

Attorney General Jeffrey S. Chiesa
Law & Public Safety Budget Remarks
Senate Budget and Appropriations Committee Hearing
1 p.m. Monday, April 22, 2013
Committee Room 4, State House Annex
Trenton, N.J.

- Thank you, Chairman Sarlo, Vice-Chairman Stack and members of the Senate Budget and Appropriations Committee.
- It is my pleasure to be here this afternoon, and to have the opportunity to address the Committee.
- The last time I appeared before you, I had served as Attorney General for three-and-a-half months.
- At the time, I recognized the broad-based nature of the Department's mandate, but was still immersing myself in many of the details.
- One year later, I have a much fuller appreciation for the vast scope of the Department's mission, and the impact it has on our state.

- Today I welcome the chance to discuss with you our Department's proposed budget, and the work we do each day on behalf of New Jersey citizens.
- As you know, the department has a unique dual role.
- We serve both as the State's chief law enforcement agency, and as chief provider of legal advice and representation to State government.
- Our mission is indeed broad-based, and includes everything from safeguarding consumers and ensuring the integrity of New Jersey's casino gaming industry, to combating insurance fraud and – most critically -- protecting our citizens from such threats as terrorism, gang activity, drug dealing, human trafficking, child pornography, gun violence and other crime.
- But our mission does not end there.

- The department also is responsible for protecting motorists and pedestrians, preserving civil rights, regulating the sale of alcoholic beverages, and helping young people who've become involved with the juvenile justice system to become productive, law-abiding citizens.
- Our mission further includes patrolling New Jersey's waterways, ensuring the integrity of the horse racing industry, overseeing contractors and licensed professionals, and – as was underscored last October, when Superstorm Sandy wreaked havoc across the state -- leading New Jersey's disaster response efforts.
- We live in a state that is home to 8 million people, and which welcomes millions more each day to travel, work, study, and vacation here.
- It is not a stretch to say that, in one way or another, our department's work has the potential to touch all of these lives.
- That is a significant responsibility, and one I'm proud to say we approach with the utmost dedication and professionalism.

- However, we could not succeed on our own.
- The Governor's support of the Department has been a crucial element in our success, as has this Committee's strong support.
- Today, I want to publicly thank Governor Christie, as well as this Committee, for ensuring that we have the annual resources needed to do our job.
- Of course, we're always setting the bar higher and striving to do more.
- At the Department of Law and Public Safety, every aspect of our work is important.
- But priority one must be the safety of New Jersey residents.
- And the Department's proposed budget for the coming year supports that objective.

- Among other things, the budget provides for two new State Police classes – the 154th and 155th recruit classes – that will start in March and May of next year, respectively.
- More immediately, I'm pleased to report that we have two new State Police classes ready to launch this year – the 152nd and 153rd classes.
- The 152nd class actually begins today, and the 153rd will start in late June.
- The classes are scheduled to graduate in October and December of this year.
- Between this year's two classes and the two for next year supported by our proposed budget, we expect to add nearly 500 new Troopers by November of 2014.
- All of these graduates will be a welcome addition to the State Police ranks.

- Not only will they be important in protecting our citizens and building the State Police organization of the future ... we anticipate that they'll also help increase diversity within the State Police.
- As I mentioned when I testified a year ago, my office is committed to working with Col. Fuentes to develop a diverse State Police force – one that reflects the diverse New Jersey population it serves – while continuing to maintain the State Police as the nation's premier law enforcement agency.
- Today, I am pleased to report that we have made good on that commitment.
- The 152nd class is the most diverse State Police class in history.
- When the 152nd State Police Academy Class begins in a few days, it will include 23 African-American cadets (17 percent of the class), 33 Hispanic cadets (27 percent of the class) and 8 Asian cadets (6 percent of the class.)

- I'm also pleased to report that our proposed budget supports procurement of 250 new State Police vehicles.
- This replenishment of our State Police vehicle fleet is of critical importance -- both to the safety of our Troopers and the citizens they are sworn to protect.
- As you know, our State Police vehicles are put to rigorous use – often at emergency-response speeds.
- We can ill-afford to have them failing mechanically, or operating at less than peak performance, while our Troopers are out there responding to 911 calls, apprehending criminals and keeping motorists safe.
- The Department's proposed budget for Fiscal 2014 also supports the mission of our other Divisions and Commissions – each of them vital to the quality of life of New Jersey citizens.

- On a daily basis, our work makes communities safer, preserves the State's financial and environmental assets, protects children, demands integrity from businesses and licensed professionals, and otherwise ensures the well-being of New Jersey residents.
- Some examples:
- Our Division of Criminal Justice opened 120 new "gangs and organized crime" cases in 2012, filing charges against 285 alleged gang members, drug dealers and other dangerous offenders.
- Among others, we cracked down on violent drug rings operating in Camden, Perth Amboy and Paterson.
- The Division's efforts also resulted in a 20-year prison sentence for a man convicted of selling an AK-47 assault rifle and two handguns to an informant, and a five-year prison sentence for a former state Corrections Officer who smuggled drugs and pre-paid cell phones to inmates at Northern State Prison.

- These are just two of many successful prosecutions that made New Jersey residents safer by taking dangerous felons off the streets.
- In 2012, we filed 40 new public corruption cases, charging current and former public officials at every level with crimes related to the exploitation of their positions for personal gain.
- We also obtained many convictions or guilty pleas in 2012 as a result of public corruption prosecutions.
- Some of these corruption defendants accepted illegal cash payments and gifts.
- Some used public employees as a private labor force to improve their homes.
- And others stole or misappropriated tax dollars, or billed government agencies for fictional services.
- All of them betrayed the public trust.

- In 2012, our Division of Law attorneys obtained more than \$200 million in recoveries and judgments on behalf of the State – a significant increase over each of the previous two years.
- Settlements and judgments obtained by the Division included \$11 million from debt recovery litigation, \$61 million from environmental lawsuits, and more than \$100 million from lawsuits related to alleged consumer, securities and other fraud.
- At the same time the Division was recovering more money for the State through affirmative litigation, it was also paying out substantially less money as a result of lawsuits than in recent years.
- In 2012, lawsuits against the State resulted in payouts of approximately \$49 million – that’s a \$5 million decrease in State payouts compared with 2011, and a \$17 million decrease compared with two years ago.
- A variety of factors can influence these recovery and payout numbers.

- However, there is no question that the high caliber of legal work being done by our Division of Law attorneys is a significant part of the equation.
- And 2012 was not a one-off, as our Division of Law has already recovered tens of millions of dollars on behalf of New Jersey taxpayers so far in 2013.
- Our Division of Consumer Affairs launched the New Jersey Prescription Monitoring Program in 2012.
- As you may recall, the Prescription Monitoring Program involves a searchable database designed to “flag” the suspicious dispensing of prescription drugs classified as Controlled Dangerous Substances and Human Growth Hormone.
- Since its inception, nearly 9,000 individuals and entities have registered with the Monitoring Program, including approximately 7,000 medical professionals.

- The Program has been used repeatedly by the Division -- and by various law enforcement agencies -- to identify suspected cases of drug diversion, and has resulted in numerous arrests and prosecutions.
- Throughout 2012, we pursued a multi-pronged attack on child pornography and those who deal in it.
- On one hand, we conducted stings that resulted in the arrest and indictment of many offenders.
- At the same time, we worked closely with the Legislature on proposed reforms aimed at toughening penalties for child pornography possession and file-sharing offenses, and eliminating loopholes and “soft spots” in our criminal statute that, presently, can allow serious offenders to avoid serious punishment.
- In the interest of time, I can’t highlight all of our other important policy, prevention and enforcement efforts, but here are just a few other examples:
- Our Office of Insurance Fraud Prosecutor opened 463 new cases in 2012.

- OIFP also concluded many successful prosecutions -
- including a case in which two chiropractors were sentenced to seven-year prison terms for referring approximately 100 of their patients, fraudulently, for other services, and for failing to report a combined income of more than \$1 million.
- As part of their sentence, these two chiropractic partners were required to pay a total of \$200,000 in restitution to 15 insurance carriers. In addition, one defendant was ordered to pay more than \$240,000 in back taxes, penalties and interest to the Division of Taxation, while the other was ordered to pay more than \$71,000.
- Beginning early last year, we focused on making human trafficking, a horrific crime that exploits the young and vulnerable, a major priority.
- Last July, I issued a statewide Law Enforcement Directive designed to increase human trafficking investigations and prosecutions, identify and rescue human trafficking victims, provide comprehensive services to victims, and train police to recognize possible signs of human trafficking activity when investigating other crimes.

- We also formed a new Human Trafficking Unit within our Division of Criminal Justice, with additional staff assigned.
- The unit will increase our ability to perform proactive, long-term sex and labor trafficking investigations in conjunction with our law enforcement partners at the local, county, state and federal levels.
- In October of last year, detectives with this new unit – working with members of the FBI Human Trafficking Task Force in Atlantic City -- arrested a man in Ventnor, Atlantic County, on a first-degree charge of human trafficking.
- The suspect allegedly had been operating a male prostitution ring in which young men, including one or more minors, were being drugged, sold and sexually exploited.
- The Human Trafficking Unit also worked with our local and federal law enforcement partners to apprehend an Edison man accused of enslaving women in a high-priced prostitution ring – a ring that also engaged in other crimes, such as theft from clients.

- He was apprehended in Texas in February, and is currently being held here in New Jersey on \$1 million bail.
- Our Division of Highway Traffic Safety continued to make motorists, passengers and pedestrians safer in 2012, both through its own initiatives and by providing grant funding to local agencies.
- Traffic fatalities in New Jersey have declined six percent – from 627 two years ago to 590 last year – and I’m confident the Division’s efforts contributed to this welcome trend.
- One of the Division’s highest priorities continues to be distracted driving -- especially the very dangerous practice of texting while driving.
- As part of a continuing effort to prevent traffic deaths caused by texting, the Division has joined with the private sector and driving safety advocates in an awareness effort targeting teen-agers.

- Our Division on Civil Rights continued to protect the rights of our citizens by generating awareness of New Jersey's Law Against Discrimination, and by taking action against those who violated it in housing, the workplace, in places of public accommodation, and elsewhere.
- In 2012, the Division obtained more than \$2 million in settlement payouts on behalf of alleged discrimination victims.
- The Division also continued to sponsor a series of public forums throughout the state for veterans and active military personnel.
- These forums provided a chance for men and women who've served their country to learn their rights under the law, as well as their recourse if they believe those rights have been violated.
- Our Division of Gaming Enforcement continues to do an excellent job of ensuring the integrity of New Jersey's casinos -- an industry that generates more than \$3 billion in revenue annually, pays more than \$216 million in taxes, and employs nearly 34,000 people.

- The Division also continues to work in partnership with the Atlantic City Tourism District Commander, the Atlantic County Prosecutor's Office, the Atlantic City Police Department, the Casino Reinvestment Development Authority, and other partners in the state's "Clean & Safe" initiative in Atlantic City.
- In 2012, we deployed an additional 20 police officers for regular patrol duty in the Tourism District, creating an even stronger law enforcement presence on the Boardwalk and around the casinos.
- Through this beefed up police coverage -- and through special law enforcement initiatives, upgraded lighting and many other improvements -- we have seen a real difference.
- Our Division of Alcoholic Beverage Control continued to combat underage drinking through such programs as Cops in Shops, successfully oversaw the implementation of direct shipping of wine by New Jersey and out-of-state wineries and renewed more than 9,000 retail licenses, 800 wholesale licenses, 18,000 permits and 60,000 brand registrations.

- In addition, ABC made excellent progress in 2012 on a technology pilot program to a “paperless system” that will allow for an electronic application process, as well as monitoring and amending license information via the Internet.
- The system will also allow licensees to make payments on-line in a secure environment, and will have other capabilities as well. This is a major electronic infrastructure project that will be funded through monies collected by the Division – without the use of tax revenue.
- When complete, we believe this new system will be one of the most advanced Alcoholic Beverage Control regulatory systems in the country.
- In 2012 our Juvenile Justice Commission continued to serve as a model for the nation through its work with the courts and the community on JDAI or the “Juvenile Detention Alternatives Initiative.”
- As you may be aware, JDAI has allowed for the placement of thousands of young offenders – people who otherwise would be inappropriately incarcerated – in alternate settings while maintaining community safety.

- Since the launch of JDAI, New Jersey has substantially reduced the unnecessary detention of juvenile offenders in favor of alternative placements – placements more likely to foster successful outcomes.
- Meanwhile, detention alternative programs have shown high rates of success, with an average of just 3 percent of young offenders being removed from such programs for new delinquency charges.
- As you may recall, the sponsoring Annie E. Casey Foundation of Baltimore has named New Jersey a model state for JDAI and, since then, delegations from a number of other states have visited to study and learn from us firsthand.
- Recently, a delegation from the state of Nebraska visited. This summer, representatives from the states of Mississippi, South Dakota and Washington State are scheduled to be here.
- Clearly, the JDAI program is making a difference, and JJC’s efforts have been integral to that success, success that other states have recognized and would like to implement themselves.

- While I'm discussing JJC, I want to mention that, over the past four years, the Commission has closed or consolidated eight programs and ended nine leases, resulting in savings of \$1.7 million.
- That is the kind of cost-saving mindset we've embraced throughout the Department of Law and Public Safety.
- On a continuing basis, we examine such issues as procurement, staffing, equipment, technology and facilities to ensure optimal efficiency.
- By doing so, we've been able to hold the line on costs, while directing our resources into efforts that make a real difference.
- Speaking of making a difference, I'd like to briefly highlight two other Department efforts that began in 2012 and continue to have a significant impact today.
- The first of these is the Department's response to Superstorm Sandy.

- It's true that Sandy was a historic and devastating event.
- It's true that the property lost and the natural resources destroyed by the storm will take many years to restore.
- But it's also true that, as difficult as it is to imagine, Sandy could have been much, much worse.
- The fact that it wasn't is largely due to the leadership of Governor Christie, as well as the resolve and bravery of the people of New Jersey.
- However, it's also a credit to the hard work of many employees of the Department of Law and Public Safety, where our Sandy response efforts were led by the Office of Emergency Management within the New Jersey State Police.
- As the storm made landfall on October 29, many OEM planning strategies were already kicking in.
- These strategies turned out to be vital in mitigating the potential damage from the storm.

- We saw extraordinary effort from our Department during and after Sandy.
- Whether operating behind the scenes handling logistics, or in the field rescuing shivering, exhausted victims from rushing floodwaters, our emergency response personnel did an incredible job of reacting to this statewide catastrophe.
- Unfortunately, the storm that brought out the best in our people also brought out the worst in others outside of state government and law enforcement.
- As a result, the Department was called on to deal with many acts of greed and opportunism carried out by people seemingly bent on exploiting the tragedy of Sandy for profit.
- Throughout the storm and its aftermath, our Division of Consumer Affairs helped New Jersey residents avoid being the victims of price-gouging, storm-related home repair scams and other attempts to take advantage of them by providing easily accessible “consumer tips” and by aggressively investigating consumer complaints.

- As of the end of December, we had filed lawsuits against 24 New Jersey businesses – including 11 gas stations and 13 hotels – for price gouging.
- We also shut down, through legal action, a scheduled “Superstorm Reconstruction Summit” in Trenton that had been advertised via 3,000 e-mails sent out by a Florida businessman with a history of bankruptcy and alleged fraud.
- The other effort I wanted to mention was the campaign of gun buybacks we initiated in 2012, and which continues today.
- The first two-day buyback actually began in Camden city on December 14, starting about 90 minutes before the tragic shooting in Newtown, Conn.
- Since that December weekend in Camden, we have conducted four additional buybacks.
- Through the buyback initiative, we’ve now taken out of circulation more than 9,000 firearms – more than 95 percent of them operable and capable of taking a life.

- I'm especially pleased that, through these buybacks, we've managed to remove approximately 4,500 handguns from the streets, as well as more than 1,100 illegal guns – firearms with unlawfully high magazine capacities, or weapons that have been sawed-off or otherwise modified.
- We've heard the comments of some who insist that gun buybacks are little more than a “feel good” program. We strongly disagree.
- We've never suggested that buybacks are a single, stand-alone answer to society's complex gun violence problem.
- What we've said is that buybacks are a valuable part of a broader anti-gun-violence strategy.
- And we're pleased to see, as we travel around the State, that many people agree with us, as evidenced by the significant public support the buyback initiative has received.

- Countless residents have said they welcome the chance to get rid of their unwanted firearms before they're stolen, or before a tragedy occurs.
- In addition, a number of municipalities and counties have picked up on the buyback idea and staged their own gun buyback events.
- Most importantly, the 9,000 guns we've collected to date – and the thousands more we will collect before we're done – can never be used to maim or kill someone.
- That much is irrefutable.
- The weapons we take in are melted down. They will never be stolen in a burglary or used in a street crime.
- They will never kill a curious child or claim the life of one of our brave police officers.
- Gun buybacks are helping to make New Jersey safer and, because they're paid for with criminal forfeiture funds, they don't cost taxpayers a penny.

- The Department's proposed budget for Fiscal 2014 supports many important programs and initiatives – the kind of efforts that contribute to a better New Jersey, and an improved quality of life for those who live here.
- I want to thank the Committee members for their time here this afternoon, and for the chance to talk about our budget, and our work.
- In a moment I will be glad to answer any questions you may have.
- But before concluding my formal remarks, I'd like to touch on one other issue that is of critical importance, particularly in light of recent events: the work we are doing to protect New Jersey against acts of terror.
- I'm sure the thoughts and prayers of everyone in this room are with the victims of last Monday's tragic and senseless bombing at the Boston Marathon.
- This evil and cowardly act – and the loss of life it caused – reminds us that we must remain vigilant about the threat of terrorism.

- In the aftermath of the explosions on Monday, we convened an immediate response team, which included the Office of Homeland Security and Preparedness, the State Police and the Attorney General's Office.
- Our State Police Bomb Unit was placed in a state of readiness, as were State Police aviation crews, tactical teams, and search and rescue assets.
- The Office of Homeland Security and the State Police continue to keep Governor Christie, me and our partner agencies updated on an almost hourly basis.
- Those partner agencies include the FBI, the Joint Terrorism Task Force, with which we have members embedded, the Port Authority of NY/NJ, New Jersey Transit, the TSA and others.
- We also are in contact with our private sector partners such as large businesses, hotels and critical infrastructure, including refineries, power plants and chemical plants.

- At the Department of Law and Public Safety, we have never lost sight of the fact that, in a post-September 11 world, one of our primary missions is to protect New Jersey against terroristic threats.
- Toward that end, we've made important strides in terms of upgrading and intensifying our homeland security efforts.
- Among other things, we've upgraded our communications systems, employed effective "target hardening" strategies, worked with local first-responder agencies on enhanced equipment and training efforts, and strengthened both our intelligence-gathering and intelligence-sharing efforts.
- But, as is sadly apparent, homeland protection is an ongoing challenge. There always is more to learn and more to do. We have to be alert at all times, and complacency is never an option.
- Today I want to assure the Committee that, while the bombing in Boston serves as a tragic reminder of the need for preparedness and vigilance, it should not be viewed as a wake-up call.

- We have been, and remain, highly-attuned to the threat of terrorism.
- Our resources are out there in full force, every day, working to protect New Jersey's communities, our critical infrastructure and -- most vitally -- our citizens, against potential terrorist acts.
- Once again, thank you for your time. I will now be happy to answer any questions you have ...

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