Nine Trey gang were charged with racketeering, conspiracy to commit murder, extortion, drug dealing and weapons offenses. In a related development, State Police arrested Atlantic-City-based recording studio owner John "Johnny Hooks" Abbey in November 2006 on charges of first-degree racketeering conspiracy for allegedly laundering more than \$100,000 in money for the Nine Trey gang. The arrest marked a significant break in unraveling how Nine Trey funds its illegal operations.

### Expansion of Operation Ceasefire—

Through a \$750,000 state appropriation, the multi-agency, anti-violence effort known as Operation Ceasefire began expanding in 2006 from three cities – Newark, Irvington and Camden — to several other urban centers. The newest Operation Ceasefire sites include Asbury Park, Atlantic City, Elizabeth, Jersey City, Lakewood, New Brunswick, Paterson, Plainfield, Trenton and Vineland/Millville. State Police detectives were an integral part of the growing Operation Ceasefire effort in 2006, and will remain so in the future. Operation Ceasefire is focused on solving gun-related crimes, reducing street violence related to gang activity, cutting off the flow of illegal guns into New Jersey's communities, and keeping those weapons from reaching the streets.

### Operation Slapshot—

As the result of a cooperative investigation by the State Police and Division of Criminal Justice into a multi-million-dollar illegal sports gambling ring, veteran New Jersey State Trooper James Harney was forced to resign in 2006. Former Trooper Harney subsequently pleaded guilty, in August 2006, to charges of conspiracy, official misconduct and promoting gambling. Another defendant, James A. Ulmer of Swedesboro, pleaded guilty to conspiracy and promoting gambling in December 2006. Charges remained pending against former Philadelphia Flyers hockey player Rick Tocchet. Investigators found that during one 40-day period alone, the betting ring took in more than 1,000 bets totaling \$1.7 million. While executing a related search warrant at Trooper Harney's home, investigators seized six plasma televisions, 32 high-end watches, a laptop computer, voluminous gambling records and more than \$14,000 in cash.

### College Student Suspicious Death Investigation—

State Police devoted more than 300 Troopers and more than 100 recruits from two separate State Police training academy classes to investigating the death of 19-year-old John Fiocco, a student at The College of New Jersey who disappeared from a campus dormitory in March 2006. As part of the investigation, State Police led an exhaustive landfill search in Tullytown, Pa. resulting in the discovery of Fiocco's body amidst nearly 15,000 cubic yards of refuse. The landfill search had been triggered by discovery of blood evidence in a trash dumpster at Fiocco's TCNJ dormitory. Although investigation determined that the victim had at one point been in the dumpster, the cause and manner of Fiocco's death has not been determined, and the investigation continues.



### Participation in Operation Falcon/Operation S.A.F.E. Guard—

During 2006 the State Police Fugitive Unit — working as members of the New York/New Jersey Fugitive Task Force — participated in the U.S. Marshal Service’s “Operation Falcon III” sweep of violent criminals and sex offenders who had failed to register as required by law. The effort spanned a full week and resulted in the arrest of more than 500 people. Members of the State Police Fugitive Unit also conducted Operation S.A.F.E. Guard (Sexual Assailant Fugitive Enforcement) in 2006, which focuses on locating and arresting sex offenders wanted by county agencies for failing to register. Operation S.A.F.E. Guard began in Union County, and will continue until all 21 counties have been canvassed. In 2006, the effort resulted in the arrest of 38 wanted sex offenders.

Operation Ninja (Phase II) : State Police detectives, working in conjunction with the Division of Criminal Justice, developed cases against several new suspects as a second phase of Operation Ninja – an investigation targeting the theft and illegal resale of motorcycles, all-terrain vehicles and autos — continued in 2006. Launched two years ago, Operation Ninja focused on those involved with stealing, possessing, titling and falsely “stamping” motorcycles, ATVs and other vehicles. In December 2006, detectives from the State Police auto unit arrested Gabriel Evans and Jeffrey Morgan on charges related to the theft of motorcycles and titling of same. Not long afterward, additional members of the alleged theft ring were taken into custody by State Police including Gregory Kellum, Angel Carrion III and Tyrone Sapp. Suspects Kellum and Carrion were arrested at their homes, while Sapp was taken into custody at East Jersey State Prison, where he was scheduled for release after serving an unrelated prison term. Sapp was released to State Police detectives who promptly transported him to the Burlington County Jail to await adjudication of his new criminal charges – theft and receiving stolen property.

### Clement Bilski /Operation Riptide Investigation—

Members of the State Police Digital Technology Investigations Unit spearheaded several significant child pornography investigations in 2006 including one that resulted in the arrest of self-employed carpenter Clement Bilski. In April 2006, a search of Bilski’s Ocean Township home and subsequent analysis of confiscated computer media revealed images of Bilski sexually assaulting female children ranging in age from 15 months to seven years. The investigation also determined that Bilski had installed clandestine cameras in the bedrooms and bathrooms of several residences belonging to carpentry customers in Ocean and Monmouth counties. Bilski was charged with aggravated sexual assault, sexual assault, endangering the welfare of a child, creating child pornography, voyeurism and possession and distribution of child pornography. He was indicted by a Monmouth County grand jury in July 2006 on 523 criminal counts. In an unrelated child pornography case, State Police Digital Technology Investigations Unit personnel conducted an investigation known as Operation Riptide that led to the arrest of seven people for distributing child rape videos. Among those arrested was an elementary school teacher from Lower Township, Cape May County.

### Taj Mahal Executive Charged with Commercial Bribery—

Members of the State Police Casino Gaming Bureau arrested George Klima, the Taj Mahal Casino’s Executive Director of Purchasing, in April 2006 following an investigation that resulted in charges that Klima tried to bribe a licensed casino service contractor. According to the charges against him, Klima allegedly tried to compel Atlantic City Linen Supply to hire him at a salary of \$75,000-per-year for five years plus full benefits and relocation fees to Delaware. In return, Klima sought to implement new sales contracts between Taj Mahal and Atlantic City Linen that would provide the dry cleaning company a seven percent increase in revenues. The additional cost of dry cleaning services that Klima’s employer,

Taj Mahal, would pay under the new contracts was designed to help Atlantic City Linen absorb the cost of hiring Klima. He was charged with commercial bribery.

### Ozgur Yetim Casino “Markers” Investigation—

After approximately \$150,000 in markers obtained by gambler Ozgur Yetim at the Borgata Hotel and Casino were returned for insufficient funds, State Police Casino Gaming Bureau members launched an investigation into the credit activity of the Island Park, N.Y. resident. Ultimately, detectives learned that Yetim had obtained markers from seven additional Atlantic City casinos, and that all of them – totaling \$685,000 – had been returned for insufficient funds. Yetim was arrested in November 2006 at the Borgata while in possession of \$14,000 cash and \$6,500 in gaming chips. He was charged with eight counts of writing bad checks.

### Homeland Security Branch Highlights

**Operation Safe Freight:** During 2006, the State Police Transportation Safety Bureau conducted eight separate details. Through the cooperative effort of the State Police and the New Jersey Division of Taxation, assessments applied to motor carriers during Operation Safe Freight resulted in recovery of more than \$405,000 for the State.

### Hazardous Materials Response Unit—

The State Police Hazardous Materials Response Unit responded to 276 calls for service in 2006 including several suspected CBRNE and criminal incidents that involved such incidents as hoax anthrax threat letters and the recovery of biological materials.

### Canine Unit—

Dogs assigned to the State Police canine unit were responsible for the recovery of \$4.4 million in currency, six kilograms of cocaine, 16 pounds of heroin, 43 pounds of marijuana and 2.5 pounds of methamphetamine. The unit also conducted more than 3,000 searches for explosives in 2006.

### State Governmental Security Bureau—

Security enhancements consisting of \$1.2 million in construction and state-of-the-art upgrades were implemented in 2006 at the front of the New Jersey State House. Included in the enhancements was an upgraded visitor screening system at the front entrance to the building. This new area consisted of approximately \$900,000 in construction alterations and increased security measures including a state-of-the-art badging system for all visitors. The badging system retains all visitor information indefinitely, and produces a photo badge for each visitor. Each State House visitor now passes through a metal detector, and packages and deliveries are sent through an x-ray machine.

### Administrative Branch Highlights

The New Jersey State Police initiated an effort in 2006 to obtain accreditation from the Commission on Accreditation for Law Enforcement Agencies (CALEA). If the volunteer effort is successful, it will help the State Police maintain the consistent standard of excellence it has achieved through the federal Consent Decree process. The CALEA accreditation process involves being evaluated against a set of approximately 446 professional standards organized into 38 topic categories. The CALEA's overall goals for participating police agencies include: strengthening their crime prevention capabilities, formal implementation of the most effective management procedures, establishing and maintaining fair and non-discriminatory personnel practices, improving interagency cooperation, and increasing community confidence.



# Division of Law

Staffed by approximately 520 Deputy Attorneys General, the Division of Law is involved on a daily basis in many complex and important legal matters including, but not limited to, those relating to health care, the protection of children from abuse and neglect, preservation of the environment, and defending the public interest. The Division's workload is informed by the Attorney General's statutory duty as legal adviser to agencies of State government and defender of State laws, by the number of lawsuits brought against the State, and by the amount and nature of litigation pursued by various departments of State government. The Division's current caseload involves 37,500 pending legal matters, of which approximately 14,350 involve litigation (60 percent as defendant). Approximately 15,000 cases involve administrative matters, 6,300 involve non-litigation matters (e.g., investigations, informal and formal advice, etc.) and 1,750 involve appeals. To learn more visit [www.nj.gov/oag/law](http://www.nj.gov/oag/law)



## Keynote Achievements

- ❖ The Division recovered \$10.8 million in past environmental cleanup costs and more than \$1.2 million in natural resource damages in 2006. The Division also played a significant role in a series of multi-state efforts challenging the U.S. Environmental Protection Agency's (EPA) recent weakening of federal Clean Air Act Regulations, and engaged in litigation to challenge EPA's attempt to exempt power plants from stringent controls on mercury emissions.
- ❖ More than 1,050 children were cleared for adoption in 2006 because of the work of Division of Law DASG assigned to matters involving the state Division of Youth and Family Services (DYFS).
- ❖ Civil enforcement actions handled by the Division against insurance carriers, producers and public adjusters in 2006 resulted in 42 license revocations and suspensions, a total of \$3,6 million in fines imposed, and more than \$7 million in restitution assessed.
- ❖ Among the Division's 2006 litigation efforts on behalf of New Jersey consumers was the Ameriquest settlement, which ensured that New Jersey residents who had been subjected to predatory lending practices between 1995 and 2005 will receive a total of approximately \$10 million in restitution.
- ❖ The Division handled a number of civil matters relating to public safety in 2006 including Division of Fire Safety v. New York Susquehanna & Western Railway. The case involved the NYS&W storing containers of hazardous and self-igniting material in an unsafe manner. The railroad agreed to remove the material and to meet regularly with local and state officials to provide information on handling and emergency response protocols.

## Significant Cases

### Federal Clean Air Cases—

The Division is engaged in several high profile, multi-state efforts to address violations of the Clean Air Act by mid-western power plants. Current lawsuits and potential litigation involve more than 20 power plants located in the states of Indiana, Ohio, Pennsylvania, West Virginia and Virginia. The various plants are owned by American Electric Power, Cinergy, Allegheny Energy and Reliant Energy. Each of the plants have made modifications to their units resulting in excess emission of air pollutants. The central legal question is whether those modifications triggered provisions of the federal Clean Air Act that require new or "modified" power plants to install pollution control devices to limit their emissions. The sulfur dioxide, nitrogen oxides and particulate matter emitted by these plants get caught in the jet stream, form into nitrates and sulfates, and are deposited in New Jersey where they harm the public health and the environment.

### Lewis v. Harris/Civil Union Law—

The Division of Law was involved in 2006 in proceedings related to a lawsuit filed several years ago by seven same-sex couples who sought to obtain New Jersey marriage licenses but were rejected. The couples alleged that the New Jersey Constitution's privacy and equal protection provisions require the state to afford committed, same-sex couples access to state-sanctioned marriages. On October 25, 2006, the Supreme Court of New Jersey issued an opinion granting plaintiffs significant relief. The Justices unanimously held that the State Constitution "guarantees that every statutory right and benefit conferred to heterosexual couples through civil marriage must be made available to committed same-sex couples." By a 4-3 vote, however, the Court also rejected the claim that the State Constitution entitles same-sex couples to enter into state-sanctioned mar-





riages. The Court then referred the matter to the Legislature to either amend the marriage statutes to permit same-sex couples to marry, or enact an appropriate statutory structure creating a parallel relationship through which committed, same-sex couples can access all of the benefits, privileges and obligations of marriage. On December 14, 2006, both houses of the Legislature enacted a bill establishing civil unions for same-sex couples. Governor Corzine signed the bill on December 21, 2006. The legislation provides couples in civil unions with all of the rights, benefits, responsibilities and obligations of married couples. The Division continued throughout late 2006 to provide legal advice and assistance with respect to implementation of the new civil union statute.

### New Jersey v. Delaware—

In this U.S. Supreme Court matter, New Jersey brought suit against the State of Delaware over interpretation of the Compact of 1905 between the states. The current issue in this longstanding dispute relates to whether New Jersey has exclusive jurisdiction under the Compact over riparian improvements along New Jersey's shore within the "12 Mile Circle" area in the Delaware River. In January, the Supreme Court referred the matter to a Special Master and, after months of discovery and expert reports, the parties filed motions for summary judgment on December 22, 2006. The Division will be arguing that the Compact gives New Jersey exclusive jurisdiction over improvements emanating from the New Jersey shoreline, and that New Jersey has been exercising that jurisdiction for many years. While a decision in the case will ultimately have broader implications, one specific dispute it is expected to resolve is the matter of whether Delaware has any review and regulatory jurisdiction over a specific project – a liquefied natural gas facility planned for development along the Delaware riverfront in Gloucester County by British Petroleum (BP).

### United States v. Rabner —

This matter arose from the clandestine surveillance of telephone-calling records by the federal National Security Agency (NSA). Earlier in 2006, it was widely reported that the nation's major telecommunications carriers had systematically turned over to the NSA the telephone calling records of millions of Americans without a court order or a showing of suspicion of criminal activity. The phone records spanned a period beginning shortly after September 11, 2001. When this information became public, the Attorney General's Office served investigative subpoenas on each of the major telecommunications carriers operating in New Jersey seeking information on whether they had provided telephone calling records to the NSA and, if so, whether this activity was conducted pursuant to a court order. Prior to the return date of the subpoenas and before the Attorney General could initiate an enforcement action in state court, the United States filed suit in federal court seeking a declaration that several federal statutes, executive orders and legal precedents bar the New Jersey Attorney General from conducting an investigation and that the "state secrets doctrine" prevents telecommunications carriers from either admitting or denying any of the questions posed in the New Jersey subpoenas. The Division of Law responded with a motion arguing that the United States lacks a cause of action, that the federal court lacks jurisdiction and that the statutes, executive orders and precedents cited by the United States do not prohibit the Attorney General from conducting an investigation. The Court is currently considering that motion.

## PSEG/Exelon Proposed Merger —

In 2006, the Division of Law was actively involved in legal processes relating to a proposed merger involving PSEG and Exelon that was before the Board of Public Utilities. The proposed \$17 billion merger would have formed the largest utility in the history of the United States, combining the largest gas and electric utility in New Jersey with ComEd, Chicago's electric utility, and PECO, Philadelphia's electric utility. The merged entity would also have gained concentrated ownership of electric generation plants — including nuclear power facilities — serving New Jersey. The guiding statutory standard was whether the merger would result in positive benefits in the areas of competition, service, rates and impact on employees. Due to the size of the merger, the six weeks of hearings at the Office of Administrative Law drew 30 interveners from across a wide spectrum of interests. As the case progressed, the Division also participated in the merger-related proceedings of the Federal Energy Regulatory Commission and the Antitrust Division of the United States Department of Justice, both of which approved it. When the Office of Administrative Law hearings concluded, the various parties attempted to negotiate a settlement. The proceedings ultimately reached an impasse, however, and PSEG and Exelon withdrew the merger application in September 2006.

## Abbott v. Burke Litigation —

As in years past, legal issues arising under the school-funding-related Abbott v. Burke Supreme Court decision were an active area of litigation throughout 2006. Cases regarding the level of funding for so-called Abbott districts, facilities and district audits were heard by the New Jersey Supreme Court. Additionally, the Division handled numerous litigation matters brought by individual Abbott districts regarding funding and programs.

## Camden Redevelopment Litigation —

The Division was involved in various litigation matters on behalf of the Economic Recovery Board for Camden, arising out of redevelopment projects undertaken in the city. Camden is currently subject to state oversight of certain funding allocation and capital improvements under the Municipal Rehabilitation and Economic Recovery Act. In one case there was a challenge to the city's ability to use the power of eminent domain, set forth in the New Jersey Fair Housing Act, to acquire certain properties for affordable housing purposes as part of its redevelopment effort. The Division filed a brief in support of the city's authority to use eminent domain, and a Superior Court judge subsequently agreed with the Division's position.



# Division on Civil Rights

The Division on Civil Rights is responsible for enforcing the New Jersey Law Against Discrimination (LAD) and the New Jersey Family Leave Act. The LAD seeks to prevent and remedy unlawful discrimination in employment, housing, contracting and places of public accommodation. The Family Leave Act provides eligible employees with leaves of absence in connection with the birth or adoption of a child or the serious health condition of an eligible employee's parent, child or spouse. In a broader sense, the Division's mandate is to foster sensitivity, acceptance and respect among all people across the State. For this reason, the Division sponsors a variety of education and community outreach activities. The Division has five regional offices located in Atlantic City, Camden, Newark, Paterson and Trenton. In addition to processing and investigating complaints of unlawful discrimination, the Division receives — and responds to — nearly 20,000 inquiries annually from the general public and employers regarding civil rights law. For more information visit [www.NJCivilRights.org](http://www.NJCivilRights.org).



## Significant Cases and Orders

### Internet Housing Discrimination Cases—

The Division filed housing discrimination complaints in 2006 against numerous landlords and real estate agencies that were targeted for state “testing” after they published apartment rental ads on the Internet specifying their intent to discriminate. In some cases, the Internet ads made clear that tenants who planned to pay using federal Section 8 rental assistance were not welcome. In other cases, the ads indicated that renters with children need not apply. All but one of the Internet ads was discovered on the popular Internet Web site [www.Craigslist.org](http://www.Craigslist.org). In all but one of the cases, the landlords and real estate agents were accused not only of publishing discriminatory housing ads on the Internet, but of engaging in discriminatory conduct once contacted by undercover testers employed by the Division.

Among those civilly prosecuted by the Division in connection with on-line discrimination was Dr. Badawy M. Badawy, a Jersey City pediatrician. Badawy was charged with discrimination after telling a State tester who had responded to his on-line rental ad that he would not rent an apartment he owns — located above his Jersey City pediatrician’s practice — to anyone with children. Also prosecuted in connection with the same case were Century 21 On the River Realty of Edgewater, Bergen County, and two licensed real estate agents employed by the firm. The Internet ad for Badawy’s apartment stated “NO CHILDREN.” In an unrelated case, landlords Francesca and Rosa Grasso of Garfield, Bergen County, were charged with discrimination for publishing an on-line ad indicating that tenants using federal Section 8 rental assistance were not welcome. Landlords Gerald and Nancy Rubin were also charged with discrimination for placing on-line ads rejecting children relative to an apartment they were advertising in North Plainfield, Somerset County.

### Sexual Harassment Cases—

The Division issued Findings of Probable Cause in 2006 against three major employers accused of discriminating against female workers by subjecting them to sexual harassment and a hostile work environment. The employers were also charged with failing to act once the employees reported their allegations. Named as Respondents in separate Findings of Probable Cause were Wal-Mart Stores Inc., the Amerada Hess Corporation, Inc., and Ozzie’s Ford Store, a Hudson county auto dealership.

In the Wal-Mart case, a cashier at a company-owned Wal-Mart in Union Township, Union county, alleged that she was targeted for repeated, unwelcome sexual advances and requests for sexual favors by two weekend security guards at the store. After she reported the harassment to store management, she alleged, her weekend working hours were curtailed. In the Amerada Hess case, a female employee filed a complaint against the company related to alleged harassment she experienced while working at her job as a cashier at a Hess service/convenience station in Woodbridge, Middlesex County. The worker charged that she was targeted for reprisals by Amerada Hess — including an unwanted transfer out of the Woodbridge location — after reporting to the company that her manager had made sexual advances and lewd comments to her. In the Ozzie’s Ford case, a former office manager at Ozzie’s, a car dealership located in Kearny, charged that she was forced to resign because of consistent sexual and race-based harassment in the workplace. A Finding of Probable Cause means the state has concluded its preliminary investigation and determined there is sufficient evidence to support a reasonable suspicion that the conduct at issue violated the New Jersey Law Against Discrimination (LAD).



### **Williams v. State Shuttle/Top Ten Leasing Inc.—**

The wife of a bus driver who died of Acquired Immune Deficiency Syndrome was awarded \$12,000 in back pay and emotional distress compensation in 2006 after the Director of the Division on Civil Rights found that her husband was wrongfully denied work by his employer, State Shuttle/Top Ten Leasing Inc., in the months prior to his death. Despite a doctor's note clearing him to return to work, and despite evidence of a shortage of bus drivers at State Shuttle/Top Ten Leasing, the driver was not contacted with work assignments following his return from an illness-related leave of absence. An Administrative Law Judge originally dismissed the complaint, but the Director of the Division found there was sufficient evidence in the record to conclude that the driver was denied work because of a disability in violation of the New Jersey Law Against Discrimination.

### **Kathleen Connors Ryan v. Freehold Regional High School District—**

The Director awarded educator Kathleen Connors Ryan \$305,025 in back pay and \$25,000 in compensation for pain and humiliation in connection with the refusal of the Freehold Regional High School district to rehire her. Ryan alleged in her original Complaint that Freehold was refusing to rehire her as a retaliatory measure because, during her prior employment with the district, she had asserted her right to time off under the Family Leave Act.

## *Keynote Initiatives*

**Mediation Unit:** In 2006, the Division's Mediation Unit successfully resolved 158 cases. The total amount of money obtained for complainants through mediation was \$602,477. The Mediation Unit provides parties an opportunity to resolve complaints amicably in the early stages of the process. Mediation typically begins within two months of the filing of a Verified Complaint. Successful mediation allows parties to address a complaint expeditiously while eliminating litigation expenses.

### **Case Management Initiatives—**

Through its vigorous case management initiatives, the Division continued in 2006 to resolve many of its oldest cases. Targeting all cases that had been under investigation for at least one year, the Division aggressively pursued resolutions and, by June 30, had closed out all but 90 of 507 cases categorized as "backlogged." On July 1, 2006, the Division's Case Management Unit and Bureau of Enforcement began work on a new initiative targeting 407 additional cases. As of year's end, more than 200 of those cases had been resolved. Overall, the Division reduced its caseload to 1,172 active cases in 2006 – the lowest number of cases under investigation since 1984.

## Training and Outreach—

Through its Bureau of Prevention and Community Relations, the Division continued in 2006 to provide quality civil-rights-related training to employers in the public and private sectors, in addition to landlords, fair housing organizations, school districts and others. For the year, the Division conducted 171 training seminars statewide involving more than 8,500 participants. The Division also took part in a number of joint training initiatives for educators and employers focused on bias-related bullying and harassment. The Division's partner in those joint training efforts was the Office of Bias Crime and Community Relations within the Division of Criminal Justice.

## IAOHRA Conference in A.C.—

The Division co-hosted the 58<sup>th</sup> Annual conference of the International Association of Official Human Rights Agencies (IAOHRA) in Atlantic City from September 12 through September 15. Hundreds of people from around the nation attended the four-day event in Atlantic City. Held under the working title "Building the Boardwalk to Justice," the conference featured workshops and training sessions led by leaders in the areas of human relations and civil rights. Co-hosts of the conference included the New Jersey Commission on Civil Rights and the New Jersey Human Relations Council.



# Division of Consumer Affairs

The Division of Consumer Affairs is responsible for administering and enforcing laws enacted to ensure integrity and fairness in New Jersey's commercial and investment marketplaces. The Division's essential mission is to protect New Jersey consumers from fraud, deception and unconscionable practices, and to make certain the state's licensed professions and trades observe the highest standards of conduct. In addition to investigating and, where appropriate, prosecuting those who commit fraud and other consumer-related violations, the Division provides information and public awareness outreach on many significant consumer issues. The major units of the Division include its Bureau of Securities, Office of Consumer Protection, Lemon Law Unit, Regulated Business Unit, Charitable Registration and Investigation Unit, Legalized Games of Chance Control Commission, Office of Weights and Measures, Alternative Dispute Resolution Unit, Kosher Enforcement Unit and Halal Enforcement Unit.



## Significant Cases

### Expired Drugstore Products/ Price Fraud Lawsuit—

The Division filed separate lawsuits in 2006 against the Rite Aid and Duane Reade drugstore chains alleging that both sold products that were past the manufacturer's expiration date, including infant formula, baby food and non-prescription drugs. The Division also accused the two drugstore chains of misleading New Jersey consumers by charging them more than the posted price for products, and for failing to display their refund policies. Both Rite Aid and Duane Reade are also accused of violating prior enforcement agreements with the Division.

### “Cherry Hill Triplex” Auto Sales Fraud Lawsuit—

In a multi-count civil lawsuit, the Division accused several car dealerships trading under the name “Cherry Hill Triplex” in Cherry Hill with misleading consumers. The lawsuit charged that Cherry Hill Triplex dealerships violated the law by, among other things, advertising such enticements as “\$8,000 GUARANTEED FOR YOUR TRADE,” “no credit check,” and “you instantly qualify regardless of your credit,” then failing to provide the advertised \$8,000 trade-in allowance and credit. The suit also accused Triplex dealers of failing to properly display sale prices on used and new vehicles, and failing to disclose the prior rental history of used vehicles. The case is pending.

### Ramsey Auto Group Settlement—

The Division settled its lawsuit against the Ramsey Auto Group, Inc., with an agreement that required the company to pay \$250,000 to the state, establish a restitution account in the sum of \$156,000, and substantially change its business practices. The State's complaint accused the Ramsey Auto Groups dealerships of failing to disclose the material terms of auto deals, not honoring advertised prices, not disclosing the condition of used cars, misrepresenting the amount paid to the New Jersey Motor Vehicle Commission for license, title and registration

fees, charging for “after sale” items (such as window etching) without consumer authorization, not providing accurate credits for trade-ins, failing to give customers the chance to review all sales documents before signing, placing advertisements that did not comply with the law and charging for repairs performed in excess of the estimated price without consumer's consent.

“Animal Welfare” Charity Collection Injunctions: In separate court actions, the Division obtained injunctions in 2006 barring two charities – the “National Animal Welfare Foundation” and the “Lovers of Animals Foundation” from soliciting charitable donations in New Jersey. Both entities collected donations – ostensibly for the prevention of cruelty to animals — by placing canisters on retail store counters. The Division alleged that little, if any, of the money collected in those canisters actually went toward combating animal cruelty. Instead, the Division charged, most of the money was spent on fund-raising-related expenses. In addition, neither of the two entities had registered with the Division's Charitable Registration and Investigation unit, as required by law. The Division of Consumer Affairs Web site includes a link through which consumers can report the locations of NAWF or LOA donation canisters still in use.

### Shutdown of Unlicensed Nursing School

The owners of the Comtrain Institute in East Orange — Luc Gayot and Donald H. Mintz — were permanently barred from operating, owning or working for a vocational school or practical nursing school as the result of action taken by the Division of Consumer Affairs. A New Jersey Superior Court judge concluded that Gayot and Mintz offered practical nursing courses without being licensed and, in doing so, had violated both the Consumer Fraud Act and the Nurse Practice Act. The Division had alleged that Gayot and Mintz repeatedly and flagrantly misrepresented to students that Comtrain was licensed to teach practical nursing courses. Because of Comtrain's misleading claims, students who attended the school were unable to sit for their licensing exams.





### Bureau of Securities Market Timing Settlements—

The Division's Bureau of Securities settled three major cases in 2006 that involved allegations of deceptive market timing or illegal late trading. Market timing involves making frequent trades into and out of mutual funds to take advantage of market fluctuations. Most funds have policies against market timing, which harms long-term investors by (1) allowing the market timer to siphon off short-term profits and dilute the value of the fund, (2) increasing transactional costs of the fund, and (3) making the fund more difficult to manage. Late trading involves improperly buying and selling mutual fund shares after the close of the market that were priced as of the close. As the result of a joint settlement agreement involving the Bureau of Securities and the New York Stock Exchange, UBS Financial Services Inc. paid a total of \$49.5 million. Canary Capital Partners, LLC, agreed to pay \$10 million as a result of a settlement agreement with the Bureau of Securities and Prudential Securities entered into a multi-state settlement that required a total payment of \$270 million into an investor restitution fund.

### Major Settlement in Wachovia Conflict-of-Interest Case—

As the result of a settlement that resolved allegations of potential conflict of interest, Wachovia Capital Markets paid the New Jersey Bureau of Securities within the Division \$561,458 in civil penalties in 2006. The settlement resolved allegations by the State that certain practices at Wachovia involved potential conflict of interest between the company's research analysts and investment bankers. In addition to the half-million-dollar payout in penalties, Wachovia was also required to pay into a fund administered by the Investor Protection Trust, a non-profit corporation set up to distribute investor education grants. The Wachovia settlement was part of a multi-state investigation in which New Jersey played a lead role.

First Montauk Securities, J.P. Turner & Company Settlements: First Montauk Securities Corporation paid the State \$475,000 in civil monetary penalties in 2006 to resolve allegations that the Red-Bank-based company failed to supervise its agents, engaged in misrepresentations and omissions of fact to investors, and participated in market manipulation with respect to the resale of below-investment-grade bonds that caused substantial losses to investors. As part of the settlement agreement, the chairman and vice-chairman of the firm agreed to resign from their positions with the parent company, First Montauk Securities Corporation. In an unrelated matter, the securities firm J.P. Turner & Company L.L.C. paid \$195,000 in civil monetary penalties to settle allegations that it failed to properly supervise the conduct of its sales agents in the company's Brooklyn, N.Y. office.

## Key Initiatives

### Consumer Fraud Detection Unit—

Formed in 2006, the Consumer Fraud Detection Unit is comprised of existing Division investigators. Its principal mission is to identify deceptive commercial practices or emerging consumer fraud trends that may harm New Jersey consumers. Consumer Fraud Detection Unit investigators research misleading business practices, conduct field inspections, engage in undercover operations and organize fraud-related task forces.

### Board of Medical Examiners – Physician Profile Web site —

Public Citizen, the national public advocacy group, rated New Jersey first in a ranking of the content and “user-friendliness” of doctor disciplinary information found on state medical board Web sites. The New Jersey Healthcare Profile, located at [www.njdoctorlist.com](http://www.njdoctorlist.com), allows consumers to learn detailed information about their doctors’ education and training, as well as any disciplinary or malpractice history.

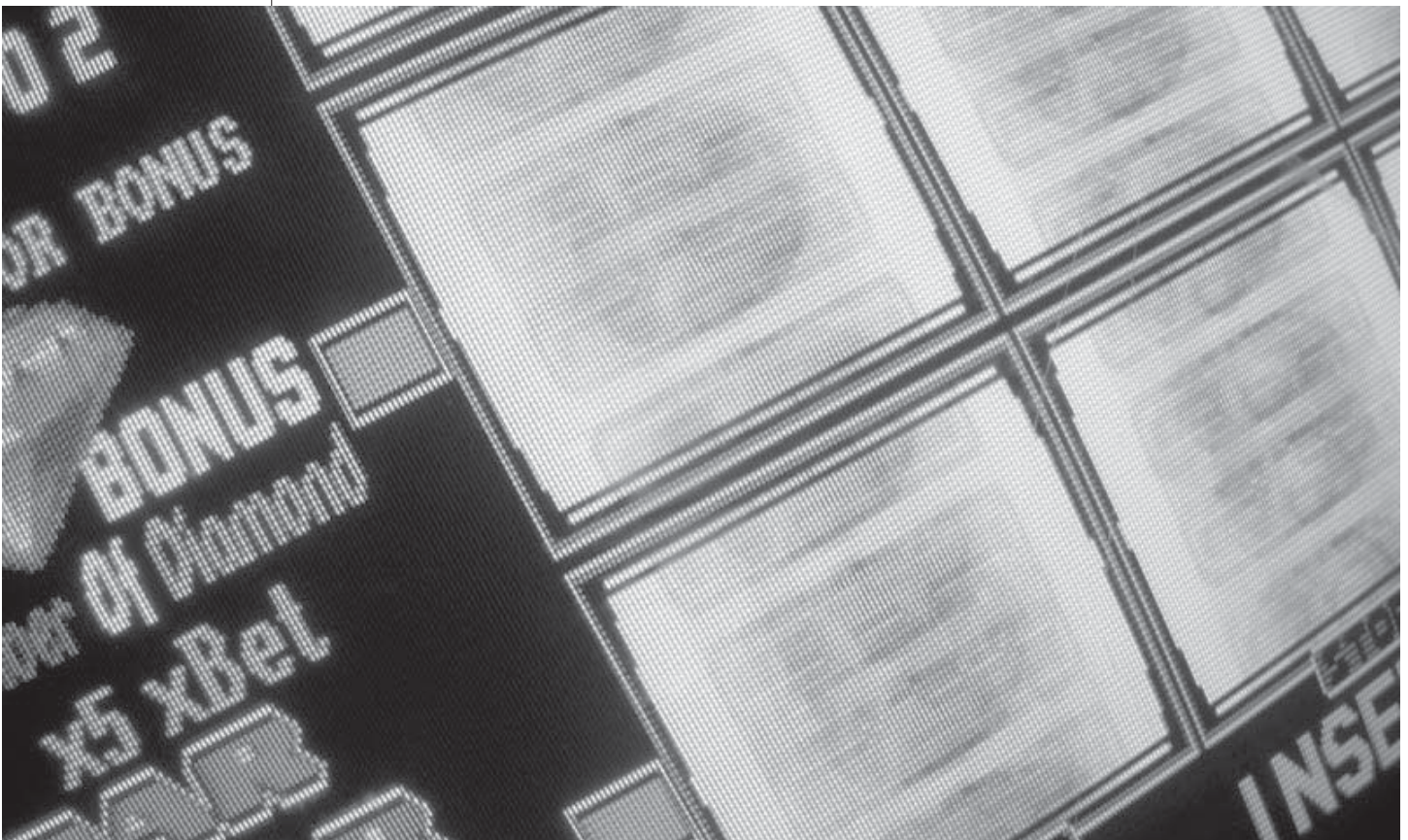
### Home Improvement Contractor Registrations:

The Division’s Regulated Business unit processed more than 40,000 registration applications for home improvement contractors in 2006, far exceeding the original estimate of 25,000 that accompanied enactment of the state’s new Home Improvement Contractors Registration Act in December 2005. The law requires contractors to register annually with the Division of Consumer Affairs. The law also requires that home improvement contracts involving more than \$500 contain certain terms including, among other things, a description of the work, the start/stop dates for the job, the total price including finance charges, and the contractor’s signature. The Division pursued more than 60 home improvement contractors in 2006 for a variety of violations, including one – AZ Renovations of Monmouth and Ocean counties – accused of creating a false registration number. The Division filed a civil lawsuit against AZ Renovations, charging that the company used its false registration number to obtain municipal permits and perform work. In December 2006, a Superior Court judge enjoined AZ from using its false registration number, and from providing home improvement contracting services until properly registered. The case is pending.



# Division of Gaming Enforcement

Established in 1977, the Division of Gaming Enforcement (DGE) was created under the Casino Control Act to ensure the integrity of casino gaming in Atlantic City. Its mission is to protect the public interest by maintaining a legitimate and viable gaming industry free from the influence of organized crime, and to ensure the honesty, good character and integrity of casino operators, employees and vendors. The Division performs its mission through enforcement of the Casino Control Act and related regulations, which were designed to ensure a strictly-regulated and economically sound gaming industry. Oversight by the Division includes investigations, inspection and audit, as well as criminal and regulatory prosecution. Criminal matters pursued by the Division of Gaming Enforcement are prosecuted by the New Jersey Division of Criminal Justice. Additional information about the Division of Gaming Enforcement is available by visiting [www.njdge.org](http://www.njdge.org).



## Significant Cases

### License Suspension of Interstate Companies—

The casino service industry licenses of Frank and Peter DiTommaso and their two companies were suspended in 2006 as the result of a petition by the Division of Gaming Enforcement. The DiTomassos, allegedly tied to organized crime, were indicted by a New York grand jury for perjury in connection with a criminal investigation into the renovation of former New York City Police Commissioner Bernard Kerik's apartment. The suspension by the Casino Control Commission followed more than five years of administrative and civil litigation brought by the Division of Gaming Enforcement to have the brothers and their companies — Interstate Industrial Corp. and Interstate Drywall Corp. — barred from conducting business within Atlantic City's gaming industry. The suspensions remain in effect pending resolution of the criminal indictment. The DiTommasos filed in 1997 for a non-gaming casino service industry license. Following hearings that began in 2001 and lasted 13 months, the Casino Control Commission issued licenses to the Interstate companies. The Division of Gaming Enforcement appealed, however, alleging that the DiTommaso had ties to the Gambino and DeCavalcante organized crime families dating back to the 1980s. (During a criminal trial involving organized crime in the Bronx in 2004, several organized crime figures testified that the DiTommasos and Interstate were affiliated with the Gambino crime family.) In November 2005, the Division filed a formal complaint requesting that the Casino Control Commission revoke Interstate's service industry licenses. The Division alleged in its complaint that the DiTommaso brothers and their companies were "associates of career offenders or career offender cartels."

### Eleven Indicted in Drug Case—

As the result of a cooperative investigation involving the Division of Gaming Enforcement, New Jersey State Police and the Division of Criminal Justice, 11 people were indicted in April 2006 on criminal charges related to an alleged drug distribution network operating in the South-Jersey-Philadelphia region. The indictments were the culmination of a two-year investigation that revealed the importing of thousands of contraband cartons of cigarettes, as well as the sale of marijuana and Ecstasy pills. As part of an investigation dubbed "Operation Marlboro," State Police troopers assigned to the Division of Gaming Enforcement infiltrated criminal groups operating in South Jersey and Philadelphia. The investigators allegedly purchased more than 32,000 cartons of cigarettes, approximately 25,000 Ecstasy pills and negotiated the sale of approximately 80 pounds of marijuana through members of the alleged network. The 11 defendants were charged with multiple counts of conspiracy, money laundering, distribution of a controlled dangerous substance and counterfeiting. Two defendants have pleaded guilty to date, and have been sentenced to respective prison terms of three years and five years.

### Casino Violations Result in Half-Million in Fines—

The Division filed nine complaints against various Atlantic City casinos in 2006 alleging violations of the Casino Control Act or regulations. Violations charged included misuse of a surveillance camera, permitting underage gambling and misuse of computer software. As a result of the complaints, the Casino Control Commission collected \$540,000 in penalties. Division complaints also resulted in the forfeiture of \$29,000 in combined winnings from people wagering



while on the Self-Exclusion List. Monies collected from the violations and forfeitures are awarded to the Council on Compulsive Gambling to be used to combat gambling addiction. In one case, the Division filed a complaint against Boardwalk Regency Corporation, doing business as Caesars Atlantic City, as well as four employees in the casino's surveillance department. The complaint alleged that the four employees engaged in improper and unauthorized use of surveillance cameras by focusing the cameras on female patrons and employees. The Casino Control Commission fined Caesars \$185,000.

## Highlights

### Historic Casino Industry Shutdown—

Division of Gaming Enforcement personnel were essential in ensuring that a legally required – and historic — shutdown of casino gambling in Atlantic City during the summer of 2006 was carried out in a smooth, orderly and trouble-free manner. The 12 Atlantic City casinos were required to close for 71 hours between July 5 and July 7 after attempts by the Legislature to finalize a State budget agreement by the Constitutionally-mandated deadline of June 30 were unsuccessful. Gov. Corzine signed an Executive Order shutting down non-essential state services, which included the activities of DGE regulators. (By law, DGE regulators must be present at each casino on an around-the-clock basis, or the casinos must close.) Division of Gaming Enforcement agents and State Police personnel were subsequently dispatched to every casino to deal with security concerns, ensure the safe evacuation of all patrons, protect casino assets such as money and chips and secure all 43,000 slot machines. Following resolution of the budget impasse, the Division assisted with a problem-free and expeditious reopening of all casino operations.

## Tropicana Purchase by Wimar Tahoe Corp—

The Wimar Tahoe Corp. took its first step in acquiring the Tropicana Casino and Resort in Atlantic City when it was cleared by the Division in November to receive an Interim Casino Authorization (ICA), or temporary licensure. Doing business as “Columbia Entertainment,” Wimar entered into an agreement with the Aztar Corporation in May 2006 to acquire its Tropicana casinos in Atlantic City and Las Vegas, as well as Aztar's subsidiaries in Nevada and Indiana.

The Division conducted a preliminary review of Wimar's filings for completeness, and reviewed the background of associated companies and individuals. On the basis of that review, the Division recommended to the Casino Control Commission that an ICA be granted. The Division is currently undertaking a more extensive investigation into the companies and their officers to determine qualification for Tropicana ownership. Wimar is a privately-held corporation controlled by William J. Yung III. Yung is president of the Kentucky-based Columbia Sussex Corp., a privately held hospitality company consisting of 67 franchised hotels and 15 casinos.

Closure of the Sands: On September 3, 2006, Pinnacle Entertainment, Inc. entered into an agreement with ACE Gaming LLC, owner of the Sands Hotel and Casino, to purchase the casino and the adjacent property, known as the Traymore site. The Division completed a preliminary review of all related documents, including a Shutdown Plan submitted by Pinnacle to the Casino Control Commission for an interim license. Prior to closing the casino, representatives of the Division and the Casino Control Commission conducted extensive meetings with ACE officials to discuss such critical issues as records retention, gaming equipment, security and financial reporting. Opened in 1980, the Sands was a relatively small casino. In November, ACE closed the Sands, and Pinnacle announced plans to demolish it and construct a larger, more competitive casino and hotel. Pinnacle has not yet announced its timetable.



# Racing Commission

The core mission of the New Jersey Racing Commission is to govern, direct and regulate horse racing and pari-mutuel wagering in New Jersey. The Racing Commission conducts vigorous oversight of horse racing matters throughout the State to ensure that racing is conducted in a fair, responsible and lawful manner. Commission staff members also provide administrative support to encourage the growth of the horse racing industry through expansion of wagering opportunities.



## Off-Track Wagering Moves Forward—

In 2006, the Racing Commission processed and approved three applications for off-track wagering facilities, and those sites were ultimately affirmed by the Attorney General's Office. The first off-track facility to be approved by the Commission was a site in Vineland, Cumberland County. To be located in a former auto dealership, the off-track betting site is expected to open in spring 2007. It will be operated by Greenwood Racing, owners of Philadelphia Park and the Atlantic City Race Course. Other off-track betting locations approved by the Commission in 2006 were a planned New Jersey Sports and Exposition Authority site in Woodbridge, Middlesex County, and a site to be operated by Freehold Raceway in Toms River, Ocean County. The Woodbridge site is expected to open in summer 2007, and the Toms River site is expected to begin operating in fall 2007. At the off-track facilities, bettors will be able to wager on horse races simulcast from race tracks around the country. Atlantic City's casinos and New Jersey's four horse-racing tracks already offer simulcast wagering. The establishment of 15 legal off-track betting sites around the state was part of the legislation that authorized creation of New Jersey's account wagering system in 2004. Operational since late-October of that year, the new system allows bettors to place their horse wagers by telephone or Internet.

## Investigations, Enforcement Actions—

The Racing Commission took action in 2006 against several parties found to have been involved in the violation of horse racing rules. Principal among the cases was "Operation Horsepower," an investigation into illegal horse drugging that led to arrest and Racing Commission sanctions against several high-profile standard bred horsemen.

The investigation was a cooperative effort between the Racing Commission's investigative team and the State Police Horse Race Unit, and it resulted in several arrests in April 2006.

Arrested was Eric Ledford of Monroe Township, Middlesex County. Ledford, a leading driver at the Meadowlands Race Track, was arrested at the driver's locker room at Meadowlands and charged with conspiracy to rig a publicly-exhibited contest. Also arrested were two employees of the well-known Seldon Ledford Stables – Ryan Dailey and his wife Ardena J. Daily of East Windsor. Both Daileys were arrested at their home and charged with race-rigging and possession of drugs. Ryan Dailey is an assistant trainer at Seldon Ledford Stables and Ardena Dailey is a stable employee. Also arrested in connection with the case was veterinarian John R. Witmer of Freehold. He was charged with conspiracy to rig a publicly exhibited contest. Statistics discovered during the State's investigation showed that horses joining the Ledford stables – even those with well-established performance records – often posted dramatically improved race times within a few days of their arrival. Horses under Ledford usually improved their race times between one and two seconds, which translates to between five and 10 lengths of a horse.





### National Racing Compact—

The Racing Commission is integrally involved in horse-racing-related matters at the national level. In addition to active participation in national horse racing organizations, New Jersey became a full member in 2006 of the National Racing Compact. The Compact is a multi-jurisdictional government agency that processes license applications and fingerprint checks for horsemen throughout the nation who plan to race in several jurisdictions. Racing Commission staff members are involved with several Compact committees, including one focused on license application review for problematic candidates. Also, the Racing Commission adopted rules in 2006 that create conformity with most national medication standards as part of a nationwide effort to standardized race horse medication thresholds, as well as lists of banned substances.

### Digital Photo Licensing—

As the result of a cooperative effort involving the Department of Law and Public Safety's Information Technology group, Consolidated Administrative Support Services staff and Racing Commission personnel, the state was able to introduce a new Digital Photo License System in 2006 that streamlines, and reduces the cost of, the process of issuing license badges.

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# Division of Alcoholic Beverage Control

The Division of Alcoholic Beverage Control's mission is to protect the public's health, safety and welfare by strictly regulating how alcoholic beverages are sold and by fostering moderation and responsibility in alcohol consumption. The Division fulfills its purpose by regulating and licensing the manufacture, distribution, sale and transportation of all alcoholic beverages within the state. Essential to the state's control of the liquor industry is the concept that licensees are granted a privilege to sell alcoholic beverages and that this privilege may be forfeited for any violation of the alcoholic beverage law or regulations. If a licensee violates any law or regulation, the Director may suspend or revoke the license or impose a fine and/or any other appropriate condition on the license.

Retail licenses are generally issued by the city or town where the business is located, although the Division may issue a retail license in certain circumstances. Both the municipal issuing authority and the State ABC have concurrent jurisdiction to investigate and prosecute violations by retail licensees.

The issuance of new licenses as well as transfers and renewals of existing ones must be approved by the municipal issuing authority and then sent to the Division where the information is processed. The ABC is the official repository for license ownership information. The Division is the sole issuing authority for manufacturing and wholesale licenses and for a variety of special permits for various charitable and business-related events. There are approximately 9,500 separate ABC licenses and more than 26,000 permits and insignia issued.



## Highlights for 2006

### Underage Drinking—

The Division's number one priority continues to be combating underage drinking. The agency worked to accomplish this through a comprehensive plan that includes both law enforcement and public awareness and education programs. Highlights of this plan include:

### Cops in Shops—

In 1996, the Division launched a state-wide initiative, known as Cops in Shops, to curtail underage drinking. The program brings undercover law enforcement officers and local retail establishments together in a partnership designed to deter the sale of alcohol to underage individuals and stop adults from attempting to purchase alcohol for people under the legal age. To further deter young people from attempting to purchase alcohol, participating retail establishments display posters on doors and throughout the store and place stickers on cold cases, warning that an undercover officer may be on the premises.

Originally implemented in a handful of towns with significant numbers of college-age students in the fall and in resort areas with large influxes of young people in the summer months, the program's unprecedented success has resulted in a demand from jurisdictions around the State to expand the program. To date, more than 200 towns have been trained to run a Cops in Shops program.

Arrest numbers since the program's inception reinforce not only the effort's success but the difference it has made in the public safety. To date, approximately 6,300 individuals have been arrested through the Cops in Shops program. Approximately 240 arrests were made, with 304 separate offenses charged, in the summer of 2006 under the annual Shore initiative funded through a grant from the State Division of Highway Traffic Safety. The college town Cops in Shops program, run during the fall/winter of 2005-2006 and also funded by a grant from the Division of Highway Traffic Safety, resulted in 93 arrests, with 124 separate offenses charged.

### Compliance Checks—

Working with local police departments and County Prosecutors' Offices, the Division is running year-round compliance checks in licensed establishments that typically attract younger patrons. Police officers, ABC investigators and prosecutors conduct operations identifying the underage purchasers, as well as those that sell to them.

### Package Store Training Video—

In 2006, the Division produced a 20-minute training video designed to assist package store owners identify potential underage individuals attempting to purchase alcohol. A companion video to the server training video produced two years ago, this new effort will offer detailed information to help liquor store owners and their employees prevent the sales of alcohol to persons under the age of 21.

### “Dangers of Underage Drinking” 2007 Billboard and Calendar Competition—

A cooperative effort between the Division of Alcoholic Beverage Control and the Partnership for a Drug-Free New Jersey, this state-wide initiative is designed to encourage middle school students and their parents to work together to create billboard and calendar messages with the theme ADangers of Alcohol.

The 2006-2007 program produced more than 2,000 entries statewide for the 2007 calendar. Thirteen winning messages, selected from the submissions, are chosen each year and are featured on a calendar that is distributed to all middle schools. The grand prize winning message is reproduced on highway billboards throughout the state. Additionally, the 2006 calendar was recognized with an award of excellence from the New Jersey Advertising Club.

### Enhancing Relationships with Prevention Organizations—

The Division continued in 2006 to foster working relationships with substance abuse and prevention organizations throughout the state. Specifically, the Division continued working with the Childhood Drinking Coalition, an organization comprised of government, prevention, law enforcement and edu-



cation representatives. ABC representatives also worked with the Governor's Counsel on Alcoholism and Drug Abuse, and served on the counsel's Alliance Sub-Committee. The Division also supported the national Town Hall Meeting initiative, organized by the State's Division of Addiction Services.

### Higher Education Consortium Training—

The Division has continued to work with the Higher Education Consortium on providing training workshops and conferences for college educators, prevention specialists, and the law enforcement community on the latest approaches to combating underage drinking in and around the college campus.

In 2006, a symposium was held on alcohol issues and challenges in higher education. The intent of this symposium was to train college prevention teams, including residence life, law enforcement, judicial affairs, and alcohol and substance abuse prevention specialists, to prevent and intervene effectively with alcohol and other drug related incidents on campus, in residence halls, and in surrounding communities. More than 150 attendees representing 22 colleges attended two sessions, one in the northern and one in the southern region of the state. Additionally, a third program was held for community college representatives.

## Regulatory Efforts

Recognizing that the Division plays a critical role in ensuring the public's health, safety and welfare, the agency set forth the following regulatory efforts to enhance the quality of life in every municipality:

### ABC Advisory Committee—

Comprised of representatives from the alcoholic beverage industry, the committee was reconstituted in 2006 and charged with discussing and analyzing various ABC issues impacting government, the industry and the public. The committee also makes recommendations to the Director on proposed regulations and policy issues.

### Municipal Appeals—

The Division also acts as the appellate authority for any appeal that may be taken by a licensee or an interested party from any actions by the local issuing authority. In 2006, the agency rendered 567 rulings on petitions filed by licensees for permission to renew their licenses under special circumstances. The Division received 96 appeals related to licensing actions by municipalities. Additionally, 105 contested matters pending in the Office of Administrative Law were also monitored, and 69 cases were closed.

### Enhanced Agency Hearing Procedures—

During the past six years, the Division has continued its efforts to become more responsive to community concerns regarding problem liquor licenses, specifically through enhanced hearing procedures. The in-house hearing process has been invigorated through an interim relief hearing by the Director before a matter is referred to the Office of Administrative Law for a full hearing, thereby ensuring that quality of life issues that indirectly impact residents are heard in a prompt and efficient manner.

## Significant Cases

### Direct Shipment of Wine—

Legislation was signed in August 2004 that eliminated the statutory provisions authorizing the direct shipment of alcoholic beverages by in-state wineries within New Jersey. Specifically, the new law eliminated the disparity between in-state and out-of-state companies without harming in-state licensees. The Division recommended this repeal in order to promote public safety and retain and preserve the benefits of New Jersey's three-tier system of distribution, which provides the most effective means of ensuring the safe distribution and sale of alcoholic beverages to New Jersey consumers. This system maintains trade stability and helps ensure physical control and access to sellers of alcoholic beverages for both regulation and enforcement purposes and prevents the distribution of adulterated or illegally obtained products.

Currently, the Division is defending a suit in federal court (*Freeman v. McGreevey*) that alleges New Jersey's existing system, even with the August 2004 legislative changes, violates the dormant commerce clause by discriminating against out-of-state wineries.

### Division of Alcoholic Beverage Control v. Maynard's Inc.—

On November 28, 2006, the Division argued an appeal from Maynard's Café before the New Jersey Supreme Court. The issue on appeal is: "Is a liquor licensee responsible for the acts of its employees if those acts are undertaken without the licensee's knowledge and participation, and in contravention to the licensee's instructions?" A decision is forthcoming.

### M.A.G. Entertainment—

The Division charged the licensee, M.A.G. Entertainment, with serving an intoxicated patron who subsequently caused a fatal motor vehicle accident. The Office of Administrative Law found the licensee guilty of the charge and recommended the liquor license be revoked. The ABC Director issued a Final Order and Conclusion affirming the OAL decision and ordered the license be revoked. The licensee has made a motion to reconsider to the Director.

### Lewd Statute—

Constitutional challenges to the Division's regulation prohibiting "lewdness or immoral activity" on licensed premises were completed in 2006. The first case was decided by the Third Circuit on July 18, 2006. In a precedential decision, *181 South v. Jerry Fischer*, 454 F3d 228 (3d Cir. 2006), the court affirmed a District Court opinion and held that the regulation is not overbroad, vague or otherwise in violation of federal constitutional guarantees of free expression. The licensee sought several rehearings, which were denied. The licensee's time for filing an appeal to the United States Supreme Court has expired.

### Service/Consumption of Alcohol by Underage Individuals—

Following are significant cases handled by the Division's Enforcement Bureau related to underage sales and consumption of alcohol. These cases were closed in 2006.

- **UHR, LLC, trading as Hooters:** The licensee was charged with 13 sales to persons under the legal age;
- **Jo Barb, Inc., trading as Platinum:** The licensee was charged with sales to 12 persons under the legal age, 2 narcotic transactions on the premises, and 2 paper violations;
- **Bamboo II, trading as Bamboo:** The licensee was charged with serving multiple underage patrons;

## Investigative Efforts

The Division's Investigations Bureau examined 3,385 matters involving the alcoholic beverage industry. Of those, 50 percent, or 1,719, were compliance inspections which noted in excess of 3,500 potential administrative violations. As part of the Division's commitment in reducing underage consumption of alcohol, the bureau conducted 36 operations targeting establishments catering to young customers. A total of 2,127 persons were "carded" for identification and 181 arrests for the sale, service and/or consumption of alcoholic beverages by underage persons were made during these enforcement actions. In addition to the criminal arrests, the cases were forwarded to the Division's Enforcement Bureau for review of administrative violations against the licensee.

The bureau strives to work closely with all levels of law enforcement, and conducted 11 training seminars for more than 400 law enforcement personnel and municipal clerks. An important component of the bureau's mission is to ensure that the unlicensed and unregulated sale of alcohol is identified and prosecuted. During this year, the bureau has conducted three criminal investigations of the sale of alcohol without a license resulting in three arrests, the posting of \$75,000 in cash bonds in lieu of forfeiture and the seizure of four stills. The latter was the first seizure of stills in over 40 years.



# Division of Highway Traffic Safety

The mission of the Division of Highway Traffic Safety is to reduce fatalities, injuries and property damage on the roads of New Jersey resulting from traffic crashes. To achieve its mission, the Division undertakes traffic safety programs relating to education, enforcement, and engineering. The bulk of the Division's funding comes from the federal government, through the National Highway Traffic Safety Administration. Funding received by the Division is used to undertake statewide traffic safety programs. It is also dispersed to local, county and state agencies in the form of traffic safety grants designed to support both educational and enforcement programs — programs designed to reduce traffic-related deaths and injuries. Additional information about the Division can be obtained at [www.njsaferoads.com](http://www.njsaferoads.com).



## Highlights

### 101 Days of Summer—

The boardwalk in Seaside Heights, Ocean County, served as a backdrop for the Division's "101 Days of Summer" kick-off event in May 2006. Hundreds of law enforcement and traffic safety professionals were in attendance as the Division announced two major summer traffic safety initiatives for 2006 — "Click It or Ticket" and "You Drink & Drive, You Lose." The event was widely-publicized by the media, serving to put the motoring public on notice of these important summer season enforcement campaigns.

### "You Drink & Drive, You Lose"—

Participating law enforcement agencies zeroed in on the problem of intoxicated drivers during a two-week crackdown on drinking and driving staged at the close of the 2006 summer season. Known as the "You Drink & Drive, You Lose" campaign, the effort began on August 18 and ended on September 4 — the close of the 2006 Labor Day holiday weekend. A total of 391 police participated in the initiative. Police made a total of 1,721 Driving While Intoxicated arrests during the two-week period — an increase over the 1,583 arrests made during the 2005 campaign. Overall, police issued nearly 70,000 summonses for all violations — moving and non-moving — during the 2006 campaign. Two major public events helped launch the "You Drink & Drive, You Lose" initiative. The first took place on August 18th in Times Square in New York City and featured appearances by law enforcement and traffic safety professionals from New Jersey, New York and Connecticut (the Tri-State Traffic Safety Partners.) A second event took place on August 25 in Upper Pittsgrove Township, Salem County. The event took place at the site where Navy Ensign John Elliott was killed by a drunk driver in 2000. John Elliott's death led to the creation, by his father William Elliott, of The Hero Campaign for Designated Drivers. The Division regularly works with the Hero Campaign on drunk-driving-related awareness efforts.

### "Click It or Ticket"—

The 2006 "Click It or Ticket" seat belt enforcement initiative resulted in the issuance of more than 56,000 seat belt summonses by participating police agencies. The initiative was preceded by a vigorous awareness campaign conducted via public events and advertising. Statewide, a total of 441 police agencies took part in "Click It or Ticket" — the largest number ever. Of the police agencies involved, 159 had received grants from the Division enabling them to participate, while 282 other departments used existing funds. The 2006 "Click It or Ticket" campaign ran from May 22 through June 4.

Prior to launch of the initiative, the New Jersey Institute of Technology (NJIT) determined through scientific surveys that seat belt usage in New Jersey was approximately 86-percent. NJIT conducted a post-event survey that showed the rate of seat belt compliance at 90 percent — a new statistical high. The increase documented in 2006 raised the bar for statewide seat belt compliance, and provided momentum for local and state law enforcement to maintain its seat belt vigilance year around.

### Speed Enforcement Pilot Project—

In 2006, the National Highway Traffic Safety Administration (NHTSA) requested that New Jersey take part in a Tri-State Speed Enforcement Campaign during the month of July that would serve as a national pilot project to reduce crashes caused by speeding drivers. Under the slogan "Obey the Signs or Pay the Fines," the Division focused its pilot program on four counties — Bergen, Essex, Hudson, and Passaic — to keep it manageable. Grant funding for the project was awarded to 37 of 122 police agencies within the four counties. Non-funded agencies were asked to participate and report their data to the Division. In all, 94 percent of police departments in the four counties participated.





Public awareness concerning the initiative was accomplished through public service announcements created by the Division, and aired via its contract with the New Jersey Broadcasters Association. By the end of July 2006, participating police agencies had issued a total of 6,357 speeding summonses. During the same 31-day period, a total of 26,894 summonses were written for all violations, moving and non-moving. It is hoped that, upon a final review of the pilot effort by NHTSA, the program will have proven successful in reducing average vehicle speeds, as well as speed-related crashes, injuries and deaths.

### **Pedestrian “Think Safety” Program—**

The Division launched a “Think Safety” pedestrian protection campaign in 2006 to address the increasing number of injuries that occur as Jersey Shore town populations swell during the summer tourism season and foot, bicycle and automobile traffic intensifies. In 2006, the Division provided a \$40,000 grant to the South Jersey Traffic Safety Alliance

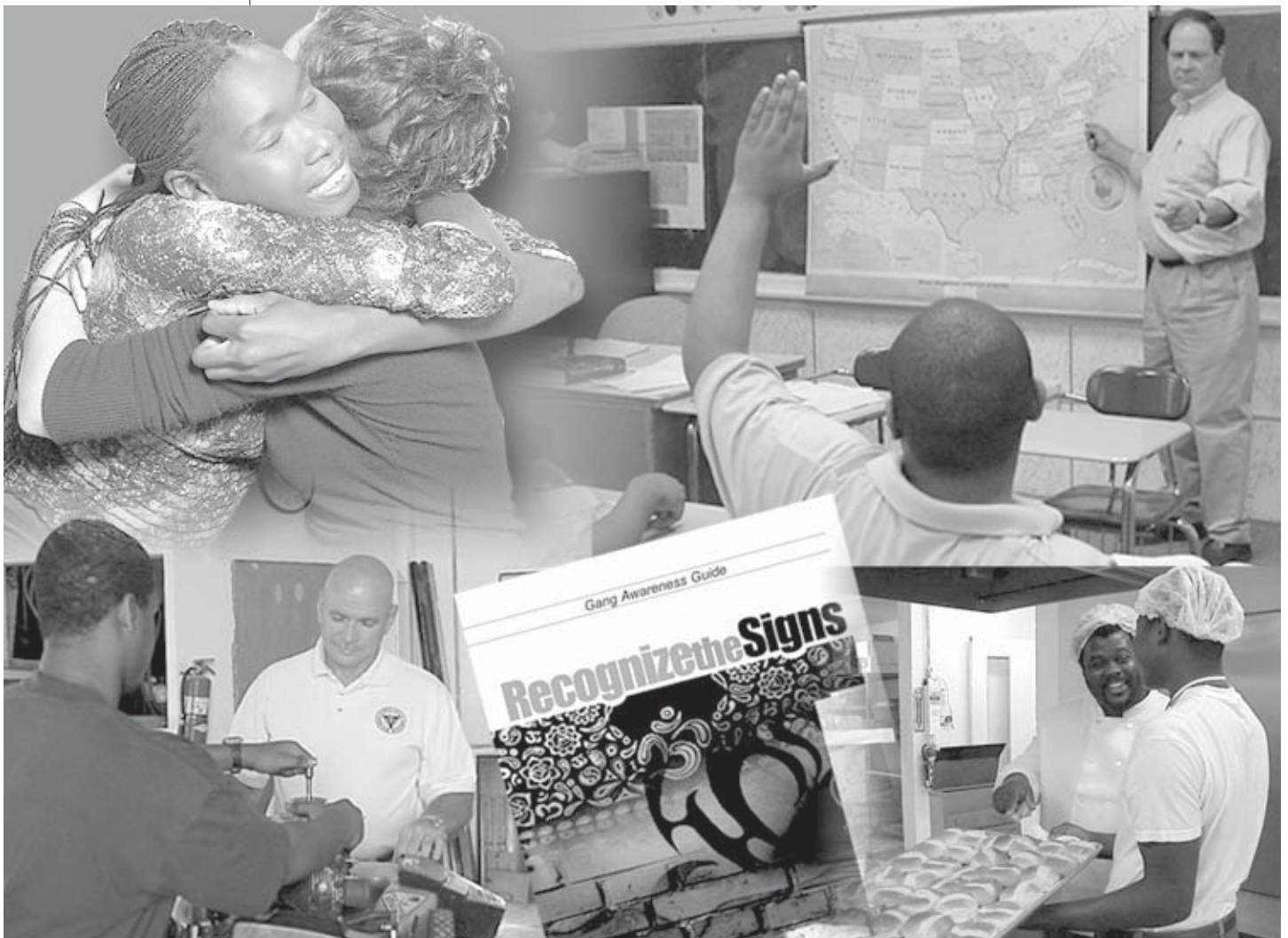
(SJ TSA) for a public information and awareness campaign targeting the shore-area pedestrian safety problem. The Alliance created public service announcements and had them conspicuously displayed on signs and posters, as well as on aerial banners towed from aircrafts. Working in concert with the Ocean City Police Department and the SJ TSA, the Division will be adding new elements to this continuing public safety project each summer. The goal with “Think Safety” is to build a program over several years that will be as identifiable – and demonstrably effective — as the “Click It or Ticket” seat belt initiative.

06



# Juvenile Justice Commission

Created by statute in 1995, the Juvenile Justice Commission is responsible for the care, custody and post-custodial supervision of juveniles committed to the agency by the courts. In a broader sense, the mission of the JJC is to foster public safety and reduce juvenile delinquency by holding young people accountable for their lawbreaking, providing them opportunities to grow and achieve positive change, and to promote their return to the community as productive, law-abiding citizens.



## Significant Initiatives

### Juvenile Detention Alternative Initiative (JDAI)—

Through its selection by the nationally-renowned Annie E. Casey Foundation as a model site for the foundation's Juvenile Detention Alternatives Initiative (JDAI), the JJC has significantly reduced the number of young offenders inappropriately confined in secure detention. Launched in 2004 as a pilot effort through a \$200,000 Casey Foundation grant, the JDAI was initially implemented in Atlantic, Camden, Essex and Monmouth counties. Soon afterward, Hudson County also implemented JDAI. The initiative has since been expanded to include Mercer and Union counties. By the end of 2007, a JDAI program is expected to be functioning in all 17 New Jersey counties that operate juvenile detention facilities.

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 to 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.)

While the JDAI effort is spearheaded by the JJC, it is founded on a collaborative approach involving stakeholders from the community, from various levels of law enforcement, and from the human services, juvenile justice and judicial arenas.

The success of JDAI in New Jersey was featured in the July 2006 issue of the Casey Foundation's nationally-read *JDAI Newsletter*. The JDAI continues to be supported through grants from the Baltimore-based Casey Foundation, and from the Governor's Juvenile Justice and Delinquency Prevention (JJDP) Committee.

### Expansion of PHOENIX Gang Intervention/Prevention Curriculum—

Developed with the mindset that gang involvement is an adolescent addiction, the PHOENIX Gang Intervention/Prevention Curriculum deals with the social and psychological issues underlying the addiction. In 2006, the JJC expanded the PHOENIX curriculum beyond JJC walls by collaborating with educators in the Newark, Trenton and Camden public school districts and training them in the program. In Camden, educators finished their PHOENIX-related training in September 2006, and books developed to support the curriculum were delivered in December. Ultimately, plans are to have the PHOENIX curriculum taught in 24 Camden city schools. Educators in Newark completed their PHOENIX training in November 2006 and, as of the first week of December, had begun teaching the PHOENIX curriculum to students in two elementary schools identified as the district's most gang-involved. Eventually, plans are to have the PHOENIX curriculum delivered in 54 Newark schools. In Trenton, educators completed their PHOENIX-related training in September 2006, and received the curriculum-based textbooks as of December. Ultimately, PHOENIX is expected to be taught in 21 Trenton schools.



### Transition of Life Skills & Leadership Academy/ Project USE—

In 2006, the JJC launched a plan to convert its Life Skills & Leadership Academy – historically a “boot camp” style program for young offenders moving toward parole – to use as a minimum security residential home for juveniles. As part of the initiative, the JJC’s Edison Prep Residential Community Home in Trenton was targeted for relocation to the former Life Skills and Leadership Academy site in Tabernacle, Burlington County. Edison Prep was established in 1991 as a partnership between the JJC and Project USE (Urban, Suburban Environments). The move from Trenton to the sprawling Tabernacle site was expected to enable Edison Prep, its partner Project USE, and the JJC to pioneer new and innovative programs in 2007 that would address the educational, social, therapeutic and recreational needs of young offenders. Specifically, the move was expected to increase the number of juveniles that could be housed in the Edison Prep/ Project USE program from 24 to 50, and to afford those 50 residents a chance to take part in experiences not previously available to them. The move of the Edison Prep/Project USE program to Tabernacle was expected to vacate the facility known as the Florence Crittenton House in Trenton. Phase three of the transition effort was scheduled to involve refurbishing of the Crittenton building to allow for the housing, beginning in 2007, of 24 young people in a transitional living arrangement. Those assigned to the Crittenton facility are young people preparing to return to their home communities, and have earned placement in the program. Under the program, JJC residents 18 or older participate in work initiatives run through a cooperative venture between JJC and the state Department of Treasury. For example, Treasury employs 11 young men trained at the State warehouse in Hamilton. Under this initia-

tive, young offenders are employed six hours each day working as furniture restorers, computer technicians and general warehouse helpers. The JJC 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. The goal is to help young people who have made wrong choices turn the corner, and take real steps toward positive change

### Suicide Prevention Initiative—

The JJC continued its efforts in 2006 to eliminate juvenile suicides in 2006 through development of the Suicide Prevention Handbook for Juvenile Justice Commission Facilities and Programs. The handbook incorporates recommended “best practices” and National Commission on Correctional Health Care standards for such critical issues as staff training, communication, intervention and housing and supervision of juveniles.

### Prison Rape Elimination Act—

In 2006, the JJC partnered with the Office of Juvenile Justice and Delinquency Prevention (OJJDP) to implement public law 108-79, otherwise known as the Prison Rape Elimination Act (PREA). Signed into law by the President in 2003, the federal legislation seeks to analyze and eradicate the prison rape problem in all juvenile and adult facilities. Working closely with the National Institute of Corrections and OJJDP, the Juvenile Justice Commission has appointed a compliance monitor to ensure its compliance with the law by inspecting facilities on a regular basis and by coordinating PREA-related awareness events. A multi-disciplinary group consisting of representatives from the JJC, numerous law enforcement agencies, child service agencies and others convened to discuss implementation of PREA.

## Juvenile Reentry Programs

The year 2006 was a busy and exciting one for the JJC's Juvenile Parole and Transitional Services (JPATS) unit, the unit responsible for overseeing reentry of juveniles to the community at large. Many challenges confront young people returning home following their commitment to the JJC. The JPATS unit is dedicated to working collaboratively with family members and community stakeholders to ensure that juveniles who are returning home have an opportunity to learn and grow, and to become productive, law-abiding citizens.

### Governor's Office Reentry Collaboration—

The JJC remained involved throughout 2006 in a collaborative reentry effort between the Governor's Office, the New Jersey Institute for Social Justice, the Department of Corrections and the New Jersey State Parole Board focused on reentry issues confronting both juvenile offenders and adult prisoners.

### Juvenile Justice Reentry Initiative (JJRI)/Serious and Violent Offender Reentry Initiative—

The U.S. Department of Justice's Serious and Violent Offender Reentry Initiative has provided funding for two model sites – Camden and Essex counties. In both locations, the JJRI secures post-release services for juvenile parolees who have been identified as serious and violent offenders — many of them involved with gangs, drugs and/or crimes involving drugs. In 2006, the JJRI Camden project continued to be a major focus of the Attorney General's Safer Cities Project in the city of Camden. In Essex County, the project continued in 2006 to be the product of collaborative effort involving the Police Institute of Rutgers University, the Essex County Youth Service Commission, Essex County Probation, local law enforcement and local social service agencies.

### Project Safe Neighborhood—

Project Safe Neighborhood involves a partnership between the JJC and the Mercer and Passaic vicinage probation offices, the Trenton and Paterson police departments and the Division of Criminal Justice. The various partners supervise high-risk probationers and parolees at their homes during “non-traditional” hours to ensure compliance with the conditions of parole and probation. The goal of the initiative is to reduce juvenile offenders' involvement with guns, drugs and street gangs.

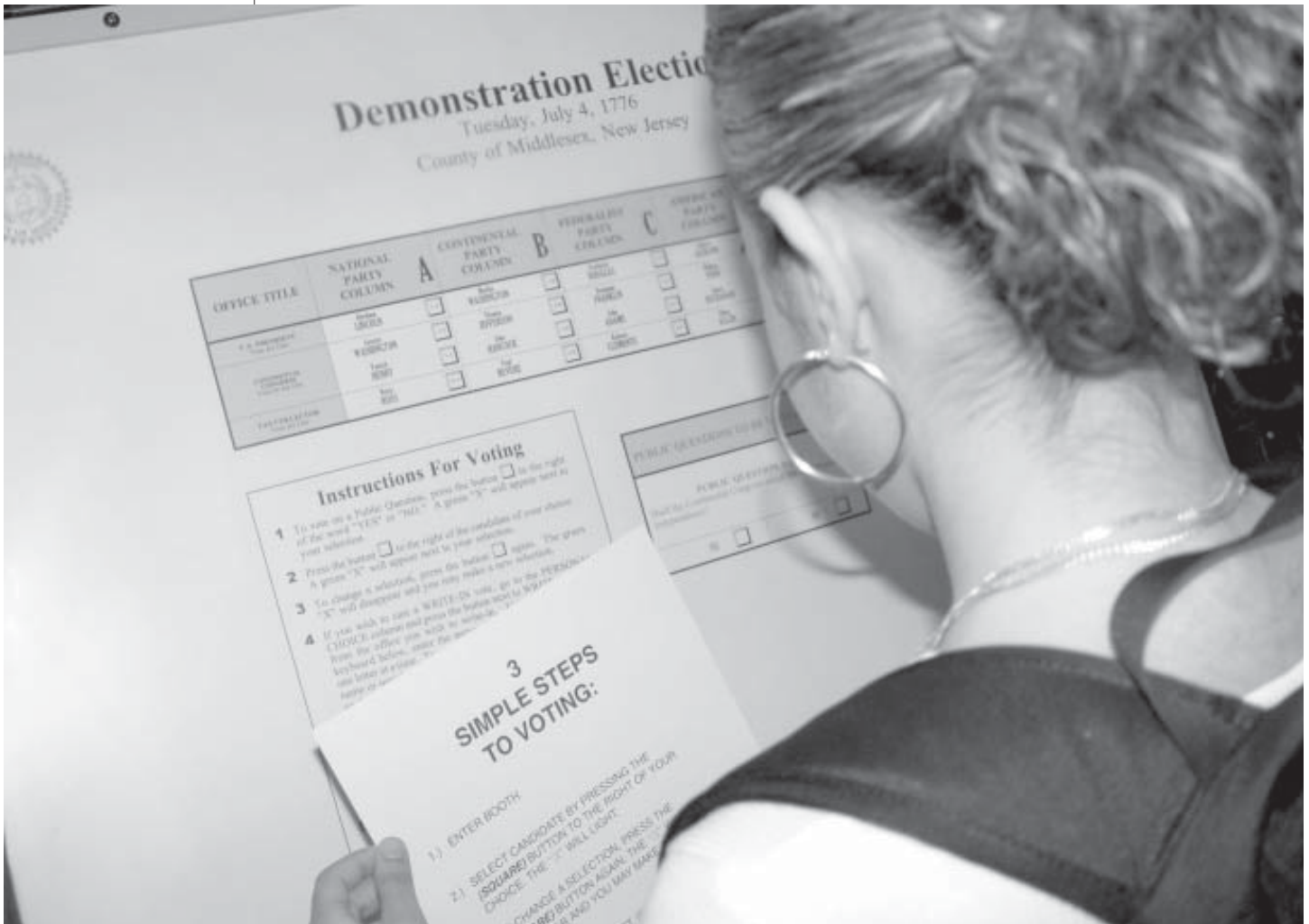
### Rubino Academy—

Residents of the JJC's Edison Prep Residential Community Home enrolled in the Rubino Academy while still attending Edison Prep. The Rubino Academy, an alternative school located at Mercer County Community College, provides juveniles with exposure to college life. Residents continue their enrollment at the Rubino Academy upon release to parole and work toward enrollment in Mercer County Community College.



# Division of Elections

Officially established in 1979, the Division of Elections is responsible for accepting all nominating petitions for statewide offices, inspecting and reviewing those petitions for validity, and managing the petition challenge process. The Division also certifies candidates for the primary and general elections, certifies election results, examines and certifies voting equipment and reviews the physical accessibility of polling sites. Other duties of the Division include the maintenance of election district maps and the provision of voter registration forms to the 21 county commissioners of registration. The Division also provides assistance to county-level election officials, county clerks and to the public on administrative matters pertaining to voting and the elections process. By law, the Attorney General is the State's Chief Election Official. Additional information about the Division of Elections is available by visiting [www.NJElections.org](http://www.NJElections.org).



## 2006 Highlights

### Notice of Proposed Re-Adoption of Election Rules—

Rules pertaining to the administration of elections in New Jersey were scheduled to expire in April 2006. That resulted in a proposal by the Division to re-adopt, with key-note amendments, the state's election rules. The amendments typically involved changing regulations in order to ensure compliance with the federal Help America Vote Act of 2002. Following the requisite public notification process prescribed by state statute, the proposed election rules and amendments were adopted in November 2006. The rules will have a positive impact on elections throughout New Jersey. Specifically, the rules address such concerns as the voter registration process, procedures for declaring party affiliation, and the deadline for submitting absentee ballot applications. The amendments also set forth guidelines pertaining to the accessibility of polling places for the disabled, and provide for creation of a "Voting Accessibility Advisory Committee" in each county. The responsibilities of the Voting Accessibility Advisory Committee include, but are not limited to, inspection of all polling places, reporting to the Attorney General on the status of polling place accessibility in their counties and what measures will be undertaken to ensure compliance with the mandates of the Americans With Disabilities Act of 1990.

### Chronological Elections Guide—

The Division made available in 2006 a new, expanded edition of the New Jersey Chronological Elections Guide. The Chronological Elections Guide sets forth important deadlines for the major elections held in New Jersey. Those elections include the annual school board elections held in April, the municipal elections held in certain non-partisan municipalities in May, the primary elections held in June, and the general elections held in November.

In addition to a schedule of key election dates, the Chronological Elections Guide contains an outline of the specific duties of New Jersey's various election officials, and includes informative sections regarding school board and non-partisan municipal elections. The guide also includes congressional and legislative district maps to familiarize the reader with voting districts statewide, as well as a glossary of election terms and other useful information. The Chronological Elections Guide is available in both English and Spanish language version by visiting the Division of Elections Web site at [www.NJElections.org](http://www.NJElections.org). Printed copies are also available by mail and can be requested by calling the Division of Elections at (609) 292-3760.

### Compilation of Birth Date Data for Statewide Voter System—

The Division, working in conjunction with the Attorney General's HAVA Unit, continued in 2006 with tasks related to implementation of the Statewide Voter Registration System. Specifically, the Division undertook the job of soliciting and processing updated birth date information to ensure proper maintenance of voter records as required under the Help America Vote Act. The information regarding birth dates for registered voters was made a requirement following enactment of the Help America Vote Act. Prior to its enactment, birth date information was not required. In all, Division of Elections staff processed 445,000 birth date responses from voters in 2006. Processing included reviewing the materials submitted, scanning the information and forwarding it to the appropriate county Commissioner of Registration so that the individual's official voting record could be updated.



**Division of  
Elections**

