

# The Star-Ledger

**Republicans say newsletter should focus on programs, not politicians**

Sunday, July 23, 2006

BY JOE RYAN

Star-Ledger Staff

Before each election, a publicly funded, nonprofit corporation called the Union County Alliance publishes a newsletter, packed with smiling politicians.

The latest edition arrived at every Union County household days before last month's primary, featuring front-page photographs of Linden Mayor John Gregorio, Rahway Mayor James Kennedy and three county freeholders.

All of them are Democrats. All are up for re-election.

The alliance is headed by Michael Murray, Union County's former director of public information, and receives more than \$250,000 annually from the all-Democratic county freeholder board. Each time the newsletter prints, local Republicans condemn it as Democratic campaign literature, subsidized by taxpayers.

"It's free advertising for their candidates," said Patricia Quattrocchi, a former GOP freeholder candidate.

For years, local Republicans have accused Democrats of taking advantage of their control over county government to win elections. They argue that by strategically featuring candidates in taxpayer-funded literature promoting programs and services, Democrats give themselves an unfair edge at the polls.

Democrats retort that publicity is the natural benefit of incumbency. They argue the programs touted through publications like The alliance's newsletter are administered by Democrats, and Democrats have every right to take credit.

"If the Republicans don't like it, they have to start winning elections," said state Sen. Raymond J. Lesniak, Union County's highest ranking Democrat.

Last fall, Union County Republicans asked state officials to investigate whether Democrats violated campaign finance law by not reporting several publicly funded publications and broadcasts as political donations. A spokesman for the State Election Law Enforcement Commission declined to comment on the status of the request, citing agency policy.

The GOP complaint targeted a brochure and television commercial promoting county health programs and featured a freeholder up for re-election.

The complaint also cited the alliance newsletter.

The alliance was founded in 1994 as a bipartisan organization to promote local economic development. The corporation still boasts both Democrats and Republicans on its board and is registered as a tax-exempt, 501(c)(4), organization, which allows it to engage in political activity.

Nevertheless, Murray maintains the organization and its newsletter are not political.

"My goal is not to promote freeholders. My goal is to let as many people who live in Union County know about what services are available to them," Murray said.

Union County provides the alliance with roughly 80 percent of its \$300,000 annual budget. Freeholders also grant Murray use of a county-owned 2002 Ford Explorer. Kean University provides offices for the alliance's three staff members.

Murray said the newsletter supports itself via advertisements from businesses and organizations including Trinitas Hospital and Conoco Phillips. Roughly half of the ads in the current edition came from Union County government agencies or Urban Enterprise Zone funds from Elizabeth, Linden and Hillside, all Democratic strongholds.

The newsletter is a full-color, 24-page ode to county government, highlighting senior programs, summer concerts and ribbon cuttings. It is devoid of overt campaign pitches and thick with features about programs, services and columns penned by Democratic and Republican politicians.

Among Republicans' chief complaint is Directions' timing.

Murray contends the newsletter is scheduled to arrive during peak spring and fall marketing seasons, saying it is difficult to grab readers' attention during the summer and holidays.

That it regularly arrives weeks or days before primary and general elections is coincidental, he said.

"This publication is not timed with any election cycle at all," Murray said, adding that the fall 2005 Directions debuted more than 30 days before the general election.

State Sen. Tom Kean Jr. is an honorary co-chair of the alliance. He maintained the organization is not political, but said the newsletter's timing was troubling.

"I certainly think the publication dates of Directions should be moved to remove even the appearance of political purpose," Kean said.

Local GOP leaders, meanwhile, criticize the publication for its prominent photographs of campaigning Democrats.

"The thing speaks for itself, especially when you look at it over time," said Philip Morin, Union County Republican chairman.

The fall 2005 Directions featured a front-page photograph of a freeholder up for re-election. The previous fall, the front page featured two campaigning freeholders and Sheriff Ralph Froehlich, who was also up for re-election.

Murray contends the trend is, again, coincidental.

Yes, the mayors and freeholders pictured on the recent cover are up for re-election, Murray said. But, he added, none of them faced stiff competition in last month's primary.

If Directions were a political tool, Murray said, it would focus on Democrats running in heated races.

Besides, Murray said, every state legislator representing Union County -- whether Democrat and Republican -- is invited to submit a column, which runs in Directions unedited.

Charlotte DeFilippo, Union County Democratic chair, said the GOP's complaints about Directions being political were merely jealous prattle.

"If the Republicans were in charge, they would do no less and probably more. They are simply being crybabies," she said.

State Assemblyman Jon Bramnick (R-Union) was among the Republicans with a column in the recent Directions. Nevertheless, he, too, said he was concerned about publication's politics.

"If the purpose is to feature programs," Bramnick said, "then why feature all the politicians?"



# UNION COUNTY LOCALSOURCE

THURSDAY, SEPTEMBER 15, 2011

LOCALSOURCE.COM

## Candidates call for investigation of UCA

By Cheryl Hehl  
Staff Writer

With several Union County Freeholder seats up for grabs this November, two Republican challengers are calling for a state investigation into the Union County Alliance, which is funded by the Democratic freeholders.

GOP freeholder candidates Andrew Smith and Edward Ortiz called for the investigation citing a series of investigative articles by *Union County LocalSource* that revealed numerous improprieties in the non-profit, county funded organization's tax returns.

Specifically, the candidates are concerned that the UCA spends \$322,125 of taxpayers' money allotted to them at the freeholder's reorganization meeting in January with no oversight.

"The only two people reportedly on staff for the UCA are the sister-in-law of Freeholder Dan Sullivan and the former county communications director," said Smith, adding these two employees were not even making an appearance at the UCA's rented office space even though they were making in excess of \$150,000 in salary.

In an Aug. 18 investigative article, *LocalSource* revealed there were numerous inconsistencies in

cash flow reported in the 2009-2010 tax returns filed by the UCA, which quickly were revised by UCA President Michael Murray when the story appeared.

The candidates note that the millions the UCA has received in taxpayer dollars to publish two politically focused newspapers annually warrants investigation.

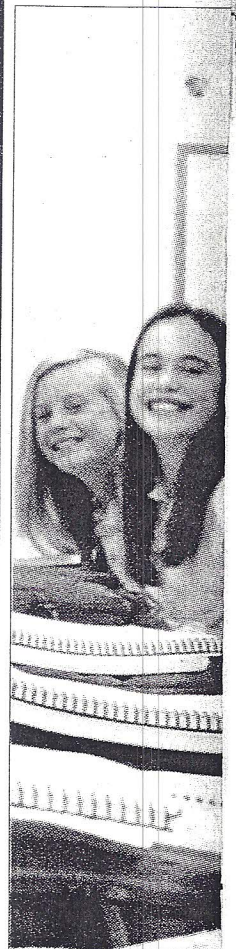
"We have long known that the only real purpose of these taxpayer funded newspapers is to laud the supposed accomplishments of the freeholders under the guise of objective news right before the primary and general elections," Smith said, adding "it appears now that the taxpayer abuse may go even deeper than just taxpayer funded politics."

Smith and Ortiz said investigations by the state comptroller as well as the Department of Community Affairs "are long overdue."

"I would hope the freeholder board would join us in demanding such an investigation," Smith added, pointing out that "if there is nothing to hide, then they shouldn't have any problem having the comptroller and DCS look into this issue."

The candidates went on to say that any investigation by the county "would be nothing more than the fox watching the henhouse."

### Back to



Oak Knoll sixth graders, Katie Denehy, Katie through teach Oak Knoll Sch



## Inside Views

### What is going on here?

Hardly a day has gone by this summer without a new revelation coming out about mismanagement and corruption in Union County. Many of the disclosures have been initiated by the Union County Watchdog Association which for years has used Open Public Records Act (OPRA) requests to track county government operations.

The Union County newspaper, *LocalSource*, also has done substantial reporting uncovering practices by the county government I am sure they would prefer not be brought to light. Both these organizations are to be commended for their tireless efforts.

At the core of this summer's revelations is the serious misuse of public funds. Like all groups that are too long in power, the Democrats who control county government have become sloppy and arrogant. Since they are the law, they have become above the law.

Back in the mid-1990s an organization called the Union County Alliance was formed to organize business, labor, government and education to support port dredging. It was successful. Yet instead of disbanding after its success, Union County Alliance started looking for other things to do. To do so the Alliance needed money and so it sold its soul to the devil in the guise of the county government.

There is a rule in life: When someone gives you money, they get to tell you what to do with the money. Over the years the Union County Board of Chosen Freeholders started having the Alliance do more and more things of a questionable nature, mainly involving promoting the Freeholders reelection prospects. It has been a nice racket. Funnel public money to a nonprofit that is now off the books and then use that money for campaigning.

But what the *LocalSource* discovered was even more compelling. It looks like the Alliance has become some kind of slush fund. According to their research, huge amounts of money are being funneled into "travel" and "conferences" and some nebulous category called "other." Funds also are being used for a no-show job for a Freeholder relative and a low-show job for an ex-county employee. Several million dollars of public funds have been transferred to the Alliance and yet there is little to show for it except a couple papers that are mailed right before the elections.

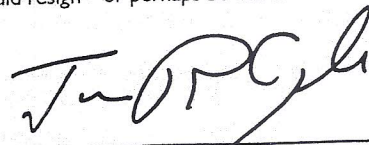
And it doesn't stop there. Over the years the Freeholders also have spent millions of dollars on an annual music festival. Other than a good time for those who attend, the value to the county has always been hard to justify. By hiding the cost, however, the county has been able for many years to downplay the significance of the event.

The Union County Watchdog Association refused to be diverted from discovering the full cost of the event and finally the New Jersey Attorney General and the Union County Prosecutor agreed that there were sufficient grounds to investigate MusicFest. Recently the prosecutor's office released a scathing report on the mismanagement of the event in 2010.

Among the prosecutor's discoveries were that transfers were made to vendors without proper documentation; that no accounting was set up for the cash collected at the event; that the small amount of cash that was collected was handled improperly; and that county employees were forced to work on behalf of a Denver-based charity and were paid overtime for doing so – both a clear violation. And this was only for last year.

The *LocalSource* also discovered that the Denver-based charity that received the proceeds from the event, Love Hope Strength, has used the funds in a questionable manner. Most of the money it collects for charity is used for its own operations such as trips to Nepal and Kenya and Peru. And of course there is a Union County tie-in – the former county manager is on their board of directors.

This same county manager resigned suddenly at the end of July just before all these stories broke. Perhaps he is not the only one who should resign – or perhaps be indicted.



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## INSIDE BUSINESS

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# Paper trail of Union County Alliance can be very 'taxing'

• Posted by

on August 18, 2011 at 12:00pm

By Cheryl Hehl, Staff Writer

For nearly two decades the county pumped million of tax dollars into the non-profit corporation Union County Alliance with little or no oversight on their part.

In the Aug. 4 edition, Union County LocalSource delved into \$322,125 of taxpayers' money allotted to them at the Union County Freeholder's reorganization meeting in early January.

But while the UCA, classified as a 501-C4 independent non-profit organization, acts as a vendor for the county, and is contracted to perform certain functions for the taxpayer dollars it receives, there are inconsistencies in where money is spent.



There are only two people working for the UCA: President Michael Murray, who makes \$115,861 a year, and office manager Michelle Sullivan, who is married to Joseph Sullivan, the brother of Union County Freeholder Daniel Sullivan. Sullivan, who has worked for the UCA since 1994, earns \$50,825 annually as the office manager. Murray is Union County's former director of communications.

The UCA produces two newspapers per year called Union County Directions. One is published in the spring prior to the primary and the other in September. They are direct mailed to 200,000 county residents.

The publications are primarily focused on Union County freeholder accomplishments countywide. The freeholder board has been unanimously comprised of Democrats since 1998. The newspaper has also spotlighted other political allies, such as fellow Democratic Senator Raymond Lesniak, one of the founders of the UCA in 1993.



There is an occasional, but rare, column from a noteworthy Republican and several GOP members on the 45-member UCA board of directors. It should be noted that while the UCA publishes a listing of the board of directors on its website, it is from 2004 and many of those on the list are no longer board members. Some are deceased.

In addition., prior to this past weekend, the website had not been updated since 2004.

Over the weekend, Murray updated the home page of the website. He did not update the board of directors page, the timeline or the priorities, all of which are dated 2004.

In the past, local Republicans have accused the Democratic freeholder stronghold of funneling taxpayer dollars into the UCA. In fact, in 2005 the Union County Republicans asked state officials to investigate whether Democrats violated the campaign finance law by not reporting several publically funded publications. It is unclear when or if these issues were ever resolved by the state at press time.

The UCA, in addition to publishing the two newspapers a year, is tasked with performing non-specific economic development and long-range planning for the county. Whether they do or not remains clouded despite repeated efforts to discover specific ongoing projects.

Prior to the first article about the UCA, Murray was unable to be specific about projects or functions tackled in the past two years. But, on Monday the UCA president did say he has been working on the 2010 census data to determine immigration patterns in Union County.

Also unclear is why the county, in August, approved an additional \$29,000 for newspaper production costs even though Murray indicated two weeks ago that approximately \$108,000 of the \$322,125 is allocated to produce and mail the two publications to 200,000 county residents.

In addition, the UCA maintains a rented office at 1275 Westfield Ave. in Rahway. Upon visiting, no one, not even Sullivan, who is the office manager, occupied the space.

In the last three weeks, on multiple occasions and at various times during the day, there was no one manning the office and the door was locked. Calls to the office were picked up by an answering machine but there was no message identifying the UCA until this week.

There also were inconsistencies when it came to the UCA's financial records.

A copy of the UCA's 2009 tax return showed expenditures totaling \$492,416. Among the expenditures included on this tax form, was \$103,315 for "conferences, conventions and meetings."

On Friday, Murray was left a message asking him to explain this expenditure in detail. On Monday, the UCA president claimed the 2009 tax form was filed incorrectly.

"That's my fault. That's something I should have picked up. I signed the tax return without looking at it," the UCA president said Monday, pointing out that this number was considerably less. He also said that over the weekend the 2009 tax return had been amended and sent to the IRS.

Murray supplied the 2009 amended tax return, which not only reduced the amount spent on conferences, conventions and meetings to \$11,599, but also the total amount spent for 2009 to \$481,181, or \$11,235 less than on the original tax return.

The balance of the initial allocation for conferences, conventions and meetings, or \$80,481 after deductions, was divided into other expenses on the amended tax form.

For example, on the original tax return, there was no employee benefit expense but in the amended version \$22,000 was inserted, along with \$18,209 in payroll taxes, as opposed to \$19,326 on the first filing.

The UCA also made other changes, including "paying back the county \$15,000," according to Murray. He said he did not know as to why that money was returned or when.

Other changes made were in the "other" category which increased from \$39,061 to \$61,061. The UCA president could not explain what "other" was, or why the number had increased significantly in the amended tax return for 2009.

The UCA has also begun expanding their projects to include putting seven issues of their newspaper online in 2011 at \_\_\_\_\_, four of which are available now. The project is slated to increase to 10 online issues in 2012, along with the two per-year mailed home. And in the first week of September, according to Murray, another issue of the newspaper will arrive in the mailboxes of all Union County residents at a taxpayer cost of approximately \$54,000.



# \$322,125 in taxes spent on ... what?

- Posted by [Union County LocalSource](#) on August 3, 2011 at 12:00pm

## *Union County Alliance receives over \$300K, but taxpayers left in the dark on where it goes*

By Cheryl Hehl, *Staff Writer*

The Open Public Records Act requires most entities to report how government money is being spent. For non-profit companies, however, funds generated through taxpayer's pockets' can be spent completely in the dark.

At the county's annual reorganization meeting in January, the board of freeholders approved a \$322,125 contract with The Union County Alliance Inc. to produce two newspapers a year and do non-specific economic development and long-range planning for them.

Efforts to uncover how this money is spent, though, can prove quite difficult. The UCA is classified as a 501-C4 independent non-profit organization. A classification that also permits them to lobby.

Unlike other public entities, organizations classified as non-profit are not required through the Open Public Records Act to provide financial or budget information.

Although this organization receives significantly more than a quarter million taxpayer dollars every year, they are not easily found via phone or the internet.

Telephone calls to the UCA revealed no way of knowing if the UCA had been reached or not. A recording repeated back the telephone number, but callers were not invited to leave a message. The UCA also has no website.

In fact, no information about the UCA is readily available anywhere, other than what was gleaned from interviewing Union County Communications Director Sebastian D'Elia and Union County Alliance President Michael Murray.

Murray, who prior to D'Elia was communications director for the county, explained that the UCA assists the county with long-range planning efforts in addition to producing the bi-annual tab-sized newspaper, Union County Directions.

The 20-page publication, which comes out in the spring and fall, is direct mailed to 200,000 county residents twice a year, according to Murray, and can be accessed through the county website homepage.

According to D'Elia, the county has been contracting with the UCA since 1994, the year it was formed, and has continued to do so every year. He also pointed out that the non-profit organization provides many services in addition to the bi-annual publication of Union County Directions.

"They do work to further our master plan to ensure we are on track and do long-range strategic planning," the communications director said. However, he could not name any projects the county specifically asked the UCA to do in 2011 or in the last several years.

D'Elia did mention that he believed the UCA was working on a project involving "long-range strategies involving the port."



Murray also was not specific about what else he was working on this year for the county, other than to say that he was involved in economic development projects to bring businesses into the county.

There was one project the UCA did undertake about five years ago for the Governmental Public Health Partnership, a mandated organization of municipal health officials in the county.

Murray said the state required the GPHP to find out what health needs there were throughout the county, a project that involved extensive surveying work.

Other projects in the past, he said, involved an Economic Development Report baseline study, which "set the stage for the next ten years in the county."

Although Murray had no projects on the radar this year, he was informative about the publication he produces twice a year.

"Because it provides information about the county and what they are doing, I know it is well received," the UCA president explained.

"That's what drives me, when I know people will read the fall edition of the paper and see that they can take the kids to MusicFest and Kids Kingdom for free," he added, pointing out that a family can have a great day and evening out for \$20.

Murray said the cost of producing each edition of the bi-annual publication, Union County Directions, which he writes himself, is approximately \$54,000, or \$108,000 annually. This includes printing and mailing.

Murray does all the interviewing and writing for the newspaper, which focuses on what the Democratic controlled freeholder board has accomplished or focused on.

For example, in the spring edition of Union County Directions, there were articles about the county hosting a shared services summit for municipal officials, Union County College's first female president, interviews with two new freeholders, a column from county manager George Devanney and articles about Kean College.

There also were a significant number of ads from Kean college, which D'Elia verified were paid advertisements to the UCA.

Because the UCA does not have to publically report how money received from the county is spent, it is unclear where the remaining \$214,125 is spent or what salary Murray receives. It is also unclear how much of the newspaper's cost is offset by the advertising.