

2015 Annual Report

John J. Hoffman, Acting Attorney General of New Jersey



This page was intentionally left blank



Dear Governor Christie, members of the State Legislature and Citizens of New Jersey:

Greetings. At the Office of the Attorney General, we have a unique role as both New Jersey's lead law enforcement agency and its chief provider of legal representation to state government.

That is, we are a multi-faceted crime-fighting agency and the State's largest law firm rolled into one.

Our essential mission includes making neighborhoods safer by combating violent crime, narcotics dealing, gang activity, sexual predators and other criminal threats.

It includes prosecuting financial fraud and public corruption.

It includes preserving civil rights and protecting consumers and investors.

But the mission does not end there.

We work to ensure the safety of drivers, passengers and pedestrians on our streets and roads. We ensure the integrity of New Jersey's legalized casino gaming and horse racing industries.

We license and regulate the alcoholic beverage industry, and are responsible for the custody, care and post-custodial supervision of juvenile offenders.

We also handle – literally – tens of thousands of litigation matters each year in the service of protecting New Jersey's precious environmental resources, safeguarding our children, preserving the State's financial assets, ensuring the integrity of elections and defending the actions of state government.

We assist crime victims, provide emergency management services, work to protect New Jersey citizens from the threat of terror, and handle many other responsibilities as well.

New Jersey is a state of more than 8 million people and a hub of national and international commerce, air travel and shipping. It is a center for manufacturing, education, health care, sports and entertainment, and a global vacation destination.

Against this backdrop, it is not hyperbole to suggest the work of our office is essential, and touches the lives of millions of people daily.

At the Office of the Attorney General, we have an incredibly skilled, knowledgeable and dedicated work force made up of civilian personnel and sworn law enforcement members.

Each day we work to improve the quality of life throughout our state, and each day we achieve results that make a difference.

For a fuller view of our office and its work, I invite you to explore the pages that follow, and to visit the individual Web sites of our various Divisions and Commissions.

At the Office of the Attorney General, we are proud of our people and proud of our achievements. However, we also recognize that the office's mission is a continuum, that there is always more to learn, and that there is always more to be accomplished.

We work every day not only to address traditional law and public safety concerns, but to anticipate new crime trends and effectively address emerging threats.

It is our privilege to serve the citizens of New Jersey.

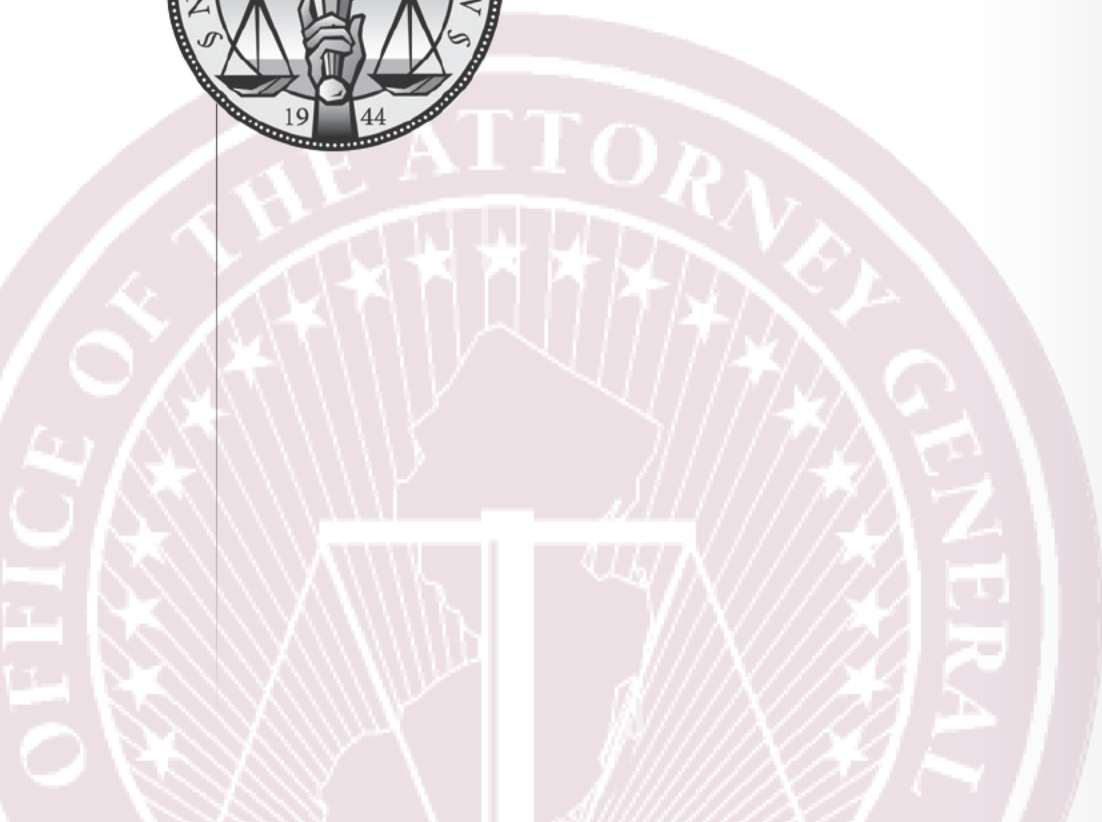
John J. Hoffman
Acting Attorney General

This page was intentionally left blank

Table of Contents

Division of Law	2
Division of Criminal Justice	8
Division of State Police	20
Division on Civil Rights	28
Division of Consumer Affairs	36
Division of Highway Traffic Safety	44
Division of Alcoholic Beverage Control	48
Division of Gaming Enforcement	52
Juvenile Justice Commission	60
Racing Commission	66

Division of Law



The Division of Law provides legal counsel and representation to agencies of state government on many issues vital to the quality of life of New Jersey residents. These issues include protecting children from abuse and neglect, preserving the environment, ensuring the delivery of quality health care, protecting consumers and safeguarding civil rights. The Attorney General has a statutory duty to serve as both legal adviser to all “officers, departments, boards, bodies, commissions and instrumentalities” of state government, and to defend state laws. It is through the work of Division attorneys that this mission is accomplished. In 2015, the Division handled approximately 39,000 pending legal matters and resolved or closed 20,000 matters. Division attorneys also provided valuable legal advice to “client agencies” to assist them in avoiding potential legal issues. Through their actions on behalf of the State and through legal defense work, Division lawyers also protected New Jersey’s State Treasury in such areas as employment litigation, tort litigation, tax litigation and bankruptcy. To learn more about the Division of Law visit www.nj.gov/oag/law.

Recoveries and Judgments

Through the efforts of Division of Law attorneys, the State obtained more than \$451 million in recoveries and judgments in 2015. Monies obtained by the Division on behalf of the State included settlements and judgments resulting from environmental litigation, debt recovery, and lawsuits alleging consumer, securities and other fraud, as well as other types of affirmative litigation.

Environmental Protection

ExxonMobil Settlement: Division attorneys, working closely with outside counsel, negotiated a historic \$225 million settlement with ExxonMobil in 2015 that resolved the company’s liability for environmental damage and injury to natural resources caused by contamination from ExxonMobil refinery operations in Bayonne and Linden. The settlement also addressed environmental harm caused

by other ExxonMobil facilities and service stations throughout the state. The landmark agreement, which resolved a decade of litigation between the State and ExxonMobil, represents the single largest environmental settlement with a corporate defendant in New Jersey history. It also represents the second largest Natural Resource Damages payout by a single company in U.S. history. The settlement was approved by a New Jersey Superior Court Judge in August 2015.

MTBE Litigation: The State entered into two separate settlements worth a total of \$15.5 million that resolved litigation against two defendants alleged to have caused groundwater contamination with the gasoline additive MTBE (Methyl Tertiary Butyl Ether). Acting on behalf of the Department of Environmental Protection, Division attorneys previously had filed suit against multiple oil and chemical companies for causing damage to New Jersey’s groundwater by manufacturing, blending and distributing MTBE. In 2015 one defendant, Lyondell Chemical Company, settled with the State for \$13.4 million. A second defendant, the global energy company Vitol, also settled with the State – for \$2.15 million. Remaining defendants in the ongoing litigation include major petroleum refiners, distributors and sellers of gasoline in New Jersey, as well as independent chemical manufacturers of MTBE.

Tidelands Cases: In 2015, Division attorneys successfully defended the State’s claim in the consolidated appeals in the Lisowski and Delanco cases. At issue in those cases was whether the State had perfected its claims to certain tideland property within the time restriction established by the 1981 amendment to the New Jersey Constitution. The amendment applies to “lands that were formerly tidal flowed, but which have not been tidal flowed at any time for a period of 40 years.,” and precluded the State from claiming such lands as riparian unless the State has “specifically defined and asserted such a claim pursuant to law within the 40-year period.” Both the Lisowski and Delanco cases challenged the sufficiency of the State’s proofs that it provided timely notice of its claim. The court found in both cases that the State had, in fact, complied with the 1981 amendment’s requirements.

Pensions Litigation

Burgos v. State: Division lawyers successfully argued before the New Jersey Supreme Court in 2015 that while the Legislature definitely wanted the State to pay billions of dollars into the pension fund each year when it passed the 2011 law known as Chapter 78, the law would be unconstitutional if the State was forced to make this yearly payment. The Court held that a part of the Constitution known as the Debt Limitation Clause prevents the Legislature from forcing the State to pay such huge amounts year after year. The State must be free each year to spend its money for its most pressing needs such as hospitals, schools and police protection.

Consumer, Securities and other Fraud

Standard & Poor's: The Division reached a \$21.5 million settlement with Standard & Poor's on behalf of New Jersey as part of a global settlement resolving allegations that the company violated the State's Consumer Fraud Act and Advertising Regulations by misleading consumers about its independence and objectivity in rating structured finance securities. Under the global settlement, Standard & Poor's paid New Jersey, 18 other states, the District of Columbia and the U.S. Department of Justice a total of \$1.375 billion to resolve the lawsuits filed against it. The settlement resolves allegations that Standard & Poor's harmed consumers by falsely claiming to be an independent source of analysis on complex investments known as structured finance securities when, in fact, its ratings of the securities were driven by its own revenue goals, as well as favoritism toward investment banking clients who issued securities and paid the company related fees. In addition to its settlement payout, Standard and Poor's agreed to injunctive relief against future violations of New Jersey's consumer protection laws.

United Parcel Service: The Division reached a \$740,000 settlement with United Parcel Service (UPS) to resolve allegations it violated the New Jersey False Claims Act. Specifically, UPS was accused of avoiding payment of contractually-promised refunds for late delivery by entering false delivery

times into its tracking system, thereby creating the appearance that packages were delivered by their guaranteed times when, in fact, they were not. A global package delivery company with its headquarters in Georgia, UPS allegedly engaged in the unlawful conduct between 2008 and 2013 by inaccurately logging in delivery times on premium-rate Next Day Air (NDA) packages charged to State of New Jersey accounts. The result was that NDA packages appeared in UPS' tracking system to have been delivered on schedule when, in fact, they were late. UPS employees also allegedly used inapplicable or inappropriate "exception codes" to excuse the overdue deliveries. Among the false reasons for delay cited were security-related procedures, and that customers had requested late delivery.

Chase Bank USA and Chase Bankcard Services: New Jersey received approximately \$7 million as a result of its participation in a multi-state and federal settlement with Chase Bank, USA and Chase Bankcard Services, Inc. that resolved allegations that Chase used false affidavits to support debt collection lawsuits and engaged in other deceptive, collection-related business practices. Among other unfair and misleading practices, Chase was accused of employing "robo-signed" debt collection affidavits – affidavits from staffers who either had no direct knowledge of, or had not authenticated the information in, the affidavits – when creating case files against consumers it was suing over unpaid debt.

Accutest Laboratories: Middlesex-county-based Accutest Laboratories agreed in 2015 to pay the State \$2 million to resolve allegations that it deviated from both state and federal requirements for the extraction and testing of certain compounds while doing testing work for the New Jersey Department of Environmental Protection. Allegations central to the case flowed from a federal qui tam or "whistleblower" lawsuit filed in 2013 by a former Accutest employee. The federal lawsuit alleged that Accutest violated both the federal and New Jersey False Claims Acts by contracting with government agencies to test certain semi-volatile organic compounds, but not following U.S. Environmental Protection Agency requirements for doing so. Specifically, the lawsuit alleged that some line-level technicians in Accutest's extraction laboratories failed to comply with Standard Operating Procedures or prescribed testing methods.

Vincent P. Falci Judgment/Restitution:

In September 2015, the Division obtained a judgment against former Middletown fire chief Vincent P. Falci related to his having fraudulently raised more than \$5.4 million from the sale of unregistered securities to approximately 185 investors. Falci misrepresented to those who bought the securities that their money would be invested primarily in tax liens. In reality, Falci transferred much of the money to other companies he owned and used a portion of the money to buy residential property in his own name. In addition, Falci and his son used some of the misallocated money to engage in day trading. A Consent Order issued by the court against Falci, his companies and his family included a judgment and promise of full restitution to Falci's investors totaling more than \$6.7 million, and a civil monetary payment of \$800,000.

Amgen: The Division of Law obtained \$1.57 million as a result of its participation in a multi-state settlement with pharmaceutical manufacturer Amgen that resolved allegations the company unlawfully promoted two of its drugs – Aranesp and Enbrel – for uses not approved by the federal Food and Drug Administration. Among other things, Amgen was accused of promoting Aranesp for off-label use in treating patients with anemia caused by cancer, despite clinical evidence that failed to support such a use. Amgen also was accused of overstating the effectiveness of its drug Enbrel for treating certain types of psoriasis while understating the drug's risks.

Stericycle, Inc.: Division of Law attorneys obtained approximately \$589,000 as the State's portion of a multi-state settlement that resolved allegations Stericycle, Inc., an Illinois-based medical waste disposal company, committed federal and state False Claims Act violations by imposing unwarranted surcharges on government customers. In New Jersey, Stericycle has provided medical waste disposal services to government entities including colleges, school districts, police departments, health departments and correctional facilities.

Third-Party Energy Supplier Litigation

HIKO and Systrum: In 2015, the Division of Law achieved significant settlements with two third-party suppliers of electricity and gas – HIKO Energy, LLC and Keil & Sons, Inc. d/b/a Systrum Energy. The State's original complaints against the two third-party suppliers alleged violations of the Electric Discount and Energy Competition Act, as well as violations of several other state energy and consumer protection statutes. Under the HIKO settlement, HIKO agreed to a \$2.1 million payout, including approximately \$1.8 million in consumer restitution. As part of the settlement, HIKO also was required to substantially change its business practices to provide for greater consumer protection. Under the Systrum settlement, Systrum agreed to an overall payout of \$554,000 including \$436,000 in restitution, \$50,000 in civil penalties and more than \$68,000 in attorneys' fees and costs. As part of the settlement Systrum, like HIKO, was required to modify its business practices to provide for greater consumer protection.

Internet Privacy

The Division of Law continued its vigorous efforts to safeguard consumer privacy over the Internet in 2015, as evidenced by several significant case settlements including:

DealerAppVantage Settlement: In September 2015, the Division entered into a settlement with DealerAppVantage LLC that resolved allegations the company's mobile applications transmitted personal and other consumer information to the app developer without consumers' knowledge or consent in violation of the New Jersey Consumer Fraud Act. In addition to injunctive relief and reporting requirements, DealerApp agreed to a settlement payment of \$48,000, which incorporated civil penalties and reimbursement of attorneys' fees and investigative costs. Based upon DealerApp's compliance with the investigation, the Division suspended approximately \$26,000 of the total settlement payment.

Equiliv Investments: In June 2015, the Division filed a joint complaint with the Federal Trade Commission in the U.S. District Court for the District of New Jersey alleging that Equiliv Investments, LLC developed a mobile application called “Prized” that created a botnet (a number of Internet-connected devices that have been set up to forward transmissions – including spam and other viruses – to other computers/devices on the Internet) of consumers’ mobile phones for purposes of mining for cryptocurrency without the consumers’ knowledge or consent, in violation of the Consumer Fraud Act and the Credit Repair Organizations Act. In addition, the Division simultaneously obtained a joint Stipulated Order for Permanent Injunction and Monetary Judgment to resolve the action.

Stipulated Order provides for substantial injunctive relief and extensive reporting requirements, as well as a total penalty of \$50,000. Out of the total penalty, \$44,800 was suspended pending Equiliv’s compliance with the Stipulated Order.

Other Highlights

Child Protection: In 2015, the Division of Law’s Department of Children and Families (DCF) Practice Group continued to work closely with the State’s Department of Children and Families to protect children from abuse and neglect, and to seek termination of parental rights when necessary. Through litigation, Division attorneys also facilitated DCF’s ability to find caring adoptive families for children when their biological parents were unable to safely care for them. As a result of these efforts, more than 1,000 children were adopted following successful termination of parental rights. For the year, Division lawyers filed more than 6,000 child abuse and guardianship cases in Superior Court to protect children, institute services for families or, if necessary, place children in protective custody or guardianship.

Physician Licensure Actions: The Division of Law litigated numerous medical licensing matters before the New Jersey Board of Medical Examiners in 2015. Through those efforts, the Division obtained license suspensions against four physicians found to have indiscriminately prescribed prescription pain killers. In addition, Division attorneys obtained license suspensions against two other physicians for inappropriate sexual relations/touching.

Civil Insurance Fraud Recovery: Division of Law attorneys represent the Bureau of Fraud Deterrence (within the Department of Banking and Insurance) in prosecuting civil insurance fraud cases. In calendar year 2015, the Division obtained orders for fines, attorney fees and costs totaling \$2.69 million, and restitution of more than \$329,000. In one notable case, chiropractor Scott Greenberg settled allegations of civil insurance fraud related to his criminal conviction for using “runners” to illegally recruit and treat 164 patients at his chiropractic facility. Greenberg previously was convicted of various crimes by the Office of the Insurance Fraud Prosecutor and, in 2015, paid a total of \$500,000 to resolve the State’s civil action to impose monetary penalties. Greenberg paid a total of \$450,000 in civil penalties, an insurance surcharge of \$22,500 and attorney fees of \$27,500. The fines were paid via the proceeds of the auction sale of Greenberg’s Princeton-area estate.

Camden Waterfront Development: The Division of Law worked closely with the New Jersey Economic Development Authority (EDA) on transfer of the development rights for the Camden Waterfront to a new developer. The right to develop a large portion of the waterfront had been granted to a subsidiary of the Steiner Company in 2005. The development agreement was for a period of 12 years, and included monetary and construction milestones. Although the Steiner subsidiary had met its milestones in the early years of the agreement, it was on the verge of defaulting in 2015. Liberty Property Trust, a successful Philadelphia developer, expressed interest in buying the development rights, but this was not permitted under the development agreement. The Division of Law and EDA worked closely with the entities to oversee Liberty Property Trust’s purchase of the Steiner subsidiary, which allowed Liberty to step into Steiner’s shoes.

Legal Challenge to the Horizon Blue Cross/Blue Shield OMNIA Network: In a high-profile case, the Division successfully defended a determination by the state Department of Banking and Insurance to approve Horizon Blue Cross/Blue Shield’s new OMNIA Network, which took effect during the 2016 calendar year. The OMNIA Network is a tiered health insurance network which charges consumers lower premiums and out-of-pocket costs when they seek care from a specified list of

“preferred” hospitals and doctors. In 2015, a total of 11 hospitals in the non-preferred tier of the OMNIA Network filed an appeal of the State’s approval, as well as a Motion to Stay implementation of the new Network pending the outcome of its legal opposition. Acting on an expedited basis, the Appellate Division denied the request for stay and upheld DOBI’s approval “in all respects.” In doing so, the court ruled that the OMNIA Network was established under DOBI’s review in “strict accordance with the current statutes and regulations.” The court further observed that the non-preferred tier hospitals held a view of how tiered benefit networks should be implemented that can “only be addressed by the Legislature.” In response to the Appellate ruling, the 11 non-preferred hospitals filed a petition for certification with the New Jersey Supreme Court. That petition was denied.

Banking, Insurance Industry Enforcement:

The Division handles cases involving the Department of Banking and Insurance’s disciplinary action against individuals and corporations licensed by DOBI for violation of New Jersey’s banking and insurance laws. During calendar year 2015, Division attorneys obtained 40 license revocations and more than \$4.6 million in fines, costs and restitution on behalf of the department. In one notable case, the Division obtained license revocations, \$165,000 in civil penalties and more than \$2.5 million in restitution from Nancy Zeiring, Madison Financial Aid Consultants, Alan Neafach and Ameritas Insurance Co. Zeiring and Neafach had been encouraging the parents of high school students to purchase Universal Life Insurance policies with the proceeds of refinanced mortgages and other investments as a means of paying for college expenses.

In reality, the policies at issue were longer-term investments and entirely unsuitable for financing college for high school students. Investors were forced to pay huge “surrender” penalties to liquidate the policies, resulting in millions of dollars in losses when they’d been led to believe their investment would help pay for college. Zeiring and Neafach agreed to license revocations and Ameritas Insurance agreed to pay restitution to those parents who suffered losses.

Community Healthcare Asset Protection Act (CHAPA): On behalf of the Attorney General, the Division reviews many sales and other

transfers of New Jersey non-profit hospital assets pursuant to CHAPA, as well as the common law. In 2015, the DOL reviewed and completed several complex transactions, including the sale of St. Clare’s Health System to a subsidiary of Prime Healthcare Services, Inc., a for-profit, California-based corporation.

Charities Review: The Attorney General, in his role as protector of the public interest in charitable gifts, receives hundreds of notices annually of such gifts made by decedents. The Division reviews related accountings to ensure that these charitable gifts are not reduced due to overstated fees, commissions or other improper charges. In a notable 2015 case, after a year of litigation, the DOL reached a favorable settlement in IMO Ogburn, resulting in most of the decedent’s estate being paid to charity. Plaintiffs (decedent’s longtime caregivers) attempted to probate a handwritten document, seeking the majority of decedent’s estate as opposed to decedent’s 2006 executed will, which left her estate to charities to be named. Based on the Division’s discovery and the subsequent settlement, the decedent’s donative intent was met and the American Indian Educational Fund, League of Women Voters, Sierra Club and American Cancer Society shared approximately \$400,000.

Debt Recovery and Protecting the State’s Financial Assets: In 2015, the Division’s Debt Recovery Section collected more than \$12 million through litigation efforts in both state and federal court, as well as post-judgment collection actions brought on behalf of various state agencies. The post-judgment collection efforts included seizing assets, filing wage execution applications and filing motions to secure funds. The majority of the Division’s debt recovery work is done on behalf of the Division of Taxation, the Department of Labor and New Jersey Transit.



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. Under the Act, the powers of the Attorney General relating to the detection, interdiction and prosecution of criminal activities are exercised through the Division of Criminal Justice. In addition to its direct law enforcement operations, the Division provides oversight and coordination within New Jersey's vast law enforcement community. The Division's mission is to protect the residents of New Jersey by helping to coordinate and enhance the operations and policies of law enforcement at all levels – state, county and municipal. For more information visit www.nj.gov/oag/dcj.

Overview

In 2015, the Division of Criminal Justice cemented its standing as the state's leading law enforcement agency. The Division's work on the streets and in the courtroom resonated forcefully throughout New Jersey communities, and for the third year in a row, the Division charged more cases and more defendants than in the prior year. Meanwhile, the Division's groundbreaking criminal justice policy work placed the State at the national forefront on such crucial law enforcement issues as accountability, transparency and community relations. Among other successes, the year 2015 saw the Division prosecute sweeping cases against violent street gangs, bring the architects of multi-million-dollar fraud schemes to justice, convict dozens of corrupt public officials, and unmask – and prosecute – dozens of dangerous sexual predators. The Division also seized more than \$4 million and more than 25 vehicles from criminals, and obtained judgments forfeiting \$2 million.

Gangs & Organized Crime Bureau Highlights

Drugs, Gangs and Weapons

Operation Next Day Air: Two South Jersey men were sentenced to lengthy prison terms in 2015 for their roles in a coast-to-coast narcotics smuggling ring that was revealed through an investigation nicknamed Operation Next Day Air. In all, the Division obtained indictments against 15 defendants in connection with the ring, which employed the U.S. mail and other parcel services to deliver dozens of kilograms of cocaine from California to New Jersey. Sentenced in July 2015 were defendants Juan M. Cortez of Vineland and co-defendant Angel B. Rivera, also of Vineland. Cortez received an eight-year prison term and Rivera was sentenced to 10 years in prison. Both men had pleaded guilty to charges of first-degree cocaine possession with intent to distribute. Other defendants in the case included brothers Andrew and Kemar Davis, who were charged as leaders of the narcotics trafficking conspiracy. Andrew Davis directed the ring from Jamaica. In total, the Division seized 26 kilograms of cocaine – worth more than \$750,000 – plus two handguns and more than \$500,000 cash. Kemar Davis pleaded guilty to first-degree charges of being a leader of a narcotics trafficking network and was sentenced to 20 years in state prison, with 12 years of parole ineligibility. Andrew Davis was convicted of first-degree drug distribution and second-degree money laundering, and at this writing faces a state prison term of 30 years.

State v. Dr. George Beecher, et al.: In December 2015 the Division arrested seven defendants – including Somerset County physician Dr. George Beecher – in connection with a drug distribution ring that disbursed tens of thousands of high-dose pills of the addictive painkiller oxycodone. Beecher allegedly accepted payments to write fraudulent oxycodone prescriptions for people he had never met or examined, and the other ring members then acquired and sold the painkillers in bulk to street level dealers.

State v. Dr. Eugene Evans, et al.: The Division arrested and convicted Dr. Eugene Evans, a Union County physician, in 2015 on charges of conspiring with a drug dealer to illegally distribute thousands of high-dose pills of the addictive painkiller oxycodone by writing phony prescriptions for people the doctor had never examined or treated. Evans was arrested in January, pleaded guilty in April, and was sentenced in July to five years in state prison. David Roth, a drug dealer who conspired with Evans, pleaded guilty to second-degree charges of conspiracy and distribution of controlled dangerous substances. He was sentenced to seven years in state prison.

State v. Jorge Avalos, et al.: Defendant Jorge Avalos, of Edinburg, Tx., was sentenced to 10 years in State Prison in January 2015 in connection with a narcotics trafficking investigation carried out by the Division in connection with New Jersey State Police. Avalos was arrested after law enforcement officers seized 21 kilograms of cocaine from a Winnebago recreation vehicle in Jersey City. The intercepted shipment of cocaine had a street value of more than \$600,000. A second defendant in the case, Luis Hernandez of Hidalgo, Tx., was sentenced on the same day as Avalos, and also received a 10-year prison term. Both defendants pleaded guilty to a charge of unlawful narcotics trafficking, and both were handed a three-year term of parole ineligibility as part of their sentences.

State v. Paul Cano, et al: The Division charged eight defendants with narcotics offenses in 2015 for their respective roles in a drug distribution network. Numerous search warrants were issued in connection with the case, and subsequent searches resulted in the seizure of a kilogram of cocaine and a handgun. Lead defendant Paul Cano, of New Brunswick, pleaded guilty to first-degree narcotics distribution charges and faces a 10-year prison sentence as of this writing.

Organized Crime

Operation Fistful: In 2015, the Division continued to investigate and prosecute Operation Fistful, a major organized crime takedown. In all, 11 defendants were charged in a racketeering case that began with multiple arrests carried out in late 2014. Those arrested included high-ranking “made” members and associates of the Genovese Organized Crime Family, and they were charged with numerous indictable offenses including racketeering and conspiracy. Among those arrested were Genovese Crime Family “capo” Charles “Chuckie” Tuzzo, and Vito Alberti, a Genovese soldier. The Division alleges that Tuzzo, Alberti and the other nine defendants used a network of licensed and unlicensed check cashing businesses to conduct a massive criminal enterprise that included loansharking, gambling, forgery and money laundering.

These various criminal enterprises allegedly generated more than \$10 million in proceeds for the mafia. The 11 defendants face multiple charges including first-degree racketeering, which carries a sentence of between 10 and 20 years in state prison. Indictments were anticipated in 2016.

Operation Heat: Six members of the New-York-based Lucchese Organized Crime Family pleaded guilty in June 2015 to racketeering charges. The six men were charged in Operation Heat, an investigation by the Division into an illegal, mob-run gambling enterprise that handled billions of dollars in wagers – primarily on sporting events – and relied on extortion and violence to collect debts. The same investigation also uncovered a scheme in which a former New Jersey corrections officer and a high-ranking member of the Nine Trey Gangsters set of the Bloods street gang had entered into an alliance with the Lucchese family to smuggle drugs and pre-paid cell phones into East Jersey State Prison. Among the defendants who pleaded guilty, ruling Lucchese family member Matthew Madonna pleaded guilty to second-degree racketeering and was sentenced to five years in state prison. Defendant Ralph Perna, a Lucchese capo, pleaded guilty to first-degree racketeering and was sentenced to eight years in state prison. A third defendant – Martin Taccetta, a former Lucchese family underboss in New Jersey

– pleaded guilty to first-degree racketeering and was sentenced to eight years in state prison. Taccetta was already serving a life prison sentence at the time of his guilty plea. Under his plea deal, his eight-year sentence for racketeering will run concurrent.

Operation Terminal: A former top International Longshoreman’s Association official – one of three defendants indicted as the result of an extensive Division investigation into criminal activities at the Port of New York and New Jersey – was sentenced to six years in state prison in April 2015. Nunzio LaGrasso, of Florham Park, had pleaded guilty in January 2015 to a second-degree charge of conspiracy to commit commercial bribery and money laundering. LaGrasso was indicted along with Alan Marfia, of Kenilworth – a former Newark Police officer – and Rocco Ferrandino, of Lakewood, a timekeeper at Port Newark/Port Elizabeth. The three men were charged with running a scheme to extort money from dockworkers by demanding “tribute” payments in return for better jobs and wages. Ferrandino pleaded guilty to charges of second-degree conspiracy to commit commercial bribery and money laundering, and was sentenced in March 2015 to three years in state prison. Marfia pleaded guilty to third-degree computer theft for using police databases to inform others about undercover police operations. He was sentenced to probation and barred from future law enforcement or other public employment.

Murder and Murder-for-Hire

State v. Yusuf Ibrahim, et al.: Yusuf Ibrahim of Jersey City was indicted in April 2014 on two counts of first-degree murder and other charges in connection with his having fatally shot two men in the chest at point-blank range, cut off their heads and hands, and buried their remains in a remote area of Atlantic County a year earlier. In December 2015, a Superior Court Judge ruled that Ibrahim’s confession to State Police investigators was admissible as evidence in his future murder trial. (Ibrahim faced a sentence of 30 years to life in state prison if convicted at trial.) His statement to State Police investigators, which he had unsuccessfully sought to suppress, was that he killed the two men during an argument that took place inside a car in Jersey City in February 2013.

State v. Denise Nagrodski: Accused murder-for-money schemer Denise Nagrodski pleaded guilty in June 2015 to first-degree attempted murder and murder conspiracy, and was sentenced to 10 years in prison. Nagrodski admitted to hiring someone she thought was a hit man – the “hit man” was actually an undercover detective – to kill her daughter’s ex-boyfriend and two other individuals. Nagrodski met twice with the undercover officer who she thought was a killer-for-hire. During those meetings she gave the officer \$1,000, as well as photos of the intended victims and a hand-drawn map of their homes. Nagrodski’s 10-year prison sentence includes an eight-and-a-half-year term of parole ineligibility.

Human Trafficking

State v. Glen Bowman, et al.: In 2015, the Division indicted five defendants accused of operating a human trafficking ring based in Bergen and Passaic counties. The defendants trafficked underage girls as part of a sex-for-sale ring they advertised on Backpage.com. The defendants allegedly lured the underage girls into lives of prostitution, coercing them into having sex with multiple customers at motels and elsewhere, and threatening violence if the girls resisted. The defendants were charged with first-degree human trafficking and other crimes.

State v. Michael McLeod, et al.: The Division indicted four defendants on first-degree human trafficking charges in 2015 for trafficking numerous young women – including a 14-year-old girl – as part of a prostitution ring they operated in and around Hudson County. The defendants were charged with using violence and threats of violence – including holding a gun to the head of one woman – to control their victims and compel their involvement in the sex-for-sale ring.

Corruption Bureau Highlights

State v. Birdsall Services Group: The Division continued its prosecution in 2015 of Birdsall Services Group, its CEO and six other top executives for conspiring to subvert New Jersey's Pay-to-Play Act by disguising illegal corporate political contributions as the personal contributions of Birdsall employees. Under the scheme, Birdsall and its executives utilized firm employees to make political contributions to candidates in amounts under the \$300 reportable threshold. The firm and its executives then illegally reimbursed the employees through purported bonus payments and other means. Through this process, Birdsall made hundreds of thousands of dollars in illegal contributions to dozens of officials and candidates. Beyond the seven charged executives who were indicted, two former Birdsall employees pleaded guilty to participating in the unlawful pay-to-play scheme. In addition Birdsall, as a corporate entity, pleaded guilty to a first-degree money laundering charge, and to a second-degree charge of making false representations in government contracting. Birdsall also forfeited \$3.6 million to the State in criminal and civil forfeitures and penalties, and was debarred from holding public contracts for 10 years. At one time, the Birdsall firm held millions of dollars in contracts with the State for engineering services. It filed for bankruptcy under Chapter 11 in 2013 and was subsequently sold.

State v. Robert Schroeder: The Division continued its prosecution in 2015 of former State Assemblyman Robert Schroeder on charges of stealing more than \$5 million by defrauding investors and writing bad checks to business associates and service providers. Assemblyman Schroeder was indicted on multiple charges including misconduct by a corporate official and theft by deception. Division prosecutors were prepared to try the case in September 2015, but a Superior Court judge agreed to a request from Schroeder's attorney to postpone the trial until 2016 after a discovery-related issue arose.

State v. Lawrence Durr: In 2015, the Division continued its corruption prosecution of Lawrence Durr, a longtime mayor, township committeeman and planning board member in Chesterfield Township, Burlington County. Durr was accused of entering into an undisclosed deal to sell the transferrable development rights on a large farm to a developer, then using his official positions to advance the developer's plan to build a major residential and commercial project. Durr received hundreds of thousands of dollars in illicit benefits through the arrangement.

State v. Elias Chalet: The Division charged Elias Chalet, a Bloomfield Township councilman, with soliciting and accepting two bribes totaling \$15,000 from a business owner. In exchange for the money, Chalet allegedly promised to use his position on the township council to ensure that the municipality proceeded with its planned purchase of the business owners' commercial property.

State v. Gaudner Metellus, et al.: The Division obtained a public corruption guilty plea in 2015 from one of the State's own, as Department of Transportation senior engineer Gaudner Metellus admitted to charges related to a kickback scheme. Metellus and an accomplice, New York attorney Ernest DuBose, devised and carried out the scam. It involved seeking to profit by fraudulently inflating the cost of the Eagle Rock Railroad Bridge repair in Roseland – a State-funded project – and seeking hundreds of thousands of dollars in kickbacks from the company hired to handle the job. Metellus pleaded guilty in January 2015 to charges of second-degree official misconduct, and was sentenced to three years in state prison (including two years without parole.) He also forfeited his DOT job and state pension, and was permanently barred from future public employment. Dubose went to trial in April 2015 and was convicted by a jury of second-degree bribery, official misconduct and other charges. He was subsequently sentenced to six years in state prison.

State v. Timothy Grossi, James Wiley, Troy Bunero and Francis Longo: The Division tried and convicted two North Bergen Department of Public Works (DPW) supervisors – Troy Bunero and Francis Longo – on corruption-related charges in 2015. Supervisors Bunero and Longo both were found guilty by a Hudson County jury of official misconduct, theft and other offenses for having public works personnel carry out personal and political tasks for them on municipal time. Specifically, Bunero and Longo assigned subordinate public employees to work on election campaigns, and to complete personal chores or projects for them or their boss, former DPW Superintendent James Wiley. Bunero and Longo were convicted on all counts at trial, and each was subsequently sentenced to five years in state prison with no eligibility for parole. Defendant Timothy Grossi, the former Deputy Director of North Bergen DPW, was scheduled to face similar charges at trial in 2016. Former DPW Superintendent Wiley has pleaded guilty to a charge of conspiracy to commit official misconduct and, at this writing, is awaiting sentencing.

State v. Adel Mikhaeil, et al.: The Division convicted former bounty hunter Adel Mikhaeil and five other defendants – including two Hudson County Sheriff’s Officers – on criminal charges related to their involvement in a scheme to defraud bail sureties into paying Mikhaeil higher fees for capturing fugitives than he was legally due. Mikhaeil, of Stroudsburg, Pa., conspired with the two Hudson sheriff’s officers to have them sign fake “body receipts” indicating that Mikhaeil had captured and turned in fugitives who, in reality, had already been apprehended by law enforcement and were in custody.

Based on these fraudulent body receipts, companies that insured the fugitives’ bail bonds paid Mikhaeil fees to which he was not entitled. On the eve of trial in January 2015, Mikhaeil pleaded guilty to multiple second-degree charges, including official misconduct, conspiracy and commercial bribery. He was sentenced to six years in state prison for his crimes. Trevor Williams, an employee of Mikhaeil’s fugitive recovery business, and James Irizarry, a former insurance company employee, pleaded guilty to hindering apprehension and

commercial bribery, respectively, and were each sentenced to 90 days of county jail time. Former Hudson County sheriff’s officer William Chadwick was sentenced to five years in prison as a result of his guilty plea to second-degree official misconduct. Another former Hudson County sheriff’s officer, Alberto Vasquez, was sentenced to 90 days of county jail time as a condition of four years’ probation. Vasquez had earlier pleaded guilty to a third-degree official misconduct charge. Two additional defendants – former insurance company executive John Sullivan and George Formoe, a third employee of Mikhaeil’s fugitive recovery business – pleaded guilty to pre-indictment charges that included commercial bribery, money laundering and tampering with witnesses or informants.

State v. Laquanda Tate: Former state Department of Human services senior payroll clerk Laquanda Tate pleaded guilty in 2015 to using a state-issued computer to generate false insurance cards for herself and three others. Tate also stole public assistance benefits by creating false documents to claim childcare expenses. Tate pleaded guilty to third-degree theft by deception and a third-degree charge of unlawfully simulating a motor vehicle card. Among other acts, Tate created fake notarized letters from child care providers which she used to apply for upwards of \$4,000 in public assistance benefits. As of this writing, Tate is awaiting sentencing.

State v. Anthony Christaldi: The Division tried and convicted Anthony Christaldi of Cape May Courthouse in 2015 on charges related to his attempted \$10,000 bribe of a Casino Reinvestment Development Authority (CRDA) employee. Christaldi delivered cash to the CRDA employee as an intended bribe to ensure the CRDA would pay him his requested purchase price for a property he sought to sell to the agency’s land bank program. (The agency had advised Christaldi his asking price was too high.) Upon Christaldi’s delivery of an attempted cash bribe, the CRDA employee contacted law enforcement. Christaldi was subsequently convicted of second-degree bribery at a jury trial in October 2015, and was sentenced to five years in state prison.

Specialized Crimes Bureau Highlights

Auto and Cargo Theft

Operation 17 Corridor: In 2015, the Division broke up a massive international carjacking and car theft ring that had been stealing luxury vehicles from New Jersey and New York for resale overseas. In all, the Division charged 23 defendants, including leaders of the organization, shippers, fences, carjackers, car thieves and wheel men. The defendants, who worked together in teams to identify and then steal high-end luxury vehicles, face a multitude of criminal charges. Those charges include first-degree racketeering, first-degree carjacking and first-degree money laundering. While the theft ring's method for stealing cars varied, a Division investigation found that violence was often employed – including the theft of some vehicles at gunpoint. On other occasions, the ring committed “soft steals,” including the theft of running vehicles at airports, carwashes, stores and valet stands. The defendants then shipped the stolen cars from ports in New Jersey and New York to countries in West Africa, where such vehicles command premium prices. In all, the Division recovered approximately 90 cars worth a total of more than \$4 million as a result of Operation 17 Corridor.

Operation Midnight Run: In June 2015, the Division indicted 12 persons in connection with the theft of at least nine tractor-trailers carrying more than \$1.5 million worth of cargo. The theft ring stole cargo that included clothing, auto parts, perfume, beer and other items. The merchandise was subsequently fenced by the thieves for profit. Those indicted were charged with first-degree money laundering, second-degree theft and third-degree burglary. At this writing, four of the defendants have pleaded guilty to charges of second-degree receiving stolen property. Disposition of the other eight defendants remains pending.

Operation Pandora: In July 2015, the Division indicted seven defendants who ran an organized retail theft ring that stole more than \$800,000 worth of jewelry in New Jersey and five other states. The defendants allegedly used various means to commit

multiple thefts. Among other examples, the thieves followed a jewelry dealer from a trade show in Mount Laurel and later broke into her car when she stopped at a service area along the New Jersey Turnpike in Salem County. In other cases, the thieves stole jewelry by distracting a retail clerk or by simply reaching over the counter. Each of the seven defendants faces second-degree racketeering charges, as well as charges of second-degree shoplifting and third-degree burglary.

Casino Crimes

State v. Barbara Lieberman, et al.: In March 2015 Barbara Lieberman, an Atlantic County attorney specializing in senior law, was sentenced to 10 years in prison for her role as mastermind of a scheme in which Lieberman and several accomplices stole money from unwitting elderly victims. Lieberman and her co-defendants, who purported to run an elder care business, obtained powers of attorney from senior citizens and then drained their bank and retirement accounts. The defendants used their ill-gotten gains to fund personal expenses – including the purchase of luxury autos and homes. Charged in addition to Lieberman were two county services caseworkers, Jan Van Holt and William Price. They were accused of using their positions to identify and refer potential victims to the conspirators. Other defendants included a physician, Maria Daclan, who made false statements to police during the investigation. Altogether, Lieberman and her co-defendants stole more than \$3 million from at least 10 victims, many of whom died in substandard housing after losing their life savings. Lieberman pleaded guilty to first-degree money laundering, and her 10-year prison sentence includes a three-and-a-half-year parole exclusion. Lieberman also permanently forfeited her law license, and forfeited \$3 million, which will be used to repay her victims or their surviving family members. Defendant William Price pleaded guilty to second-degree theft by deception and was sentenced to five years in state prison. At this writing, the remaining defendants are awaiting trial.

State v. Izyiah Plummer, et al.: In August 2015, the Division indicted five persons in connection with the armed robbery of a kiosk at Caesar's Atlantic City Casino that yielded more than \$180,000. The armed robbery plot was led by Izyiah Plummer, a former security guard at Caesar's whose employment had been terminated prior to the July 2014 crime. Plummer, of Atlantic City, and an accomplice allegedly robbed a Caesar's security officer at gunpoint. The security officer was changing out cash boxes at a voucher redemption machine on the casino floor. Plummer and the other defendants were indicted on charges of first-degree robbery, second-degree aggravated assault and second-degree weapons offenses.

State v. Christian Lusardi: In October 2015, a Superior Court Judge sentenced Christian Lusardi to five years in state prison for using millions of dollars in counterfeit poker chips in a poker tournament at the Borgata Hotel Casino in Atlantic City in 2014. The scheme was discovered when Lusardi clogged a pipe at the casino by flushing hundreds of chips down the toilet in his room. Lusardi pleaded guilty to second-degree counterfeiting charges brought by the Division in August 2015. In addition to the five-year prison term, Lusardi was ordered to pay restitution in the amount of \$463,540. As a result of Lusardi's actions, the poker tournament – the Borgata Winter Poker Open – was canceled, and Borgata refunded all player entry fees.

State v. Lena Guralnik: The Division indicted 12 people in January 2015 on charges they pocketed more than \$290,000 by using stolen credit cards at five Atlantic City casinos to conduct a cash advance scheme. The scheme operators – allegedly led by defendants Lena Guralnik of the Bronx, and Intiaz Khan of New Windsor, N.Y. – entered the casinos and made cash withdrawals using legitimate identification, but fraudulent credit cards that contained magnetic strips taken from stolen credit cards. Guralnik and Khan allegedly spearheaded the scheme by transporting operatives to Atlantic City, providing them with a total of 52 stolen credit cards and supervising the transactions. The two also allegedly kept the bulk of the \$293,600 stolen. The five casinos targeted in the cash advance scam were the Showboat, Tropicana, Caesar's, Harrah's and Bally's.

Atlantic City Task Force

State v. Saleem Hamilton, et al.: As the result of an eight-month investigation by the Division's Atlantic City Task Force, a total of 20 defendants were charged in connection with a major heroin ring – based in Paterson – that was responsible for dealing approximately 30,000 doses of heroin per month to buyers in Ocean and Atlantic Counties. Members employed at least one juvenile to sell the ring's heroin – which was often cut with the deadly drug fentanyl. They also made heroin deals in front of young children and accepted public assistance subsidies as payment for the drug. During the April 2015 arrests of ring members, investigators seized more than 16,000 bags of heroin and more than \$52,000 cash. The defendants are charged with first-degree possession with intent to distribute heroin, second-degree conspiracy, second-degree unlawful possession of a firearm, and other narcotics and firearms charges.

State v. Eduardo Colon-Lopez: An Atlantic City Task Force investigation into drug trafficking in Atlantic City led to the sentencing of a Philadelphia man to 10 years in prison. Eduardo Colon-Lopez was indicted in March 2015 for trying to sell a kilogram of cocaine (worth approximately \$40,000) to an undercover investigator in the parking lot of the Deptford Mall. He subsequently pleaded guilty to a charge of first-degree cocaine possession with intent to distribute, and was sentenced in September 2015 to a decade in prison. Under his sentencing terms, Colon was to have no parole eligibility for 30 months. Colon's arrest was part of an investigation by the Atlantic City Task Force into a conspiracy to distribute cocaine in Atlantic City. Until his arrest, Colon-Lopez was known to investigators only as "Papito." To catch him, Task Force members organized an undercover operation in which a member of the New Jersey State Police arranged to buy a kilogram of cocaine from Colon-Lopez for \$40,000. Colon-Lopez agreed to make the sale at a location in Atlantic City, but the location was changed to the Deptford Mall at the eleventh hour.

State v. Deshon DeWitt and Kameron

Watts: The Atlantic City Task Force arrested suspects Deshon DeWitt and Kameron Watts on charges of carjacking and robbing take-out deliverymen on three separate occasions. In all three incidents, the victims were robbed at gunpoint and their cash was taken, along with their cars. Both men were indicted by the Division on charges of first-degree carjacking, first-degree armed robbery and other offenses. Each man faces a sentence of 30 years in state prison, with 25.5 years of parole ineligibility for the carjacking offenses.

Labor Crimes

Prisoner Unemployment Insurance Fraud

Cases: In 2015, the Division tried and convicted Bruce Garrett, one of 15 defendants accused of stealing more than \$200,000 in unemployment benefits from the State while they were serving time in county jails and ineligible to receive such benefits. In each case, the defendants fraudulently certified via the Internet or phone – on a weekly basis – that they were “physically able to do work” and “available to go to work immediately.” Barrett individually stole more than \$15,000 through such fraud while incarcerated. He was tried and convicted of third-degree theft by deception. As of this writing, five additional defendants other than Barrett have been convicted in the case.

State v. Ivory Downey, et al.: The Division indicted nine current and former U.S. Postal Service employees in November 2015 on charges related to their alleged theft of nearly \$50,000 in unemployment benefits. The defendants, who allegedly collected between \$2,000 and \$9,000 each in unauthorized unemployment benefits, were all charged with third-degree theft by deception. The nine cases were referred by the U.S. Postal Service and the U.S. Department of Labor. The two agencies audited State Department of Labor unemployment insurance claim records against payroll records for the Postal Service in order to identify postal workers who appeared to have been fraudulently collecting benefits in New Jersey. Allegedly, the nine defendants misrepresented their employment status – or their hours worked and income earned – to the State Department of Labor in order to obtain unemployment insurance benefits. Between 2010 and 2015, the nine defendants allegedly received a total of approximately \$49,564 in benefits to which they were not entitled.

State V. Stephen Pirrone, et al.: In April 2015, Division prosecutors obtained a seven-year state prison sentence against Stephen Pirrone, ringleader of a scam in which multiple defendants stole more than \$180,000 from the State by filing false claims for unemployment insurance. The investigation revealed that Pirrone originated the fraudulent scheme and enlisted three other defendants.

From November 2006 through March 2013, the defendants collected a total of \$183,433 in unemployment benefits on seven fraudulent unemployment insurance claims. To facilitate the scam, the defendants submitted fraudulent employer quarterly wage statements in the names of two defunct businesses. Pirrone pleaded guilty to a charge of second-degree theft by deception and, in addition to seven years in state prison, was ordered to pay \$54,623 in restitution to the State Department of Labor. Another defendant, Wilfredo Sanchez, pleaded guilty to third-degree theft by deception and was sentenced to five years in state prison, as well as payment of restitution. The remaining two defendants pleaded guilty to third-degree charges in return for a recommended sentence of probation, with 364 days of count jail time as a condition.

Environmental Crimes

State v. Edward O'Rourke: In 2015 the Division charged and convicted (by guilty plea) Edward O'Rourke, the former licensed operator of the New Brunswick and Milltown public drinking water system. O'Rourke failed to conduct required testing of drinking water and then submitted falsified testing data to the State Department of Environmental Protection. In December 2015, O'Rourke pleaded guilty to second-degree corruption of public resources and third-degree violations of New Jersey's Safe Drinking Water Act. As part of a plea bargain with the State, O'Rourke was expected to be sentenced to three years in state prison on each violation, with the terms expected to run concurrently.

State v. Frank Rizzo and Michael Kouvaras: Demolition company owner Frank Rizzo was sentenced to three years in State Prison in June 2015 for unlawfully removing asbestos from the demolition site of the former Zurbrugg Memorial Hospital in Riverside. His co-defendant, Michael Kouvaras, was

sentenced to a year of county jail time and three years of probation in connection with the same case. The two were charged with removing asbestos from the Zurbrugg demolition job site without a license and using workers who were not trained or equipped to do the work safely (and in compliance with the law).

State v. John Caldwell: John Caldwell, of Washington Township, Gloucester County, was sentenced to five years' probation in September 2015 as a result of his guilty plea to criminal charges related to a major oil spill into Spring Lake and Mantua Creek in Washington Township a year earlier. Caldwell used a vacuum tank truck filled with an industrial solvent to empty the swimming pool at his home. He subsequently dumped the truck's contents into a storm drain despite a posted "No Dumping" sign. The storm drain feeds into both Spring Lake and Mantua Creek. Caldwell pleaded guilty in May 2015 to third-degree charges of violating the New Jersey Water Pollution Control Act and causing or risking widespread injury or damage.

He told investigators he thought the vacuum truck he'd used was empty. In fact, it had been used to transport a petroleum distillate called "cutting oil." Investigators identified Caldwell as the source of the spill after tracing it to the storm drain in front of his house. About 3,000 gallons of oil were recovered from Spring Lake and Mantua Creek. The State Department of Environmental Protection, which oversaw the cleanup, collected nearly \$230,000 in restitution from Caldwell to fund cleanup costs and other expenses.

Motor Vehicle Commission Crimes

Operation Facial Scrub: From 2013 to 2015, the Division charged a total of 179 defendants with identity theft, forgery and document fraud as part of Operation Facial Scrub. Using high-tech facial recognition software, the Division, together with the New Jersey Motor Vehicle Commission and State Police, identified individuals who had applied for and obtained driver's licenses under false names. Numerous defendants had extensive criminal records – including sex offender and DUI convictions. Several defendants possessed valid commercial driver's licenses under the fraudulent names.

State v. Christopher Alcantara, et al.:

The Division arrested and indicted four defendants who operated a private auto inspection business in Paterson for fraudulently using data simulators to generate false results for motor vehicle inspections. The charged defendants operated Five Star Auto Inspections in Paterson, and took illicit payments of between \$80 and \$150 in return for using the devices to generate passing results for vehicles that had failed emissions inspections. Three of the defendants pleaded guilty to tampering with public records and violations of the Air Pollution Control Act, and each was sentenced to 364 days in county jail and three years of probation. At this writing, one defendant remains a fugitive.

Financial & Cyber Crimes Bureau Highlights

Financial Fraud

State v. Irving Fryar, et al.: Former NFL football player Irving Fryar, of Springfield Township, was sentenced to five years in prison in October 2015 for his role in a mortgage fraud scheme that also involved his mother. Fryar, a five-time NFL Pro Bowler who played professional football for 17 years, was convicted by the Division at trial on theft by deception charges. He and his mother, Allene McGhee, fraudulently obtained five home equity loans totaling more than \$900,000 over a six-day period. Each of the five loans was obtained using the same Willingboro property as collateral, and without any disclosure by Fryar or his mother of the other loans. The defendants used the fraudulently-obtained funds for personal expenses.

McGhee, of Willingboro, also was found guilty and sentenced to probation for her role in the scheme. Two other defendants pleaded guilty as well. As of this writing, one of those defendants had received a three-year prison sentence, while the other's sentence was still pending.

State v. Manoj Patharkar, et al.: In 2015, the Division indicted physician Manoj Patharkar on charges of first-degree money laundering in connection with a sophisticated scheme to hide more than \$3.6 million in income from

Patharkar's medical practice. As a result of Patharkar's alleged criminal conduct, the Division charged, he underpaid taxes owed to the State by more than \$320,000. Patharkar, owner of Pain Management Associates of Central Jersey, carried out the scheme by fabricating employee payroll and wage expenses, and by depositing checks into his personal rather than business accounts. In addition to money laundering, Patharkar and a co-conspirator, Mohammed Shamshair of Sayerville, were indicted on charges of conspiracy, theft by deception, tax fraud and records tampering.

State v. Robert Sebia: Title company owner Robert Sebia was sentenced to 11 years in state prison in December 2015 as the result of a Division investigation that found Sebia stole \$7.7 million entrusted to him as payment to satisfy mortgage loans related to real estate closings he'd handled. In pleading guilty, Sebia admitted to misusing funds entrusted to him – as a settlement agent – to pay off at least 28 outstanding mortgage loans on various properties. Sebia pleaded guilty to second-degree theft and corporate misconduct charges.

State v. Joseph Talafous: The Division indicted Joseph Talafous, a Jersey City attorney, on charges related to the alleged theft of \$96,000 from a client and the client's estate. Talafous used a power of attorney to make numerous unauthorized withdrawals from the client's investment account. In doing so, he falsely represented that the payments were for legal services. In fact, Talafous had rendered no such services, and had used the client's money for his own personal expenses.

State v. Thomas Muza: Thomas Muza, former accountant for the Triangle Club, a theater troupe at Princeton University, pleaded guilty to second-degree theft charges for embezzling \$240,000 from the club's bank account. Muza was sentenced in October 2015 to three years in state prison and ordered to make full restitution to the Triangle Club.

State v. Bronthie Charles, et al.: Acting on a referral from TD Bank Corporate Security, the Division indicted TD Bank teller Bronthie Charles and seven other defendants on charges of second-degree conspiracy, theft by deception and identity theft. Charles and his co-conspirators were charged with operating a theft ring that used account information from customers of TD Bank to steal more than \$150,000 from several bank locations. At this writing, all defendants in the case have pleaded guilty and are awaiting sentencing.

Cyber Crime

Operation Predator Alert I and II: A Hamilton man was sentenced to five years in State Prison in February 2015 after he pleaded guilty to distributing child pornography. Clealretti "Steve" Koc was one of 28 defendants charged as part of Operation Predator Alert, a joint operation between the Division of Criminal Justice and ICE Homeland Security Investigations that involved two major sweeps. The operation targeted New Jersey offenders using an online file sharing network to download and distribute child porn videos and images. The Operation Predator Alert cases marked the first major utilization of New Jersey's new, tougher child pornography laws, which went into effect in August 2013. As of December 2015, a total of 13 defendants had entered guilty pleas as part of the ongoing Operation Predator Alert prosecution.

State v. Justin Bozinta: The Division arrested and charged Justin Bozinta, a teacher and coach in the East Orange public school system, with possession of child pornography, operating a marijuana facility and firearms offenses in February 2015. While executing a search warrant for child pornography at Bozinta's home in Roselle, detectives discovered that Bozinta also was operating a marijuana grow house, and that he illegally possessed various firearms.

State v. John Terruso – In June 2015, the Division arrested John Terruso, Chief of the Audubon Park Volunteer Fire Company, for using a computer at the fire station to share child pornography on-line using a peer-to-peer file sharing network. In total, Terruso possessed more than 1,000 files of child pornography on his computer. Terruso faces charges of second-degree distribution of child pornography and third-degree possession of child pornography.

Victims of Crime Compensation Office

The Victims of Crime Compensation Office (VCCO) provides compensation and services to crime victims for expenses incurred as a result of personal injury or death. In FY 2015, the VCCO awarded \$9.6 million to the victims of crime. During this period, the office received nearly 3,600 applications and processed more than 4,000 claims. The VCCO averages 300 new applications per month, with the leading areas of compensation claim being medical/dental, loss of earnings, economic support and burials.

In 2015, the VCCO reduced the average turnaround time on claims from approximately four-and-a-half months to approximately two-and-a-half months. Emergency claims were filled in an average of 29 days.

The VCCO also developed a training series on domestic violence to educate and re-educate staff on trauma and the challenges confronted by domestic violence claimants. Experts in domestic violence advocacy and prosecution were invited to serve as trainers.

In July 2015, at the request of the federal Department of Justice, VCCO welcomed a delegation of Kosovo judges, prosecutors and victim advocates to visit the VCCO offices in Newark. VCCO provided a training presentation during that visit covering the entire victim compensation process – from the initial application to payment of claims – and including the related fiscal and treasury steps. As a result of that presentation, the VCCO's executive staff has been asked to visit Kosovo in the future to assist in developing a plan to create a victim's compensation office in that country.

Also in 2015, the VCCO's attorneys (Deputy Attorney General Marsetta Lee and Assistant Attorney General John Holl) continued to provide Continuing Legal Education (CLE) training by providing presentations for various groups including legislative staff, legal services personnel and prosecutors.

The 2015 Crime Victims' Rights Week ceremony, was held on April 21 at the Hughes Justice Complex. The event brought together advocates and victims of crime from throughout the state, and honored posthumously James O'Brien, a pioneer in victim's advocacy, as well as Deidre's House of Morristown, which carries on O'Brien's legacy.



Division of
State Police



Members of the State Police work to protect the general public by providing statewide police services – including highway and marine patrols, criminal investigation and enforcement, intelligence gathering, disaster management, homeland-security-related initiatives, emergency medical transport, forensic science, laboratory services and the maintenance of criminal records and crime data. The State Police is organized geographically into various “Troop” areas that are further delineated into sections, units and bureaus that provide for intensified focus on such issues as drug trafficking, violent street gang activity and other forms of organized crime, disaster response, cyber-crime, casino crime and homeland protection. The State Police employs traditional law enforcement strategies in conjunction with new approaches and cutting-edge technology to most effectively deal with crime and other threats to public safety. More information about the State Police is available at www.njsp.org.

Combating Drug Traffic

Raid Yields 4 Arrests, Nets 52 Heroin Bricks, Stolen Guns, Illegal Ammo: Troopers arrested four suspects, confiscated multiple firearms and seized 52 bricks of heroin in a house raid in Lakewood, Ocean County, in March 2015. The raid culminated a three-month investigation led by the State Police Gangs and Organized Crimes Central Unit, State Police Troop C T.E.A.M.S. and the State Police Canine Unit were also involved in the effort. In addition to the bricks of heroin, Troopers seized 20 ounces of cocaine, two pounds of marijuana, and scales and drug packaging materials. Also seized from the house were \$3,000 in cash, three handguns – two of them reported stolen in Georgia and a third equipped with an “extended” magazine – and 190 rounds of illegal hollow-point ammunition. Further investigation led Troopers to search a motel room in Brick Township that had been rented by one of the four suspects. During a search of that room, detectives seized an AK-47 assault rifle, a 100-round ammunition drum, a 9 mm handgun, additional ammunition and approximately \$10,000 cash. The four suspects were jailed on a multitude of drug and firearms charges.

Operation China White: Operation China White was conducted by the State Police in collaboration with the federal Drug Enforcement Administration and Division of Criminal Justice. The operation led to the arrest and indictment of six Camden-based defendants on first-degree drug and money laundering charges. In all, the investigative team seized approximately nine kilograms of heroin and cocaine, approximately \$600,000 cash and multiple weapons.

The drug traffickers arrested as a result of Operation China White have substantial ties to Mexican drug cartels, and the lead defendants face substantial prison terms – 10 years or more – as they’re charged with both conspiracy and first-degree heroin distribution.

Operation Bugged Down: This 2015 action by State Police and the Division of Criminal Justice resulted in the arrest and subsequent indictment of 18 suspects who allegedly ran a major weapons trafficking ring based in Newark. Members of the ring illegally sold dozens of guns – including assault firearms and military-style launchers. Several of the guns were stolen, and one was linked to a prior murder. Newark resident Louis Boggs, leader of the ring, pleaded guilty to first-degree firearms trafficking charges and, at this writing, faces an 18-year prison sentence with a nine-year period of parole ineligibility. Ten of the 17 remaining defendants have entered guilty pleas to first-degree and/or second-degree offenses.

Operation Tidal Wave Cracks Two Drug Networks: In June 2015, State Police arrested 32 suspects – including a police officer and a public works employee – in connection with the break-up of two independent drug trafficking networks operating out of Monmouth and Ocean counties. In taking down the two organizations, detectives seized a total of more than four kilograms of cocaine, more than three ounces of heroin, 16 pounds of marijuana, 1,000 Xanax tablets, and quantities of Oxycontin and ecstasy. Also confiscated were an array of steroids, a handgun, seven vehicles and more than \$125,000 cash. Dubbed Operation Tidal Wave, the investigation began the previous year and targeted drug trafficking organizations operating in Middletown Township, Monmouth County, and Beachwood Township, Ocean County.

The first organization – nicknamed the “Scattaglia Network” – was allegedly run by Edward Scattaglia, Jr. of Middletown. Detectives identified Scattaglia as the ringleader of a sophisticated drug trafficking network that distributed primarily cocaine in Monmouth and Ocean counties. Scattaglia allegedly used his home as the focal point of the distribution network, meeting with various persons there and supplying them with cocaine for redistribution.

Over the investigation’s course, State Police detectives also learned that Francisco Romero, of Englewood, allegedly was supplying Scattaglia with multiple kilograms of cocaine. Romero allegedly used his own home in Englewood to store bulk quantities of the drug for distribution purposes. In June 2014, State Police and the Englewood Police Department executed a search warrant at Romero’s home and seized, among other things, a pound of cocaine. In a separate warrant execution the same day, detectives seized drug paraphernalia and a quantity of marijuana at Scattaglia’s home in Middletown. The second drug trafficking organization pierced through Operation Tidal Wave was dubbed the “Beachwood Network” and operated in Beachwood Township, as well as the surrounding area.

The Beachwood Network was responsible for distribution of cocaine, heroin and marijuana, as well as a variety of pharmaceutical pills. Through investigation, detectives pinpointed the network’s heroin manufacturing facility and stash house in Seaside Heights and, on April 9, 2015, arrested suspect Barry “Buzzy” McCombs at that location. In doing so, they seized more than 15 grams of raw heroin, more than 275 decks of packaged heroin, more than an ounce of cocaine and other paraphernalia consistent with the packaging and preparation of heroin. Total value of drugs seized at the Seaside Heights location was estimated at \$10,000.

Subsequently, detectives were able to locate and dismantle a second drug mill associated with the Beachwood Network. On April 20, 2015 investigators searched a home in Elizabeth, Union County, and determined it to be the source of the network’s cocaine supply. Detectives arrested suspects Andres Genao and Jose Limardo at the Elizabeth home, and also seized 1.5 kilograms of cocaine, a kilogram press machine and paraphernalia consistent

with the operation of a drug manufacturing facility. Value of drugs seized in the Elizabeth search was placed at more than \$75,000. As a result of Operation Tidal Wave, two public employees were arrested and charged. Matthew Van Houten, a Pennsauken resident and former Camden County Police Officer, was charged with possession of cocaine while employed as a police officer. In addition Albert Logan, an employee of the Ocean County Road Department, was charged with hindering and loitering to purchase a controlled dangerous substance.

Other Enforcement Highlights

Retail Theft Probe Yields Arrests, New Investigative Tool: During calendar year 2015, detectives assigned to the Troop A Strategic Investigations Unit (SIU) conducted an eight-month organized retail theft investigation that resulted in the arrest of 13 criminal suspects – each of them accused of stealing from TJ Maxx and Marshalls stores throughout southern New Jersey. The investigation’s direct outcome was significant, but it also had broader implications for law enforcement, as it pointed the way to use of an important new cyber tool for criminal investigation. Suspects arrested in the case were accused of shoplifting more than \$100,000 worth of clothing and other merchandise from TJ Maxx and Marshalls stores in seven counties, making “no receipt” returns in exchange for gift cards, then selling the gift cards to pawn shops throughout the region. The SIU investigation involved, among other things, painstaking review by detectives of in-store surveillance footage, real time surveillance of store properties and the execution of cellular telephone warrants. An asset to State Police during the probe was a new system known as RAPID – the Regional Automated Property Information Database – which many pawn shops and “cash for gold” stores now use to catalogue and track merchandise sold to them by the public.

A major break for investigators came when one suspect – Alicia Blackburne – was arrested for shoplifting in Middle Township, Cape May County in July 2015. Information on her arrest was contained in a Daily Arrest Report broadcast by the State Police Regional Operational Intelligence Center (ROIC). Investigators cross-referenced Blackburne’s

name with the RAPID data base and learned that she had pawned approximately \$16,000 worth of gift cards from the TJX Corporation – parent company for TJ Maxx, Marshalls and Home Goods stores. Ultimately, Blackburne was charged with being the leader of an Organized Retail Theft Enterprise – a second-degree criminal offense. Twelve other suspects connected to Blackburne through the investigation were charged with various degrees of shoplifting, and a subsequent search of a car used by one of Blackburne’s co-conspirators revealed, in addition to stolen retail merchandise, a Sensormatic detacher gun used to remove security devices from new clothing. Successful use of the RAPID system by Troop A detectives in the TJX case sparked regular review of statewide arrest reports and regular cross-referencing of those arrested with the RAPID data base. This process, in turn, has led to other investigations in which criminal suspects have been identified, tracked and arrested after being flagged through a system review as “top pawnners.”

Child Porn Distribution Bust: Aided by a telephone tip to the National Center for Missing and Exploited Children’s Cyber Tipline, State Police arrested a Weehawkin man in January 2015 on charges of distributing and possessing child pornography. Michael Prinzo, 24, was charged after detectives acted on a search warrant at his home and recovered a USB storage device – concealed in a container designed to look like an ordinary toiletry product – that contained hundreds of images and videos of child pornography.

The State Police Digital Technology Investigations Unit and the State Police Internet Crimes Against Children Task Force worked the investigation in collaboration with the state Division of Criminal Justice and Weehawkin Police.

Troopers Investigate DWI Crash, Catch Alleged Burglar: State Police investigating a single-car crash on Interstate 80 in Totowa in February 2015 ended up arresting the driver for driving while intoxicated, as well as for a number of unsolved property crimes. Ivan Lukic, of Butler, crashed his car while driving eastbound on Interstate 80 the afternoon of February 12, 2015. Troopers arrested Lukic at the scene for drunken driving. Subsequently, detectives learned Lukic’s vehicle had been reported stolen out of Paterson. During a search of

the auto, they seized burglary tools, stolen property, heroin and Xanax. Investigators also linked Lukic to auto burglaries reported in Bloomingdale and Butler townships. He was charged with receiving stolen property, possession of burglar’s tools, possession of heroin, possession of prescription legend drugs, criminal use of CDS and possession of hypodermic needles.

Troopers Find Eight Types of Illicit Drugs in Crashed Car: What began as a reported verbal dispute along a Cape May County roadside ended with a police chase and the arrest by State Police of a New York man on multiple drug charges in April 2015. Samuel Bompane of Brooklyn was first hospitalized, then jailed after an incident in which he engaged in a roadside argument with another motorist, led investigating Troopers on a brief chase and then – after the Troopers cut off their pursuit – crashed his car into another vehicle on the Garden State Parkway, causing it to overturn. Bompane was charged with driving while intoxicated, aggravated assault with a vehicle and possession of numerous drugs with intent to distribute including marijuana, cocaine, psilocybin (mushrooms), hashish and Ecstasy. Bompane’s car contained 10 pounds of marijuana, 80 pounds of marijuana candy, hashish oil, prescription drugs and smoking pipes. Bompane also had approximately \$35,000 in cash in the car.

Persistent Troopers Catch Man Who Fled DUI Arrest, Brandished Gun: Two Troopers teamed up in 2015 to apprehend and arrest a fugitive who was first involved in a car crash in Teaneck, fled on foot after being advised he would be charged with drunken driving, then pointed a gun at one of the Troopers. Heric Malave, of Prospect Park, was arrested in June 2015 and charged with driving while intoxicated, resisting arrest, cocaine possession, aggravated assault (with a firearm) on a law enforcement officer, and three weapons offenses. Troopers Eric Chaves and Paul Volpe were investigating a car fire on Interstate 80 in Teaneck when a two-car collision occurred nearby. The Troopers performed field sobriety tests on one of the drivers – Malave – and he failed. Upon being told he was under arrest for driving while intoxicated, Malave ran across all lanes of I-80 traffic toward the New Jersey Turnpike, then fled into a wooded area. Chaves caught up with

Malave, and the suspect responded by pointing a loaded handgun at the Trooper. Trooper Volpe arrived and the two Troopers disarmed Malave, but he was able to flee again, running back across I-80 into another section of woods. There, the two Troopers again caught up with Malave, subdued and arrested him. The Troopers were credited with exhibiting extreme courage in dealing with a life-threatening encounter.

Troopers Making a Difference

Troop B Troopers Rescue Woman Trapped in Burning House: On April 28, 2015, Troop B Troopers Adam Gonzalez and Justin Storie rushed into a burning house in Mount Olive Township and rescued a woman who was trapped inside.

The two off-duty troopers had just completed their shifts and were on their way home from work when they passed a residence on Route 206 that was on fire and emitting thick black smoke. Upon entering the home, the troopers announced themselves and heard a call for help.

Navigating through near-blackout conditions, the troopers managed to locate the homeowner and get her out of the building just before it became fully engulfed.

Troopers Gonzalez and Storie were treated at Morristown Memorial Hospital for cuts, abrasions and smoke inhalation. The homeowner was hospitalized in stable condition.

Troop D Troopers Team Up to Aid Roadside Birth: Four Troop D State Troopers combined efforts on the eve of Thanksgiving in November 2015 to deliver a baby along the New Jersey Turnpike. On November 23, three troopers – Detective Jason Kazan, Trooper Robert Ciecwisz and Detective Robert Kilmurray – responded to a call for medical assistance along the Turnpike at milepost 106.9 in Newark. Upon arriving, the three Troopers found the mother – seated in the passenger seat – obviously excited and experiencing painful contractions. The baby's head began crowning and, in short order, the child was born with assistance from the Troopers. Trooper Robert Ravotto then arrived on the scene and, noting that the newborn baby girl's airway was

obstructed, obtained a manual suction unit from his first-aid bag and cleared the baby's airway. A University of Medicine and Dentistry ambulance then arrived and transported both mother and child to University Hospital in Newark for further evaluation.

Emergency Trooper Deployment to Maryland: Approximately 150 Troopers and other State Police personnel were deployed to the Baltimore area through the State Police Office of Emergency Management (OEM) to aid local law enforcement in protecting Maryland citizens. The April 29, 2015 deployment was in keeping with a mutual aid agreement known as the Emergency Management Assistance Compact (EMAC). It came as Maryland authorities responded to civic unrest prompted by the death of a suspect while in the custody of Baltimore Police. The OEM deployment, which involved both a law enforcement and community relations function, lasted through May 5, 2015. In addition to personnel, State Police resources deployed included marked police vehicles, riot gear, specialized vehicles for arson/bomb personnel, a command post bus and housing resources for sustainability.

Prior out-of-state deployments by State Police have included assistance missions in New Orleans after Hurricanes Katrina and Gustav, and in Pennsylvania to aid with the successful manhunt for Eric Frein, who had shot a Pennsylvania State Trooper to death.

Massachusetts Snow Emergency Deployment: State Police OEM fulfilled an EMAC request from the State of Massachusetts for snow removal aid after massive snow accumulations struck the New England region in February 2015. State Police subsequently worked with the New Jersey Department of Transportation to coordinate the mission. Thirty-four pieces of equipment, including front end loaders, trucks and backhoes, as well as 36 personnel, made the trip to Massachusetts for an eight-day deployment.

Troop C Tactical Unit Efforts Helped Make Trenton Safer: For calendar year 2015, the Troop C Tactical Patrol Unit made a discernible difference by providing service beyond its customary responsibilities in the City of Trenton, as part of the Trenton Initiative. The purpose of the Trenton

Initiative is to provide a supplemental, high-visibility police presence in the Capitol City to discourage crime – particularly street crime, gun violence, and drug dealing, etc. – in specific high-crime areas. Throughout 2015, the Troop C “Tac Pac” Unit exceeded expectations by operating deployments twice weekly in support of the Initiative, frequently working in partnership with the Trenton Police Department and various other law enforcement entities. According to a State Police statistical analysis of designated crime and violence “hot spots” in which the Troop C Tac Pac members patrolled, shooting murders were down in those locations by more than 50 percent in 2015, and the overall number of arrests in those areas increased, overall, by more than 170.

Bureau and Unit Activity

Aviation Bureau

The Aviation Bureau conducted more than 10,000 missions in 2015, transported nearly 1,100 passengers and logged more than 2,000 hours of flight time. The Bureau also implemented a Maritime Patrol Initiative that enhanced the State’s security presence on and around New Jersey waterways and ports. The Bureau conducted flight operations in support of the historic Papal visit to the United States, and also provided air support for the U.S. Secret Service during multiple Presidential visits. In addition, the Bureau conducted operations in support of urban initiatives, the homeland-security-related Transportation Sector Enhanced Security Patrol, and the Miss America Pageant in Atlantic City.

Marine Services Bureau

Through proactive boating patrols, the Marine Services Bureau assisted nearly 600 persons and more than 300 vessels in 2015. The Bureau also investigated 128 boating accidents – nine of them fatal. The Bureau also leveraged its partnership with the U.S. Coast Guard to conduct joint patrols targeting Boating While Intoxicated violators. This successful joint initiative resulted in 10 Boating While Intoxicated arrests and six arrests on criminal charges. The Bureau also was heavily integrated into the State’s homeland protection mission in 2015. The

Bureau conducted nearly 13,000 critical infrastructure checks including bridges, tunnels and high-value assets along the New Jersey waterfront.

In addition, the Bureau completed more than 400 ferry escorts, 21 U.S. Navy warship escorts and one U.S. Coast Guard cutter escort under the Transportation Sector Enhanced Security Initiative. The Bureau also continued its relationship with U.S. Customs and Border Patrol efforts, participating in 22 Immigration and Customs Enforcement Patrols.

Also in 2015, the Bureau was awarded approximately \$2.3 million in Recreational Boating Safety Grant Program funds to carry out New Jersey’s Boating Safety Program, including marine law enforcement, statewide boating education, a vessel numbering system and maintenance of New Jersey’s Memorandum of Agreement with the U.S. Coast Guard.

Technical Response Bureau

The Technical Response Bureau’s Arson Bomb Unit conducted more than 100 explosive-related investigations in 2015, as well as 18 fire investigations and 162 bomb sweeps of critical infrastructure.

Notable assignments included support of such large-scale public events as the Boston Marathon, Miss America Pageant and World Meeting of Families Papal visit, as well as deployment – as part of a New Jersey mutual aid contingent – to assist with civil unrest in the City of Baltimore after a man died while in Baltimore police custody. The Bureau also provided assistance in a terroristic threat/hoax device investigation and provided robotics assistance in the case of a suspect vehicle investigation.

The T.E.A.M.S. Unit (Technical Emergency and Mission Specialists) carried out many vital tactical operations in 2015 that protected New Jersey citizens and brought violent criminal offenders to justice. The unit conducted more than 300 high-risk tactical entries, 86 other tactical deployments, seven barricaded-subject operations and 35 SCUBA deployments. As a result, more than 400 individuals were arrested, upwards of 100 firearms were recovered and approximately \$457,000 was seized.

Among T.E.A.M.S. deployments in 2015 were the Miss America Pageant, the World Meeting of Families deployment, the Baltimore civic unrest deployment and a civil disturbance at MetLife Stadium in East Rutherford during the HOT 97 Concert.

The T.E.A.M.S. Unit also assisted the Essex County Prosecutors Office and the Atlantic City Task Force with broad-based narcotics investigations that were carried out within their respective jurisdictions.

The Canine Unit responded to 1,175 requests for service in 2015 from federal, state and local agencies. State Police Explosive Detection canine teams assisted in the homeland security mission by conducting more than 2,500 explosives “sniffs” and more than 1,100 explosive sweeps.

Canine Narcotic Detection teams conducted 330 drug-related sniffs, seized controlled dangerous substances valued at \$10.9 million, confiscated more than \$817,000 in currency, and seized eight weapons. Among the Unit’s many deployments, canine teams tracked and apprehended armed robbery suspects, suspects fleeing from residential search warrant executions, and helped to locate suicidal and lost persons.

Transportation Safety Bureau

In 2015, the Transportation Safety Bureau’s Mobile Safe Freight Training Unit seized more than 875 pounds of marijuana, two kilograms of powder heroin, eight ounces of powder ecstasy and 15 doses of prescription legend drugs. The Unit also confiscated approximately \$1.1 million in cash and seized \$174,000 worth of property. The Unit’s interdiction activity resulted in a total of 66 arrests.

Recruiting & Development

SP Launches New Bureau to Help Chart

Future Growth: With an eye to the future, New Jersey State Police launched a new Recruiting and Employee Development Bureau in November 2015 to conduct a robust Trooper candidate recruiting and selection effort. Creation of the new Bureau allowed for all aspects of the pre-Academy process to be handled under one roof – including recruiting, outreach, the candidate selection process, applicant investigations, etc. Personnel assigned to the Bureau were tasked with carrying out State Police recruiting and hiring efforts geared toward developing – and maintaining – a State Police organization that reflects the diverse communities it serves. Other high priorities of the Bureau for 2015 – and beyond – included building working relationships with community leaders throughout the state, and establishing youth programs to help generate interest among young people in law enforcement as a career.

FLEET Program: Among the keynote youth initiatives launched in 2015 was the FLEET Program (Future Law Enforcement Education and Training), a long-term recruiting effort done in partnership with local communities and their schools.

The goal of FLEET is to offer guidance and education to youth from areas that have little experience or knowledge of the State Police, or the field of law enforcement in a broader sense. Under the FLEET program, Troopers meet one-on-one with a student mentee assigned to them, develop a relationship with them through time spent together talking and participating in activities, and along the way introduce them to the elements of a law enforcement career.

Trooper mentors are carefully selected, with an emphasis on choosing not only the most qualified individuals, but those who have the greatest interest in sharing their time and experiences to help young people learn, grow and also have fun.

Recruiting Unit Efforts: Guided by a newly-developed Strategic Plan which it shared with community leaders, the State Police Recruiting Unit forged grass roots partnerships in 2015 designed to strengthen ties with the public and enhance recruiting efforts – particularly in diverse communities. Included in the effort was a targeted State Police career ad campaign featuring a social media component, as well as messaging via bus placards, posters and brochures. Recruiting Unit members attended numerous career fairs and community events in 2015, and also attended events sponsored by NAACP chapters at academic institutions, churches and other venues. In addition, the Recruiting Unit hosted monthly Career Nights in the northern, central and southern regions of the state and, as a means of increasing the recruit retention rate, began to develop a new Applicant Mentoring Program designed to support candidates going through their academy training.



Division on
Civil Rights

Division on
CIVIL RIGHTS



Consistent with its statutory mandate, the Division on Civil Rights accepts, investigates, and prosecutes complaints of unlawful discrimination, and responds to inquiries from the general public regarding anti-discrimination and family leave laws. The Division has regional offices in Atlantic City, Cherry Hill, Newark, and Trenton. More information about the DCR is available at www.NJCivilRights.gov.

Overview

The Division on Civil Rights is responsible for enforcing the New Jersey Law Against Discrimination (LAD) and the New Jersey Family Leave Act (FLA). The LAD makes it illegal to discriminate in employment, contracting, housing and places of public accommodation. The FLA requires covered employers to grant time off from work to employees for the birth or adoption of a child, or the serious illness of a family member.

In 2015, the Division obtained approximately \$1.7 million in settlement payouts on behalf of New Jersey residents. In addition to payments to the alleged victims of discrimination and the State, settlements negotiated by the Division typically required training on the LAD and/or FLA, required the creation and meaningful dissemination of new or updated anti-discrimination policies and procedures, and imposed reporting and monitoring requirements to ensure compliance with the law. Over the course of the year, Division staff processed thousands of inquiries regarding civil rights from the public. The most common basis for new discrimination complaints was disability, followed closely by race, gender and age. The most common issues raised by complainants were unlawful discharge from employment, retaliation, and denial of reasonable accommodation.

During calendar year 2015, the Division launched 619 new unlawful discrimination investigations, issued 23 Findings of Probable Cause and resolved/closed 594 cases. Matters handled by the Division affected individuals from all walks of life and covered a broad range of discrimination allegations. In addition to investigating and litigating civil rights matters, the Division continued to conduct a variety of outreach and training

sessions in 2015. Training for employers typically centered on the requirements of the Law Against Discrimination and the Family Leave Act, and on how to ensure compliance with those laws.

The Division also conducted a variety of “know your rights” seminars, as well as civil rights awareness training for business operators, landlords, real estate industry personnel and others.

Case Resolutions

Private Academy Pays \$58,000 to Settle Complaint Over Expulsion of Learning Disabled Student: The private Waldorf School of Princeton agreed in 2015 to pay a learning-disabled student and her parents \$58,000 to resolve allegations that it unlawfully discriminated when it expelled the girl – without prior notice – after seven years as a student due to her mother’s aggressive advocacy on her behalf. In addition to paying the student and her parents, Waldorf agreed under the settlement to review and revise its non-discrimination policy, provide training for all employees on addressing reasonable accommodation requests, and modify the school’s records to remove any indication the girl was expelled. As part of the settlement, Waldorf also agreed to welcome the student back to participate in alumni events with the classmates who learned alongside her, and who would have comprised her eighth-grade graduating class had she remained at Waldorf. A Division investigation found that the education professionals at Waldorf chafed at what they viewed as an overstepping of boundaries by the girl’s mother, as well as what they perceived as an occasionally disrespectful – even abusive – tone of communication. The mother, meanwhile, indicated disappointment with what she perceived as a reduction in communications by Waldorf staff compared to prior years, a lessening of regard for her concerns, and a diminished degree of attention focused on her daughter’s needs. Then in May 2012 – despite providing re-enrollment paperwork and a financial aid package to fill out – the school wrote to the girl’s parents explaining that she would not be invited back for eighth grade. The stated reason was that Waldorf was “not

the appropriate environment” based on assessments by certain “outside evaluators.” However, there also was a reference to a “history of an unproductive relationship” with the mother, and a “lack of consciousness about appropriate boundaries” on the mother’s part.

Public School District Pays \$45,000 to Settle Ex-Employee’s Complaint: The Burlington City public school district agreed in 2015 to pay a former employee \$45,000 to resolve allegations that it wrongly terminated her for absences that included 39 days of approved, unpaid leave to care for her husband, who was recovering from open-heart surgery. In addition to paying former educational assistant Helyna Nikulicz in two installments of \$22,500 each, the Burlington City school district also was required to implement several reforms.

The reforms included ensuring that the district’s family leave policy states plainly that “serious health condition of a family member” is an acceptable reason to take unpaid family leave without fear of termination or other negative employment consequences. The school district also was required to provide training for all supervisors, managers and human resources personnel with respect to the provisions of both the New Jersey Family Leave Act and the federal Family and Medical Leave Act.

Rehab Center Pays \$35,000 to Resolve ASL Interpreter Case: An Essex County rehabilitation center paid a former patient \$35,000 in 2015 to resolve allegations the man, who is deaf and communicates primarily through American Sign Language (ASL), was unlawfully denied the services of an ASL interpreter during an extended stay at the facility. Thomas Snyder, of Newark, was admitted to the Park Crescent Healthcare & Rehabilitation Center in East Orange in March 2014. Throughout his 39-day stay at the facility, Snyder and his sister repeatedly asked for the services of an ASL interpreter, but did not receive them. The center acknowledged that it did not accommodate the requests, because Snyder appeared able to effectively convey his questions and comments using a pen and paper. Snyder filed a formal discrimination complaint with the Division in June 2014. In his complaint, Snyder alleged that he saw a doctor once a week during his five-and-a-half weeks at Park Crescent, but was unable to ask

questions about his treatment. The Division investigated Snyder’s allegations and, based on the results, issued a Finding of Probable Cause against Park Crescent in November 2014. In that finding, the Division held that, while Snyder appeared able enough to communicate with rehab center staff about routine matters, his ability to effectively communicate – and be communicated with – regarding the critical issue of his medical treatment was in question.

Planet Fitness Settles Wrongful Firing Case: In April 2015, Planet Fitness Ewing paid a former employee \$25,000 to resolve allegations that the health club discriminated against her – first by denying her a promotion, then by dismissing her for an infraction other employees had committed without being fired. In addition to paying former employee Rachel Bronner \$25,000, Planet Fitness Ewing also was required under a settlement agreement to provide the Division with evidence of a current anti-harassment/anti-discrimination policy, and to arrange training on the policy for all management and supervisory staff at the health club. Bronner, who is African-American, filed a charge with the federal Equal Employment Opportunity Commission in May 2013 alleging that she was wrongly passed over for a promotion and subsequently terminated because of her race and gender. EEOC investigated her complaint and determined that Bronner had been discriminated against on the basis of race and gender, but transferred the matter to the Division on Civil Rights under a work sharing agreement.

The Division subsequently reviewed the case and issued a Finding of Probable Cause that Bronner had been the victim of discrimination, with age and marital status added to the EEOC findings. As a front-desk employee of Planet Fitness Ewing, Bronner performed a variety of managerial functions, but alleged that she was passed over in favor of a less-qualified male co-worker when an assistant manager position became available. Planet Fitness told Division investigators the male worker who received the promotion was “more mature, married and has real bills” as opposed to Bronner, who was single and “a young girl.” In addition to not promoting Bronner, Planet Fitness Ewing was accused of terminating her

employment for certain conduct – leaving the facility mid-day for a trip to Edison and not specifying what time she would return – that other employees had engaged in previously without being fired. An EEOC investigation report described as “quite dubious” the circumstances surrounding Bronner’s dismissal, and characterized the assertion by Planet Fitness that it had a strict policy of termination for such conduct as “simply not worthy of belief.”

Vantage Pays Ex-Worker \$20,000 to Settle Age Discrimination Claim: Vantage Communications agreed in 2015 to pay a former employee \$20,000 to resolve allegations it unlawfully dismissed the worker soon after he requested disability leave to undergo surgery. Vantage, which sells telephones and other communications products and services, at one time operated a facility in Ewing, Mercer County. Complainant Michael O’Shea worked out of the company’s Ewing office for approximately 16 months before being terminated. An amended Complaint filed by both O’Shea and the Division on Civil Rights accused Vantage of violating New Jersey’s Law Against Discrimination (LAD) by firing O’Shea one day after he requested leave to undergo a hip replacement operation. Vantage denied engaging in unlawful discrimination and contended that O’Shea’s dismissal was performance related. In its investigation, the Division found no performance reviews or other evidence that O’Shea had been formally notified his job was in jeopardy.

Landlord Required to Pay \$8,000 to Settle Housing Bias Complaint: Under a settlement negotiated by the Division on Civil Rights in 2015, a Hudson County landlord paid \$8,000 to an African-American woman to resolve allegations the landlord unlawfully discriminated by telling the woman, who had called her about renting an apartment, that she would not rent to African-Americans or Hispanics. In addition to the settlement payout, Bayonne landlord Donna Ferraro also was required to submit to State monitoring of her rental practices – including reporting to the Division on all vacancies filled and all reasons for accepting/rejecting rental applicants. Complainant Aja Spooner saw an apartment-for-rent ad placed by Ferraro in a Hudson County newspaper and followed up by calling Ferraro from her place of employment.

Spoooner told Division investigators that, during their telephone conversation, the two women agreed they would meet the next day and Spooner could tour the available rental unit. As they were wrapping up the conversation, Spooner alleged, Ferraro mentioned that she was being “very selective” in renting the apartment, and did not intend to rent to anyone African-American or Hispanic. Spooner said it was evident from their phone conversation that Ferraro believed Spooner to be white. Ferraro denied making discriminatory statements, told the Division on Civil Rights she had a history of renting to Hispanic tenants, and told them she had no memory of ever speaking with Spooner. However, Spooner provided the Division with telephone records from her employer documenting a nearly-13-minute call to Ferraro’s number on March 15, 2011.

Superior Court Actions, Favorable Rulings

DCR Files Superior Court Complaint Alleging Race, Age Discrimination: In October 2015, the Division filed a Director’s complaint in state Superior Court alleging that Newark-based Continental Auto Parts unlawfully discriminated on the basis of age and race. Specifically, the complaint alleged that Continental had discriminated by not hiring a qualified African-American man in his 50s for a delivery driver position it advertised, then hiring two significantly younger, non-African-American applicants for the same work. The three-count complaint alleged multiple violations of the New Jersey Law Against Discrimination (LAD), including age-based discrimination, race-based discrimination, and making unlawful pre-employment inquiries.

According to the complaint, Anthony Sturgis of Lindenwold, Camden County, responded to a “driver wanted” ad placed on Craigslist by Continental Auto Parts. In addition to its Newark headquarters, Continental had a facility in Mount Laurel, Burlington County, at the time Sturgis applied for employment, as well as facilities in Pennsylvania and New York. The Craigslist ad encouraged applicants to respond to

Continental's Mount Laurel facility, and Sturgis did so immediately, submitting his resume on-line. The resume indicated that Sturgis had obtained his Associate's Degree in Criminal Justice, and had worked for many years as a delivery driver and in the security industry. Within an hour, Sturgis received a telephone call from Continental's Mount Laurel branch manager. The branch manager appeared "enthusiastic," according to the Division complaint, and Sturgis was invited to visit the Mount Laurel facility for a face-to-face meeting the next day. Sturgis alleged that, although the branch manager sounded interested in hiring him when they spoke by phone, his demeanor was markedly different in person.

Sturgis also told Division investigators that the branch manager asked him his age and about his state of health. (Both questions are prohibited in such a context by the LAD.) Although Sturgis was told he'd receive a follow-up call to arrange a second interview, no such interview materialized. Sturgis made several subsequent telephone calls to Continental, but was never again contacted by the company.

Appellate Panel Affirms DCR in Case of Driver with Agoraphobia: In February 2015, a Superior Court Appellate panel upheld a Division finding that the New Jersey Motor Vehicle Commission (MVC) did not unlawfully discriminate when it refused to waive its in-person, digital photographic driver's license renewal requirement for a woman afflicted with agoraphobia, an anxiety disorder she claimed limited her ability to travel. Robin B. Wojtkowiak, of Voorhees Township, Camden County, wrote the MVC in August 2012, requesting that the agency waive its in-person renewal requirement because of her disability, and offering to supply a recent digital photograph of herself to meet the State's requirements. To support her request, Wojtkowiak provided a doctor's letter verifying that she "has a long standing history" of agoraphobia and indicating that, while Wojtkowiak is capable of driving, her ability to do so without anxiety is limited to a "safety zone of five miles from her home." The MVC denied Wojtkowiak's request,

but offered to accommodate her in other ways. For example, the MVC offered to pre-schedule an appointment for Wojtkowiak at the nearest MVC office – in Cherry Hill, 11 miles from her home – and arrange for her to be the first customer of the day. Wojtkowiak responded by filing a complaint with the Division on Civil Rights, arguing that given her condition, MVC should have come within her safe zone to take her photo, or allowed her to submit a photo, or waived the photo requirement altogether. After interviewing Wojtkowiak, MVC officials, and conducting a site inspection of the MVC and the equipment at issue, the Division issued a Finding of No Probable Cause, which Wojtkowiak then appealed. In upholding the Division's finding, the Appellate panel found that, despite the doctor's letter submitted by Wojtkowiak, there was a "lack of sufficient expert medical evidence" that she was incapable of driving, or being driven to, the nearest MVC agency – even if it was located more than five miles away from her home – on a single occasion.

Finding Affirmed in Hostile Work

Environment Case: In March 2015, an Appellate panel upheld a finding by the Division on Civil Rights that New-Brunswick-based Dane Construction had unlawfully subjected one of its employees to racial slurs and sexually harassing remarks in the workplace, and had to pay the woman \$25,000 for pain and humiliation.

In addition to upholding the Division's order that Dane Construction and its owner, Pat Buckley, pay ex-employee Shi-Juan Lin, the Appellate panel also upheld a \$5,000 statutory penalty imposed by the Division. The Appellate panel also upheld an order that Dane Construction reimburse the State

\$31,000 in legal fees and costs. Complainant Lin, of Carteret, worked as a bookkeeper and secretary at Dane Construction. Her employer was aware of her Chinese heritage, knew that Lin's fiancé was black and of Jamaican descent, and was aware that the couple had a five-year-old son together. Despite that awareness, State investigators found sufficient evidence that Lin was subjected -- typically by company owner Buckley -- to unlawful workplace discrimination in the form of slurs aimed at African-Americans and, on at least one occasion, a remark directed at Lin that was both racially discriminatory and sexually harassing.

Findings of Probable Cause

In 2015, Division investigations resulted in Findings of Probable Cause that addressed alleged discrimination in many different settings and affected persons from all walks of life including: tenants, employers and employees, would-be renters, individuals with a disability, and many others. A Finding of Probable Cause is not an adjudication on the merits of a discrimination complaint. Rather, it means the Division has concluded its preliminary investigation and determined there is sufficient evidence to move the case forward on the basis of a reasonable suspicion the law has been violated. Some examples of 2015 discrimination complaints that, after investigation, yielded Findings of Probable Cause include:

- An openly lesbian Hudson County woman alleged repeated harassment by her supervisor and co-workers because of her sexual orientation.
- An elderly widower alleged disability-based discrimination after an Ocean County homeowner's association refused to provide reasonable accommodations for his significant physical disabilities.
- A deaf woman who was in danger of being stranded without transportation in a blizzard alleged discrimination after a Passaic County taxi company repeatedly refused to accept telephone calls from a relay service that was calling on her behalf.
- A Burlington County tenant alleged disability-based discrimination after the apartment complex where she lived refused to allow her to keep an emotional support animal despite a note from her doctor -- a physician who is certified in psychiatry and neurology -- stating that the animal was necessary to assist her.
- A Monmouth County landlord, who is also a lawyer, was accused of housing discrimination after refusing to consider would-be tenants planning to pay their rent using federal Section 8 housing assistance.
- A Mercer County employer was accused of race-based discrimination after two African-American factory workers were fired for committing the same offense as three non-African-American co-workers (who were not terminated.)
- A Bergen County woman complained of being subjected to severe or pervasive sexual harassment by her employer who, among other things, was alleged to have surreptitiously monitored her via the business's video system.

Miscellaneous Highlights

Division Relocates Southern Regional Office: Effective March 2, 2015, the Division officially relocated its Southern Regional Office from the Delaware River waterfront in Camden to 5 Executive Campus in Cherry Hill. Principal rationale for the move was cost savings. The projected annual savings on rent alone through relocation was approximately \$103,000. Annual savings on other costs – for example, outside maintenance, snow removal, utilities, etc. – was expected to increase the savings further. The Division’s Southern Regional Office serves residents of Camden, Burlington, and Gloucester counties, and is open Monday through Friday from 8:30 a.m. to 5 p.m., with walk-in hours from 9 a.m. to 4:30 p.m. Another significant reason for relocating from the Camden Waterfront to Cherry Hill was accessibility and convenience for residents seeking information, or to file a formal complaint. The Executive Campus site in Cherry Hill is familiar to many residents of the tri-county area because it already houses such well-known entities as the New Jersey Motor Vehicle Commission, the federal Social Security Administration offices, and Camden County’s Child Support Probation Division, as well as many private employers. The location is convenient by car, and NJ Transit bus service stops next to the building. The site is also within walking distance of a NJ Transit train station.

DCR Co-Hosted Accessibility Design/Construction Seminar: The Division on Civil Rights, U.S. Department of Housing and Urban Development (HUD) and the Fair Housing Council of Northern New Jersey co-sponsored a free, one-day fair housing accessibility seminar in June 2015. Held at Gateway Center in Newark, the seminar focused on building design and construction requirements under federal and state fair housing laws.

Other topics included development of accessible public and common-use areas in housing construction, and the creation of accessible routes. Featured speaker for the event was John H. “Jack” Catlin, a partner at Chicago-based LCM Architects. Catlin has been a key figure in development of the “universal design” concept, which incorporates both standard housing and accessible housing design. Catlin also has been integral to the development of accessibility codes and standards for state and local building codes. He co-chaired the committee that developed the City of Chicago’s first comprehensive accessibility rules as part of revisions to the city’s building code. He remains actively involved in the training of professional groups, corporations, universities and government agencies in both universal and accessible housing design. The seminar offered attendees a comprehensive look at technical standards and specifications required by state and federal fair housing laws. It was geared toward construction professionals such as contractors, architects, designers, civil engineers and landscape architects. The event’s working ethos was that, while it’s important to ensure that landlords avoid discriminating against persons with disabilities, it’s also vital that designers and builders be encouraged to construct buildings that incorporate the needs of the disabled.

DCR Helps Develop Anti-Bullying Video Message for Educators: In March 2015, the New Jersey State Board of Education viewed a video message from New Jersey’s Acting Attorney General focused on the issue of harassment, intimidation and bullying in schools. The video emphasized a proactive, not reactive, approach to the problem, and urged school leaders to make the issue a top priority. The video also emphasized the importance of vigilance by education leaders with regard to incidents of harassment, intimidation and bullying, as well as ensuring a positive culture and climate in all school buildings. The video message was developed with input from the Division on Civil Rights, and was distributed to all Executive County superintendents. It was shown at county “roundtable” meetings with school district Superintendents from throughout the state, and was posted on the websites of both the New Jersey Attorney General’s Office and the state Department of Education.



Division of
Consumer Affairs



The mission of the Division of Consumer Affairs is to protect the public from fraud, deceit, misrepresentation and professional misconduct in the sale of goods and services through education, advocacy, regulation and enforcement. In addition to reviewing thousands of consumer complaints each year, the Division uses its website and public outreach programs to promote awareness of consumer protection laws and educate members of the public on how to protect themselves in the marketplace. The Division also protects consumers by ensuring that the state's licensed professions and trades observe applicable standards of conduct. The Division keeps a vigilant watch for emerging consumer threats and takes immediate steps to address them. More information on the Division is available at www.njconsumeraffairs.gov.

2015 Highlights

Combating Cyber Fraud

Countering the Cyber Fraud Menace:

In 2015, cyber fraud and identity theft emerged as leading threats to consumers in New Jersey and across the nation. The Division responded to this rising menace by improving its cyber fraud investigative capabilities and taking aggressive action against on-line con artists operating in New Jersey. For example, the Division completed installation of a cyber-lab to assist its Cyber Fraud Unit with cyber fraud and data breach investigations. Working with the Division of Law and a newly-retained privacy consultant, the Cyber Fraud Unit continued to expand the Division's reputation as an innovator in the field of privacy and data security protection. The Unit also stepped up investigation and enforcement efforts against entities that promised to safeguard customers' personal information but failed to do so, or that interfered with customers' control over personal privacy settings. The Division can civilly prosecute such conduct under the Consumer Fraud Act, the New Jersey Computer Related Offenses Act, and other statutes.

Cyber Fraud Case Settlements

"Prized" Mobile App – The Division joined with the Federal Trade Commission (FTC) in settling with the makers of "Prized," a mobile app that allegedly hacked Android smartphones and/or tablets with harmful malware.

Under the settlement, Ohio-based app developer Equiliv Investments and Ryan Ramminger, principal of the company, are banned from marketing or selling products that function as malware, and from using misrepresentations in the sale or advertisement of software products. In addition the defendants must, for the next 20 years, regularly provide the Division and the FTC with financial, personnel, and other records intended to help ensure their full compliance with the settlement terms, as well as with applicable federal and state laws.

"Tidbit" Software – The Division found that despite initial assertions to the contrary by the developer of the Bitcoin mining software Tidbit, the software was being used to gain access to computers owned by persons in New Jersey without the computer owners' knowledge or consent. Under a settlement agreement, Tidbit's developer is prohibited from accessing or attempting to access New Jerseyans' computers without clearly and conspicuously notifying the owners and obtaining their verifiable consent. The settlement also includes a \$25,000 suspended monetary payment. If the software developer fails to comply with the terms of settlement over the next two years, the suspended \$25,000 payment can be reinstated.

DealerApp Vantage, LLC – To resolve State allegations that its customized car dealer apps collected and disseminated users' personal information without their knowledge or permission, Dealer App agreed to revise its business practices to comply with the law and pay \$48,724 to the State in civil penalties and costs. Under the settlement, \$26,224 of the payment amount will be vacated if Dealer App commits no violations of the settlement terms within two years.

Protecting Consumers, Strengthening Services

“Fighting Fraud” Public Outreach

Campaign: In 2015, the Division received information suggesting that imposter frauds and other criminal scams were on the rise in New Jersey. Ruses like the IRS phone scam, lottery and sweepstakes cons, and the so-called “grandparent scam” were being played out across the state, particularly against senior citizens. To combat this rising threat, the Division created and launched a program called “Fighting Fraud,” an aggressive public outreach campaign to educate consumers on how to spot scams and avoid them. The “Fighting Fraud” presentations, which included guest speakers and law enforcement footage of real-life scammers at work, outlined the various ways in which con artists use phone calls, emails, and other means to trick their victims into sending money or personal information.

Among other useful information, the presentations provided basic steps that every New Jerseyan should take when someone offers money for a fee, demands money, or asks for personal information. Over the course of 2015, the Division visited senior centers in all 21 counties to deliver the Fighting Fraud message, and helped hundreds of potentially vulnerable senior citizens prepare to fight back against fraud.

Improved Public Accessibility to Division Services: From investigating consumer fraud complaints to registering and licensing 750,000 businesses and professionals, the Division is an invaluable source of services to the public. In 2015, the Division enhanced public access to those services through technological upgrades and the creation of an entirely updated website. The Division’s retooled website is more user friendly and permits consumers to file complaints online. New features include a redesigned layout for ease of use, a more appealing appearance and improved search engine functionality across the various units of the Division. The website also features a more intuitive layout for better online access to services – such as the filing of complaints, applying for licensure or license renewal, and verifying a license or registration. The improved layout is also more conducive to formatting for use on various mobile devices, including smartphones and tablets.

Development of Extreme Weather

Emergency Action Plan: When severe weather leads to storm damage and declaration of a State of Emergency, most New Jersey residents band together and help each other through the hard times. However, in any given disaster situation, an unscrupulous few typically seek to exploit the misery of others for profit. To ensure consumers are protected from price gouging during emergencies, the Division developed an emergency protocol for application during a declared State of Emergency. The Division’s Extreme Weather Emergency Action Plan ensures that consumers are quickly alerted to the threat of price gouging, educated on how to avoid it, and informed on where to report it. Through a designated set of protocols, when a State of Emergency is declared, members of the Emergency Action Plan team mobilize to activate a consumer hotline specifically designated for price-gouging complaints.

Investigators from the Division’s Office of Consumer Protection monitor the hotline around-the-clock and respond promptly to complaints. The Division’s Office of Communications immediately issues a news release reminding consumers of the State’s price gouging laws and urging them to call the hotline if they suspect fraud. Members of the Division’s Web Team update the Division’s website to ensure that consumers receive the latest storm-related information on the Division’s Extreme Weather Consumer Resources page.

The page also includes information on fraudulent charity warnings, disaster-related scams and other relevant topics.

Discipline for Doctors Who Commit Sexual Misconduct

In 2015, the Division set forth aggressive and comprehensive reforms aimed at strengthening discipline by the Board of Medical Examiners (BME) relative to doctors who commit sexual misconduct. These reforms have led to more effective discipline by the BME and an emphasis on improved process, appropriate penalties, and better cooperation between the Division and law enforcement authorities. In 2015, the Division filed charges seeking to revoke the licenses of six doctors accused of sexual misconduct with patients. The Division obtained temporary license suspensions

against all six as the charges against them continue to be litigated. The Division also revoked the licenses of five additional doctors for sexual misconduct with patients, resolving charges brought prior to 2015.

Fighting Prescription Drug Diversion and Abuse

In 2015, New Jersey was hit hard by the same opioid addiction crisis that was claiming lives across the United States. The Division of Consumer Affairs responded to this mounting threat by launching new initiatives and expanding existing programs to curb the abuse of prescription drugs known to pave the way to addiction.

Expansion of PMP Database: The Division continued to expand and improve access to its Prescription Monitoring Program (PMP), a vital tool in New Jersey's efforts to curb prescription drug misuse. Launched in 2012, the PMP's searchable data-tracking system keeps records of prescriptions filled in New Jersey for controlled dangerous substances (CDS) – the category of drugs that includes highly addictive opiate painkillers. Accessible to State-licensed pharmacists and CDS prescribers, the system logs details of prescription CDS transactions, including the name, quantity and strength of the medication, the name of the patient, and the identity of the prescriber and the dispensing pharmacist. The information can be used by prescribers to spot patterns of prescription drug diversion or misuse by their patients, including “doctor shopping” – obtaining multiple CDS prescriptions by hop-scotching from physician to physician, typically without disclosing prior prescriptions. The Division also provides case-specific PMP information to law enforcement agencies (pursuant to grand jury subpoenas or court orders) for investigative purposes, including the investigation of “pill mill” doctors that indiscriminately prescribe CDS.

By the close of 2015, the PMP contained data on more than 55 million prescriptions written since 2011. Throughout the year the Division continued efforts to boost enrollment in the PMP by automatically registering practitioners who successfully applied for the renewal of their State-granted authority to prescribe CDS. As of year's end, approximately 97.5 percent of doctors and 77 percent of all eligible prescribers were enrolled in PMP, and the system had been accessed 2.1 million times. To encourage use of the system, access was

made easier when the Division launched the nation's first mobile app allowing registrants to access the PMP database from smartphones and handheld devices. The Division continues to encourage use and understanding of the PMP through outreach presentations at New Jersey hospitals and at other venues. In an effort to enhance the technological capabilities of the PMP, the Division competed for and won a \$500,000 federal grant to purchase software that will allow prescribers to electronically report lost or stolen prescriptions. That information, in turn, will be automatically captured by the system and disseminated to appropriate agencies. The grant also provided funding to equip the PMP with enhanced data analytics, which can be used to better identify patterns of prescription drug diversion or abuse. The Division also increased the PMP's interstate data-sharing capabilities by connecting with four additional states – Rhode Island, Virginia, Minnesota, and South Carolina – over the course of 2015, increasing to a total of six the number of states now interconnected with New Jersey. The interstate hub enabled 165,716 prescriber data requests by year's end, the majority of those requests generated by New Jersey users.

Expansion of Project Medicine Drop: With statistics showing a clear nexus between abuse of the prescription painkillers found in many home medicine chests and experimentation with harder drugs, including heroin, the Division continued to expand and promote its Project Medicine Drop (PMD) program in 2015. Project Medicine Drop provides New Jersey residents with a convenient disposal method for prescription drugs that otherwise can be abused, stolen or resold. The Program places lockable metal containers inside select New Jersey police departments, sheriff's offices, State Police barracks, and other secure locations. The boxes are available throughout the year – 24 hours a day – to discard expired or unused medications safely and securely. Drop Boxes accept solid pharmaceuticals such as pills, capsules, patches, inhalers and pet medications.

In 2015, the Division installed 40 new drop boxes throughout the state, bringing the total number to 153. Boxes are now located in all 21 counties, including a college police department and two military installations.

To reach more consumers, the Division began in 2015 to automatically distribute transportable drop boxes to every agency that requested a stationary box. The mobile boxes can be driven by authorized law enforcement personnel to senior communities, drug awareness events, educational outreach events and other locations to make it easier for residents to discard unwanted medications. The Division distributed 13 additional mobile drop boxes in 2015, bringing the total to 113. More than 45,000 pounds of unwanted medicine was collected and safely destroyed (through incineration) in 2015.

Pain Management Council's Draft

Guidelines: The Division's Pain Management Council is an advisory body whose members represent regulatory agencies, healthcare professional organizations, medical consultants, and hospitals. In 2015, the Pain Management Council undertook a comprehensive review of the standards and regulations that apply to all healthcare professionals who prescribe or dispense prescription drugs – including physicians, advance practice nurses, pharmacists, and others. The panel then drafted a comprehensive set of voluntary guidelines that will enable healthcare professionals to provide pain management while maintaining effective controls to prevent the diversion and abuse of prescription drugs. The guidelines are expected to be formally issued in 2016.

Continued Disciplinary Actions for CDS

Violations: With prescription drugs serving as a gateway to opioid addiction, the Division sought to ensure that physicians and other prescribers were not contributing to the problem through indiscriminate prescribing of CDS. Through its Enforcement Bureau and in cooperation with law enforcement, the Division continued to bring aggressive action against medical professionals and others for indiscriminate prescribing and other drug-related offenses. In 2015, the Division succeeded in revoking, suspending, or otherwise restricting the practicing authority of dozens of prescribers, pharmacists, or pharmacies accused of CDS-related offenses.

Office of Consumer Protection

The Office of Consumer Protection (OCP) is the primary unit responsible for investigating citizen complaints received by the Division of Consumer Affairs. OCP addresses thousands of complaints annually by investigating, mediating and issuing enforcement notices when appropriate.

During 2015, OCP handled more than 67,000 phone calls and 9,430 consumer complaints. OCP also opened 95 formal investigations, closed 134 investigations, issued 267 Notices of Violation, assessed \$2.8 million in restitution, and issued and assessed \$19,331 in penalties and costs. OCP also initiated enforcement actions to ensure compliance with the following two newly-enacted laws:

Angelie's Law: Angelie's Law was named for eight-month-old Angelie Paredes, who was killed in an accident caused by an autobus driver who was using his cell phone while driving. The law requires certain autobuses to post public notices outside and inside telling passengers how to report complaints and concerns to the Division of Consumer Affairs. OCP conducted unannounced inspections of commercial autobuses in 2015 and issued dozens of Notices of Violation (NOVs) to owners for failing to display the public notices required under "Angelie's Law." Autobus owners who failed to post the required signs were assessed civil penalties and other costs.

Pet Purchase Protection Act – OCP inspected pet shops throughout New Jersey in 2015 to ensure compliance with new provisions of the Pet Purchase Protection Act aimed at safeguarding consumers from purchasing unhealthy pets. The inspections resulted in dozens of shops receiving Notices of Violation for allegedly failing to label the cases of dogs and cats with each animal's breeding history, medical background, and other information required under the law. In all, a total of more than \$400,000 in penalties was assessed against violators through the OCP pet shop inspections.

Broad Scope of OCP Investigations

In 2015, OCP also initiated and concluded a significant number of investigative efforts that reflected the Division's wide range of consumer protection efforts provided for under the Consumer Fraud Act (CFA) including:

Utility Services Fraud: Continuing its strong collaboration with the Board of Public Utilities (BPU), OCP settled two of three major lawsuits filed against third-party energy suppliers and reached a settlement in principle with a third supplier. The lawsuits, filed in 2014 by both OCP and BPU, alleged the three companies violated New Jersey's Electric Discount and Energy Competition Act and the Consumer Fraud Act by failing to deliver promised monthly savings to consumers. In January 2015, New York based HIKO Energy agreed to pay \$2.1 million – including \$1.85 million in consumer restitution – to resolve the State's allegations. In August, Keil & Sons, Inc. d/b/a Systrum Energy agreed to pay \$554,698, including more than \$436,000 in consumer restitution. Both companies also agreed to amend their business practices to comply with the law. The third company, Palmco Energy of NJ, entered into a settlement in principle that was finalized in 2016.

Home Improvement and Financial Fraud: OCP's Home Improvement and Financial Fraud Unit continued to use Notices of Violation as an effective and cost-conscious enforcement tool to address the high volume of complaints against home improvement contractors. In 2015, OCP issued a total of 223 violation notices including failure to register with the Division, failure to provide insurance documentation and various contract violations. In total, the Notices of Violation sought more than \$2.56 million in penalties and consumer restitution from contractors.

Commercial Fraud: OCP's Commercial Fraud Unit was responsible for investigating matters involving three major New Jersey auto dealerships: Route 22 Auto Sales, 21st Century Auto Group, and Bergen Auto Group, d/b/a "Wayne Mazda" and "Wayne Hyundai." The dealerships were

charged in civil enforcement actions with deceptive advertising practices and failure to make mandatory disclosures, among other violations. For example, in a scheme commonly known as "bait and switch," Route 22 Auto Sales advertised a vehicle at a very low price, but when consumers attempted to purchase the advertised vehicle, the dealership said it had been sold, and offered the consumer much higher priced vehicles. Route 22 Auto Sales settled for \$1.8 million and 21st Century Auto Group settled for \$130,000. Bergen Auto Group, LLC settled for a civil penalty of \$109,600 plus other costs.

Internet Sales Fraud: In 2015, the Division saw an uptick in complaints related to online retail sales. The Division responded by cracking down on some of the biggest generators of Internet sales complaints. Including:

Stanley Safe Club: The Division filed a Complaint against Stanley Warranty LLC, which does business as "Stanley Safe Club," and its owner for allegedly defrauding consumers to whom it sold contracts for the repair and replacement of motor vehicles, as well as home systems and appliances.

Direct Buy Auto Warranty: Direct Buy Associates Inc., d/b/a "Direct Buy Auto Warranty," agreed to revise its business practices and pay the State \$779,914 – including consumer restitution – to resolve allegations of false advertising and failing to pay for promised covered repairs.

Choice Home Warranty: CHW Group, Inc., d/b/a "Choice Home Warranty," agreed to stop doing business in New Jersey and pay as much as \$200,000 in restitution – as well as other penalties and costs – to resolve allegations of false advertising and failing to pay for promised covered repairs.

Telebrands Corp.: This online retailer, known for its "As Seen on TV" products, settled fraud allegations by agreeing to pay \$550,000 to the State and change its business practices.

Professional Boards

The Division's Professional Boards Unit provides staff to support 47 professional/occupational licensing boards that license more than 750,000 professionals and businesses throughout New Jersey.

Throughout 2015, the boards and committees issued a total of 67,707 licenses to individuals and businesses. A total of 321,835 licenses were renewed during the same period.

To improve the licensing process, the Division continued to work toward identifying issues that may cause delays. Specifically, the Division worked to streamline the processes used by its contract vendor to help ensure that required documentation is received by board staff more quickly. In addition, the reallocation of staff resources during peak times – and continued roll-out of the Division's new document management and work flow management systems – are helping to improve overall processing times. Currently, all applications for license renewals can be submitted online, while initial applications for licensure are in the process of being transitioned to an online system. The Division has been tremendously successful in reducing licensing and certification times for nurse applicants who have passed the nursing exam, and for certified homemaker-home health aide applicants, from multiple months to 3-4 days (nursing) and 10-14 days (CHHAs), respectively.

Office of Weights and Measures

The Office of Weights and Measures is responsible for the testing, certification and registration of all commercial and law enforcement weighing and measuring devices, unit pricing, inspecting commodities in package form, ensuring all weights and measures are traceable back to the federal standards and other related activities. In 2015, the Office of Weights and Measures reimbursed approximately \$1.4 million to 26 county and municipal weights and measures offices. During 2015, the Office of Weights and Measures registered 210,484 weighing and measuring devices, which were operated by nearly 28,000 businesses and collected approximately \$3,7 million in registration fees.

In 2015, the Office of Weights and Measures participated in a joint auto parts store initiative with the Office of Consumer Protection designed to ensure compliance with consumer laws regarding price scanning, disclosure of merchandise pricing, and notices as to the right to a written estimate for automotive repairs, among other things. The initiative included more than 20 store inspections at Pep Boys, Advance Auto, AutoZone, and NAPA Auto Parts locations. The inspections resulted in civil actions in Essex County Superior Court against Advance Auto and Pep Boys.

The Office of Weights and Measures also conducted an initiative in conjunction with the Newark Police Department to register and inspect all of the city's taxi meter devices. Weights and Measures certified the distance courses to be used for inspections to formally bring these taxi meters into regulatory compliance. To date, the Office has conducted approximately 500 combined inspections and re-inspections of these meters, ensuring accuracy of the devices and equitable fares being charged to consumers.

As 2015 drew to a close, initial implementation of WimWam software was completed giving Weights and Measures enforcement inspectors the ability to complete inspection reports for the first time electronically. The software will allow for inspection report record keeping, historical tracking and aggregate reporting. The software will also be available for purchase and distribution to individual counties, allowing for easier implementation for tracking of reports, enhanced inspection report record keeping, improved aggregate reporting capabilities, and more efficient tracking of the status of court filed complaints.

Bureau of Securities

The Bureau of Securities administers and enforces the Uniform Securities Law and related regulations. Bureau employees register stockbrokers, investment advisers, broker-dealers and investment adviser representatives. The Bureau also investigates and prosecutes individuals and entities who violate the New Jersey Uniform Securities Law and related regulations. In addition, the Bureau conducts examinations of broker-dealers and investment advisers, and educates investors and the securities industry.

In 2015, the Bureau of Securities:

- Collected approximately \$19.6 million in revenue from registration filing fees
- Collected more than \$200,000 dollars in civil monetary penalties
- Obtained settlements or judgments of more than \$29.4 million dollars in restitution or disgorgement for investors
- Responded to approximately 22,000 inquiries and investigated 215 complaints
- Reviewed and processed more than 43,000 registration applications
- Reviewed and declared effective 38 securities offerings
- Conducted more than 900 examinations

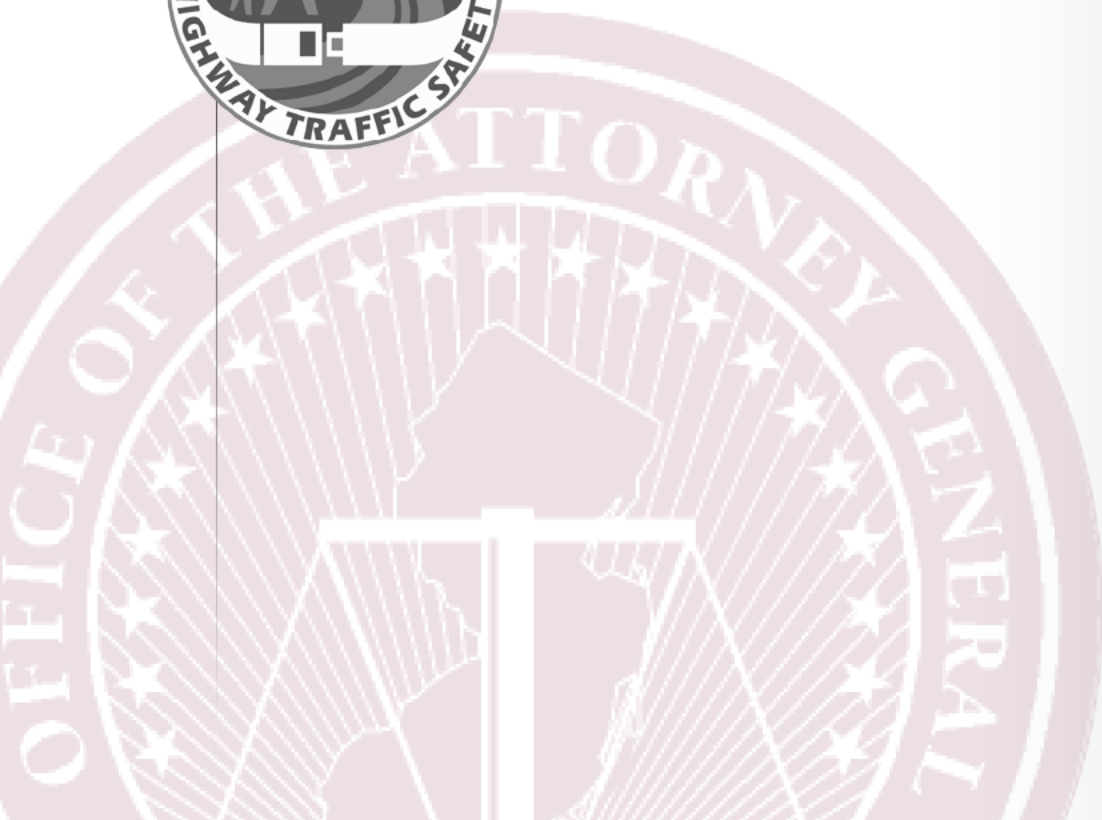
During 2015, the Bureau drafted and implemented a number of regulatory changes that impacted on the securities industry in New Jersey.

For example,, significant amendments were made to regulations governing the conduct of broker-dealers and their agents, as well as their investment advisers and representatives. The amendments both modernized the Bureau’s rules and provided new guidance to investment advisers on such issues as the maintenance of books and records and proper supervision.

In addition, legislation was signed into law in late 2015 that provided a securities exemption for “crowdfunding” offerings. The law contained emergency rulemaking authority, and BOS created a regulatory scheme for the “crowdfunding” offerings, as well as for the platforms on which the securities offerings would be solicited.



Division of
**Highway Traffic
Safety**



The Division of Highway Traffic Safety is responsible for developing and implementing a comprehensive plan to reduce fatalities, injuries and property damage resulting from motor vehicle crashes. Chief priorities of the agency include driver and passenger safety, pedestrian safety, and discouraging such threats to the motoring public as speeding, aggressive driving, impaired driving and distracted driving. For more information about the Division visit www.njsaferoads.com.

Overview

The Division of Highway Traffic Safety worked around the clock in 2015 to make driving safer for New Jersey residents and visitors, both through its own efforts and through grant funding to local agencies. Throughout the course of the year, the Division undertook an array of safety programs relating to education, enforcement and engineering. As is the case annually, the bulk of the Division's funding in 2015 came from the federal government via the National Highway Traffic Safety Administration. Funding received by the Division was used in the development, implementation and maintenance of a comprehensive statewide traffic safety plan, and also distributed among local, county and state agencies in the form of traffic safety grants. In 2015, there were a total of 562 traffic fatalities in New Jersey – a one percent increase. Going forward, the Division will continue to work with its partners at every level to reduce the number of annual traffic fatalities by promoting safe driving habits and discouraging dangerous driving practices.

Keeping Alcohol & Drugs off the Road

Drive Sober or Get Pulled Over: Grant funding from the Division supported two enforcement campaigns in 2015 related to the national anti-drunk-driving campaign “Drive Sober or Get Pulled Over.” The first campaign actually launched in late 2014 and ran through January 2, 2015. Three-hundred-eighty New Jersey policing agencies participated in the campaign, making a total of 2,093 arrests for driving while intoxicated, giving out 6,410 speeding tickets and issuing 3,923 summonses for failure to wear a seat belt.

The second campaign, which ran from August 21, 2015 through September 7, 2015, involved a total of 361 police agencies. In that campaign, participating agencies made 1,786 arrests for driving while intoxicated, issued 5,964 speeding tickets and issued 3,361 summonses for failing to wear a seat belt.

Overall, the two “Drive Sober or Get Pulled Over” enforcement campaigns in 2015 resulted in nearly 4,000 arrests for driving while intoxicated, more than 12,000 speeding tickets issued by police, and more than 7,000 summonses for failure to wear a seatbelt.

New Jersey State Police participated in both enforcement campaigns. Overtime enforcement grants helped subsidize the “Drive Sober or Get Pulled Over” effort for many police departments involved in the effort, but more than half used their own resources.

Cops in Shops: A collaborative effort, Cops in Shops is funded each year by the Division of Highway Traffic Safety and overseen by the Division of Alcoholic Beverage Control. In the summer of 2015, DHTS distributed a total of \$81,000 in grants to shore-area towns that used the money to pay local police to work undercover in participating retail locations. As part of the operation, police either posed as liquor store employees or were positioned outside of stores to catch individuals trying to buy alcohol for underage drinkers. In summer 2015, a record 39 shore towns from Atlantic Highlands to Wildwood participated in the initiative, which ran from May 23 through September 15. The result was 252 arrests. Prior to the summer initiative, a Cops in Shops effort aimed at underage drinking in New Jersey’s college towns had run from December 1, 2014 through June 15, 2015. Dubbed the College Fall Initiative, the program allotted \$65,000 to 20 towns and resulted in 164 arrests.

Occupant Protection

Click-It or Ticket: In May 2015, local and state law enforcement agencies in New Jersey joined peers in 15 other states in a coordinated, border-to-border seat belt enforcement effort that kicked off the annual “Click It or Ticket” campaign. Law enforcement officers from more than 50 departments in New Jersey joined with colleagues from New York, Maine, Vermont, Connecticut, New Hampshire, Rhode Island, Massachusetts, Pennsylvania, Delaware, Tennessee, West Virginia, Maryland, Virginia, Georgia and Florida to set up checkpoints and roving patrols near border crossings to enforce seat belt usage.

The 2015 “Click It or Ticket” effort ran from May 18 through May 31, with approximately 75 percent of the state’s nearly-500 police agencies participating, including New Jersey State Police. Overall, police issued 26,308 seat belt summonses during the two-week campaign, and issued 633 citations for improper child restraint. In addition, police issued 4,969 speeding tickets and made 833 arrests for driving while intoxicated.

Seat Belt Usage Survey: New Jersey motorists showed an encouraging increase in front seat belt usage in 2015. According to an annual statewide seat belt usage survey conducted by the New Jersey Institute of Technology, the front seat belt usage rate increased to 91.3 percent in 2015 compared with a rate of 87.5 percent the prior year. Rear-seat usage of seat belts also increased in New Jersey in 2015 – to 81 percent (contrasted with 80 percent the prior year.) Based on data guidelines developed by the National Highway Traffic Safety Administration, more seat belt usage translates into fewer fatalities and serious injuries, and a savings of millions of dollars in crash-related economic costs. New Jersey experienced a steady increase in front seat belt usage between 1996 and 2011, peaking at 94.5 percent in 2011. Since then it has fluctuated on an annual basis, with a decline in 2012, an increase in 2013, and another decline in 2014. The Division continues to engage in vigorous public awareness initiatives, and to support seat belt enforcement efforts by local police, in an effort to equal or exceed the peak usage levels attained in 2011.

Other Highlights

Distracted Driving Crackdown: In 2015, a total of 313 police agencies across New Jersey participated in the distracted driving enforcement campaign known as “U Drive. U Text. U Pay.” Conducted during the three-week period from April 1 through 21, the crackdown resulted in police issuing 8,318 summonses for unlawful cell phone use/texting, and another 5,286 tickets for careless driving. In addition, participating police agencies issued 7,179 speeding tickets and 4,513 tickets for failure to wear a seatbelt. Approximately 5,000 law enforcement man-hours were spent during the “U Drive. U Text. U Pay” campaign, which included 42 fixed distracted driver checkpoints. In addition to the campaign’s enforcement effort, the program featured an awareness component in which New Jersey radio stations aired recorded messages urging drivers to put down their phones and just drive.

Child Passenger Safety Week: Grants were provided directly to agencies for child passenger safety programs, technician training, re-training and program development. The grant program focused on two major areas – Parent Education and Student Programs. Parent (or caregiver) education programs were typically conducted at community events, where parents or caregivers worked in a one-to-one situation with trained technicians, and were instructed on how to properly install child safety seats. Most drivers who attended these events were individuals with children ages 4 and under, with either rear facing

(infant) or forward facing (toddler) seats. The “Staying Safe in the Car” booster seat and seat belt program, designed to reach the 5-to-9-year-old age group, continued in 2015 as well. The interactive program highlights proper use of booster seats for children who have outgrown child safety seats, but are still too small to be properly protected by vehicle lap and shoulder belts.

The Division also continued in 2015 to be the statewide training contact for child passenger safety training and information. There were seven child passenger safety technician training courses held, which trained 132 new technicians. To date, approximately 1,000 individuals representing public safety, health and injury prevention programs have been trained as certified technicians. Also in 2015, Safe Kids NJ and its statewide network of coalitions conducted 222 child highway safety education programs for nearly 27,000 participants and inspected 4,850 car seats during the year.



Division of
**Alcoholic
Beverage Control**



The primary mission of the Division of Alcoholic Beverage Control is to regulate how alcoholic beverages are manufactured, distributed, sold and transported within New Jersey. The Division is the official repository for alcoholic beverage license ownership information. The Division also issues special permits to enable the sale of alcoholic beverages in conjunction with charitable and business-related events. The Division is a revenue-generating agency. It receives no State appropriation, but returned in excess of \$4 million to the State Treasury in 2015, along with fringe benefits and other excess revenue beyond operating costs. Among other functions, the Division:

- Investigates applicants and issues licenses and permits to manufacturers, wholesalers, transporters and warehouses.
- Supervises municipal control over retail liquor licensing.
- Enforces the Alcoholic Beverage Control Act and regulations promulgated under the Act, including appeals brought to the Division Director from local municipal action.
- Promulgates rules and regulations necessary for the fair, impartial and comprehensive administration of law.

If a licensee violates any law or regulation, the ABC Director may suspend or revoke the license or impose a fine and/or other appropriate condition. The Division also is charged with preserving the “beneficial aspects of competition and fostering moderation and responsibility in the consumption of alcoholic beverages.” For further information about the Division visit www.nj.gov/oag/abc.

2015 Enforcement Highlights

■ **Miracle Bar** – One of several intoxicated patron cases settled by the Division in 2015, this matter involved the over-serving of alcohol to an individual at the Miracle Bar in Toms River. The patron, who was on foot, left Miracle Bar and was subsequently killed while crossing Route 37.

The pedestrian had a BAC of .24 – three times the legal limit. Because the incident resulted in a fatality, ABC’s Enforcement Bureau is seeking revocation of the Miracle Bar license.

The Bureau has filed a motion for summary decision, which at this writing is pending before the Office of Administrative Law.

■ **Panther Valley Pub** – This case involved the over-serving of a patron with a BAC of .18 at Panther Valley Pub in Allamuchy. The patron left the pub and was subsequently involved in a two-vehicle crash, which resulted in one person in the other car being killed and six others suffering injuries. Because of the fatality, and the injuries suffered by others – some of them serious – the Enforcement Bureau is seeking revocation.

■ **Wild Bull** – The Division filed charges in 2015 against the Wild Bull in Paterson for serving alcohol to 18 persons under the legal drinking age of 21. The bar was previously prosecuted for the same violation, so the current violations are

charged by ABC as second offenses. As of this writing, the case is before the Office of Administrative Law, and the Enforcement Bureau is seeking a 540-day license suspension.

- **Twins Plus Lounge:** Located in South Hackensack, the Twins Plus Lounge was charged in 2015 with failing to disclose ownership interests held by two former U.S. Drug Enforcement Agency (DEA) employees. Both of these ex-DEA employees were convicted in a separate federal prosecution of not disclosing their ownership interest (e.g., a crime of moral turpitude), which is a statutory disqualification. The Division's Enforcement Bureau is seeking revocation of the Twins Plus Lounge license.

Other Highlights

Cops in Shops: In 2015, shore towns from Atlantic Highlands to Wildwood participated in the summer initiative of Cops in Shops, an enforcement effort that employs undercover police to crack down on underage drinkers and those who buy alcohol for them. The summer initiative ran from May 23 through September 15, and resulted in 252 arrests. Cops in Shops is funded each year by the Division of Highway Traffic Safety. In the 2015 summer version, \$81,000 in grants was distributed among a record 39 shore towns. Those towns used the money to pay local police to work undercover in

participating retail locations, either posing as store employees or maintaining positions outside of stores, where they could catch individuals purchasing alcohol on behalf of underage drinkers. Earlier in 2015, a Cops in Shops campaign aimed at underage drinking in New Jersey's college towns resulted in 164 arrests. Dubbed the College Fall Initiative, the earlier Cops in Shops effort actually was launched in December 2014. The program allotted \$65,000 to 20 college towns across New Jersey.

- **Technology Initiatives:** The Division continued to move forward on its technology initiatives in 2015, including launching POSSE, ABC's online licensing system. POSSE makes it possible for electronic filing of applications, such as state-issued licenses, social affair and catering permits, brand registration and extension of premises.

In addition, the Division's Licensing Bureau is working closely with Counsel to the Director's Office and the Enforcement Bureau on the transition to electronic Current Price List filing. Electronic CPL filings will provide the Division with the ability to perform searches of prices to ensure that wholesalers are selling to alcoholic beverage store retailers on a non-discriminatory basis. Upon completion of the testing phase, the Division intends to roll out mandatory electronic filing by all wholesalers in the near future.

- **License Renewals:** The Division continued to annually renew more than 9,000 retail licenses, 1,300 wholesale licenses, 23,000 permits, and 75,000 brand registrations. The Licensing Bureau continues to see an increase in transfer applications and inactive licenses due to economic factors.
- **Fort Monmouth Revitalization:** In 2015, the Division worked in conjunction with the Office of Legislative Services (OLS) and the Deputy Attorney General for the Fort Monmouth Economic Revitalization Authority to create recommendations regarding a proposed bill to increase the number of liquor licenses in certain municipalities within Fort Monmouth, notwithstanding the population cap set forth in N.J.S.A. 33:1-12.14.
- **Sports Facility Licensure:** The Division continued working in 2015 to implement an amendment to Title 33 that adds a separate consumption license known as a “sports facility license,” N.J.S.A. 33:1-12(6). At this writing, the Division remains in the process of implementing related regulations.

Under the law, the holder of a sporting facility license can sell and serve alcoholic beverages as the owner, operator, lessee, or concessionaire of a sporting facility – by the glass or other receptacle, or in original containers on the premises. The license holder can also share control of the premises and the proceeds from alcoholic beverage sales with the owner, operator, concessionaire, or lessee of the facility.

Specifically, the Division has identified current facilities that qualify for this license (e.g., Met Life Stadium in East Rutherford, the Prudential Center in Newark, and Red Bull Arena in Harrison), and has finalized the electronic application form to be used by applicants.



Division of
**Gaming
Enforcement**



The Division of Gaming Enforcement is a law enforcement agency and the investigative arm of the casino regulatory system, which has as its mission the enforcement of the Casino Control Act. The Division's multi-disciplinary and specialized workforce consists of attorneys, investigators, accountants, members of the State Police and the Division of Criminal Justice, and support personnel. The Division investigates, issues reports and, when necessary, challenges the qualifications of individual and corporate applicants for casino and casino-related licenses. The Division also reviews and audits casino-hotel operations, tests all casino slot machines and systems prior to use on the casino floor, and investigates and prosecutes all casino-related crimes. The Division is well recognized around the United States and around the world as a premier casino regulatory agency. On an annual basis, a variety of casino regulatory agencies, both domestic and foreign, consult with the Division in order to emulate New Jersey's gaming laws, systems and practices. For more information about the Division of Gaming Enforcement visit www.njdge.org.

Keeping Casino Patrons, and Employees Safe

Atlantic City's casinos, casino patrons and employees are protected by the New Jersey State Police, a full-service criminal enforcement and investigative agency dedicated to maintaining a safe environment for the gaming industry and its surrounding environs. A contingent of State Police – collectively forming the State Police Casino Gaming Bureau – is assigned to the Division of Gaming Enforcement. Its role is to enforce the State's criminal laws, including the criminal provisions of the Casino Control Act. State Troopers assigned to the casinos report directly to the DGE Director, and to the Superintendent of the State Police. Troopers operate out of each of the casinos, and from the DGE offices in Atlantic City. There are four units within the State Police Casino Gaming Bureau including: the Casino Operations Unit, the Special Investigations Unit, the Intelligence Management Unit and the Casino Services Unit.

In 2015, State Police protected the casinos and their patrons by initiating upwards of 1,400 criminal investigations and completing more than 1,100 Operations Reports. As a result of these efforts, State Police – in many instances working cooperatively with local, county, state and federal partners – arrested approximately 750 persons in the casinos. They also issued upwards of 800 hand summonses within the casino district. Of note, State Police detectives assigned to the Financial Crimes Squad investigated 175 criminal complaints related to Internet gaming. In addition, approximately \$160,000 in U.S. currency was seized by State Police Casino Gaming Bureau personnel as a result of criminal investigations.

Casino Entity Licensing Bureau

The Casino Entity Licensing Bureau ensures that each applicant for, and holder of, a casino license meets the State's standards for financial responsibility, honesty, integrity and good character, and that such licensees are not in any way disqualified under the law. As part of its mission, the Bureau investigates and monitors the business transactions of applicants, licensees and related companies and conducts investigations of all principal directors, officers and employees. It also investigates and monitors the business transactions of investors, security holders and financial backers, and examines the background of casino companies and their affiliates. The Bureau's legal unit reports information to the Casino Control Commission on investigations related to casino licenses, makes recommendations to the Division Director regarding qualification, waiver and financial stability determinations, and litigates violations of the State's casino laws and regulations. The Bureau's Office of Financial Investigations (OFI) works to ensure the financial stability and integrity of all casino applicants and licensees, as well as their respective holding companies. On a continuing basis, OFI monitors the financial stability of casinos to ensure that the public interest is protected and that each casino company is meeting its ongoing tax, wage and other fiscal obligations.

Trump Entertainment: On March 30, 2015, Trump Entertainment filed a petition seeking certain declaratory relief needed to consummate a restructuring plan that would convert a loan held by companies affiliated with Carl Icahn into equity, and provide Trump Entertainment with a new \$42.5 million term loan, as well as \$40 million revolving credit facility. In May 2015, the Division completed its investigation of the entities and persons affiliated with Icahn. The Division recommended that the Casino Control Commission find all entities and persons qualified and grant the requested relief subject to certain conditions. On June 10, 2015, the Commission issued a resolution implementing the Division's recommendations. The restructuring plan did not become effective for several months owing to the delayed satisfaction of certain conditions – including that a certain bankruptcy court order regarding a collective bargaining agreement become a Final Order. The collective bargaining agreement Order relieved Trump Taj Mahal of certain obligations under an expired collective bargaining agreement with Local 54. The union subsequently filed an appeal which did not succeed, clearing a path legally for Icahn to become owner of the Taj Mahal property and the former Trump Plaza.

Revel: During June 2014, Revel and its related entities (Revel Entities) filed a second voluntary Chapter 11 bankruptcy proceeding within a two-year period in the U.S. District Court for the District of New Jersey in Camden.

The focus of the proceeding was to conduct a sale process through an investment firm. On April 7, 2015, Revel sold its real property and certain assets to Polo North Country Club, Inc., owned by Glenn Straub, for \$82 million. Polo North was a party to several lawsuits regarding the property, which involved the power plant, sewerage and third-party restaurant and nightclub operators. With the exception of a federal case involving the Revel tenants – IDEA Boardwalk v. Polo North Country Club, Inc. – these lawsuits have now settled. At this writing, the IDEA Boardwalk case is

scheduled for trial in November 2016. In June 2015, the Revel Entities and the State entered into a settlement agreement through which the State received certain payment as satisfaction of an administrative priority claim filed in Bankruptcy Court by the Division of Taxation, and Revel released all claims to certain funds held by various state agencies. In August 2015, the Bankruptcy Court issued a final decree closing the Chapter 11 cases for the Revel Entities, with the exception of Revel AC, which at this writing remains open and pending. By order dated December 21, 2015, Revel surrendered its casino and casino hotel alcoholic beverage licenses.

MGM – Upon receiving approval for a statement of compliance in September 2014, MGM Resorts International was requalified as a 50 percent joint venture owner and holding company of Borgata Hotel Casino & Spa. After those determinations, which included qualification of Dubai World and its Infinity World subsidiaries as over 5 percent equity shareholders, a stock redemption process in 2015 diluted Dubai World's holdings to 4.6 percent. Following a petition request for waiver, the Director, on August 14, 2015, issued an Order waiving Dubai World, the Infinity World entities and the associated individual qualifiers from having to qualify under the Act subject to certain conditions – including a future increase in Dubai World's holdings.

In June 2015, Kirk Kerkorian, majority shareholder of MGM stock through his Tracinda Corporation, passed away. His will directs that his MGM stock holdings be liquidated in an orderly manner. At this writing, no liquidation of the shares has occurred, although a notice of proposed sale of securities was recently filed documenting a call option for UBS to purchase a percentage of Tracinda's MGM shares.

Caesar's Entertainment: Caesar's Entertainment Operating Company – an affiliate of Caesar's Entertainment Corp. – filed for Chapter 11 bankruptcy in January 2015, and has continued in the reorganization process since then. Disputes regarding transfer of valuable Caesars' Entertainment Operating Company assets to Caesar's Entertainment Corp., allegedly at below fair market value, are the primary issues to be resolved in order to achieve a consensual reorganization plan with senior lenders and note holders. A comprehensive Examiner's Report, detailing the results of the Examiner's investigation of the asset transfers, estimated that damages could be asserted by creditors against Caesar's Entertainment for up to \$5 billion.

At this writing, Caesar's Entertainment Operating Company remains in ongoing negotiations with its various creditor classes.

Regulatory Enforcement Bureau

The Regulatory Enforcement Bureau is located in Atlantic City. While some investigative staff members work out of the Division's Atlantic City headquarters, the majority are assigned to the eight casinos where the Division also has offices. The Bureau's primary investigative responsibilities include such areas as: regulatory compliance assessment and enforcement; revenue certification; approvals of casino petitions for operational changes including new gaming equipment, new games and revised floor plans; review and approval of security and surveillance submissions and approval of locations for licensed Casino Hotel Alcoholic Beverage (CHAB) establishments. The Bureau also conducts security assessments of casino properties and related infrastructure with respect to homeland security and preparedness. Such assessments are part of the Bureau's ongoing responsibilities in the wake of September 11, and the resulting commitment by state government to intensify efforts to protect the gaming industry from acts of terror.

In calendar year 2013, Internet gaming went "live" in New Jersey. At this writing there are five authorized permit holders operating 19 Internet gaming sites.

The Regulatory Enforcement Bureau is responsible for certification of Internet gaming revenues, monitoring the financial stability of the patrons' deposit funds and investigation of patron complaints related to the Internet gaming sites.

In 2015, the Bureau conducted 3,352 underage gambling/drinking investigations, 3,429 regulatory and information technology investigations, 144 CHAB control investigations, responded to 217 casino patron inquiries, issued 268 underage gambling/drinking summonses and conducted 219 revenue certification audits.

Regulatory Prosecutions Bureau

The Regulatory Prosecutions Bureau (RPB), located in Atlantic City, oversees the operational aspects of the casino industry – including game operations, Casino Hotel Alcoholic Beverage (CHAB) matters, data processing, new game approvals and, in particular, the financial and/or accounting activity of casino licenses.

The Bureau works in conjunction with the Division's Regulatory Enforcement Bureau to accomplish these tasks. The Bureau also is responsible for responding to petitions filed by casino licensees and outside entities seeking determinations related to casino operations. This includes petitions seeking approval for floor configuration alterations and CHAB approvals. With regard to the Casino Control Act and its underlying regulations, the Regulatory Prosecutions Bureau is responsible for prosecuting violations. Violations of the Act and the regulations are pursued either by administrative complaint or by correspondence to licensees – known as "warning letters" – advising them of a violation and requiring corrective action. The Division also has initiated the use of a formal Notice of Violation, a process whereby civil penalties are imposed for regulatory violations with the consent of the casino licensee. During 2015, the Bureau brought 12 administrative complaints to conclusion, two of which alleged violations of Internet gaming regulations. In total, the administrative complaints resulted in

more than \$80,000 in civil penalties. Three administrative actions alleging regulatory violations are currently pending. The Division also issued 130 warning letters in 2015. The letters addressed non-compliance flagged by the Division through individual investigations. In addition, two Notices of Violation were issued.

Exclusions, Forfeitures

The Bureau continues to operate an aggressive program of exclusion to keep out individuals who repeatedly disrupt casino operations or repeatedly, and negatively, affect the quality of life of casino patrons and employees. In pursuing this effort, the Division is working with the municipal courts, agencies of Atlantic City government, the Casino Reinvestment Development Authority, the Tourism District and, significantly, the individual casinos. Collectively, this partnership is making a strong, sustained effort to identify persons who repeatedly have been engaged in disruptive or criminal acts on or around the casino premises. These persons have been convicted in state Superior Court or in a municipal court, and they are persons who have multiple convictions for conduct detrimental to casino operations and/or casino patrons. A listing of those persons who have been excluded appears on the Division's website. Through the exclusion process, the Division achieves industry-wide exclusion of undesirables in Atlantic City, rather than the casino-by-casino ban that occurs through the court system. In 2015, the Division excluded more than 50 persons by virtue of an Exclusion Petition and, subsequently, the issuance of a Final Exclusion Order.

The Division also obtained \$98,000 in 2015 through forfeiture actions aimed at individuals who won money in the casinos, but were prohibited from gaming because they were underage, subject to an Exclusion Order, or had previously signed up for the Division's self-exclusion list.

Technical Services Bureau (Slot Lab)

Ensuring the Integrity of Electronic Games and Systems

Through the Technical Services Bureau (TSB), the Division ensures the integrity of the electronic gaming equipment used in Atlantic City casinos and on the Internet. In 2015, the casinos generated more than \$2.4 billion in revenue from "brick-and-mortar" slot machine and table game win. Of that \$2.4 billion, the bulk of it – about 72 percent – was generated by slot machines. The casinos also generated more than \$148 million from Internet gaming. Of that \$148 million, approximately 84 percent came from Internet-based slot machine games, while the remaining amount was generated from peer-to-peer games such as poker. Combining both "brick-and-mortar" gaming revenue and Internet gaming revenue, the casinos generated more than \$2.5 billion in 2015.

In order to ensure the integrity of the electronic gaming equipment used in New Jersey, all hardware and software must be approved by the Division's slot lab and then undergo an inspection on the casino floor prior to use.

For the year ending 2015, the engineering staff of the Technical Services Bureau approved 1,437 product submissions and found regulatory issues which resulted in rejection or vendor withdrawal of 195 submissions. Of the 1,437 product submissions that were approved, 478 of them were Internet-based submissions. The remaining 959 approvals were for hardware/software to be used on the casino floor.

Unique Products Tested and Approved

Roulette Wheels: Two companies sought permission in 2015 to allow a "patron dealer" option at the game of Roulette, in which patrons could press a button to commence the launch of the roulette ball. The Division made the necessary rule changes to allow the product without any compromise of the integrity of game results.

Electronic Table Games: A new Roulette electronic table game – made up of eight individual player stations connected to a roulette wheel – had the capability to be configured with a camera positioned over the wheel in order to broadcast the outcome to additional player stations located in other areas of the casino. Similarly, a new blackjack electronic table game integrated the traditional game of Blackjack with computer technology in order to produce a game with a “live” dealer. The individual player stations in the electronic table game allowed Blackjack patrons to view the dealer’s live cards as they were dealt from the card shoe via a camera positioned above the dealer station.

Heads up Blackjack: An Internet-based Blackjack game allowed patrons to compete against each other in a heads up, tournament-style event. The skill-based game allowed two patrons to wager against a virtual dealer, and the patron who won the largest amount in five hands would be announced as the winner.

Multi-State Wide Area Progressives: The TSB tested and approved slot machines in 2015 that had the ability to communicate with other slot machines located in jurisdictions outside of New Jersey in order to contribute to the same progressive jackpot. Testing of these machines included security controls, accounting controls and progressive reconciliation, as well as revenue reporting to ensure appropriate controls existed in all areas.

New Jersey First

In an effort to bring new and innovative gaming products to Atlantic City, the State enacted legislation designed to fast-track review and approval of gaming products submitted for use in New Jersey before any other jurisdiction. In keeping with the legislation, the Division gives preference and priority to all gaming products submitted for review here prior to, or simultaneous with, submission elsewhere. The goal of the approach is for any New Jersey First gaming submission to be tested and put

into operation on the casino floor within 14 days. If the Division has not completed its review of a New Jersey First gaming product within 14 days of having received it – and it has not identified an issue that might negatively impact on fairness or overall integrity – the Division issues a field trial approval on or before the 14th day. Field trial approval allows the casinos to legally offer the New Jersey First product to the public. In calendar year 2015, the Division reviewed and approved 27 New Jersey First gaming submissions. In addition to the approvals, the Division identified regulatory problems with six submissions. As a result, those submissions were either rejected or withdrawn from consideration voluntarily.

Internet Gaming

In February 2013, the State enacted legislation (A-2578 P.L. 2013. C27) authorizing Internet casino gaming. The Technical Services Bureau tests Internet gaming systems, as well as their associated games. Critical features of Internet systems evaluated during the TSB testing phase include responsible gaming, underage gambling, and detection of the patron’s physical location (also known as geo-location.). The TSB also evaluates fraud and money laundering detection systems, and works closely with the Division’s Regulatory Enforcement Bureau to ensure proper tax and revenue reporting.

Investigations: The TSB’s Information Technology Investigations Unit (ITIU) conducts audits and investigations of casino licensees as well as Internet gaming platforms to ensure products approved by the TSB are performing as expected while in operation.

In addition, the ITIU will ensure adequate controls are in place for casino systems to ensure their confidentiality and reliability, as well as their integrity.

In 2015, the ITIU conducted 326 audits and investigations.

Service Industry Licensing Bureau

Licensure of Casino Service Industry

Enterprises: The Division's Service Industry Licensing Bureau (SILB) is responsible for investigating those persons and enterprises who seek to provide goods and services to the Atlantic City casinos. Through its legal and investigative staff, the Bureau reviews hundreds of companies and individuals annually to ensure that they satisfy the standards set forth in the Casino Control Act. The Bureau's primary mission is to prevent organized crime and other unsuitable persons and entities from infiltrating the casino industry through ancillary businesses. Further, the Bureau is responsible for the licensing of entities involved with Internet gambling, including gaming platform providers, game manufacturers, marketing affiliates, geo-location and know your customer providers, as well as all other non-gaming individuals and entities doing business with casinos, including construction companies, trash haulers and payment processors. For the year 2015, the SILB conducted eight Casino Service Industry Enterprise (CSIE) investigations looking at companies that are ancillary to the Internet gaming industry, such as Know-Your-Customer providers and Internet marketing affiliates. These eight corporate investigations required the investigation of 32 individuals. Major Internet ancillary investigations included Aristotle, Inc., an age and identity Know-Your-Customer provider, and Idology, Inc., another Know-Your-Customer company. In addition to investigating Internet gaming companies and qualifiers, the SILB also completed nine investigations of CSIE applications from land-based gaming companies. Investigating the land-based companies involved a total of 96 individual qualifier investigations. These investigations included the licensing of Margaritaville of Atlantic City, a themed chain restaurant that also contains an area that hosts slot machines. The Margaritaville CSIE investigation encompassed a detailed review of 11 entities and 14 individuals.

Amaya, Inc.: On September 30, 2015, the Division issued Amaya, Inc. and its subsidiaries a transactional waiver authorizing the company to enter into a business relationship with Resorts Casino to offer the PokerStars and FullTilt online poker brands in New Jersey. The Division's decision in the Amaya matter was a case of major importance – not just in Atlantic City but worldwide – as the outcome decided whether PokerStars could “legally” return to the United States after the U.S. Department of Justice closed its business activities in April 2011. PokerStars subsequently entered into a settlement resolving all civil issues and most criminal charges against it, although criminal indictments against certain individuals remained outstanding.

The SILB conducted a comprehensive investigation of Amaya – memorialized in a 120-page Special Report to the Attorney General – before issuing the transactional waiver enabling the company to enter into a business relationship with Resorts to offer the PokerStars and FullTilt online poker brands.

Bwin.party Entertainment NJ: Another major Internet gaming licensing investigation conducted by SILB in 2015 involved the application of bwin.party Entertainment NJ LLC and its affiliate company, bwin.party USA, Inc. The bwin entities form a large multi-national Internet gaming enterprise that operates an Internet gaming platform on behalf of Borgata Hotel, Casino & Spa. Licensing of the bwin entities was complex, and required SILB's legal staff to supervise creation of a divestiture trust located in Gibraltar. That occurred after two of bwin's owners, who ordinarily would have been qualifiers, decided they would rather sell their shares than file for qualification in New Jersey. Under the rules of the divestiture trust, they could not exercise control over their shares of the bwin entities while those shares were pending sale. The bwin investigation required several investigative trips abroad by SILB staff,

as the bwin entities are headquartered in Gibraltar. Shortly after bwin was licensed in 2015, but before the shares were sold, the Division discovered regulatory violations against bwin and one of the owners subject to divestiture trust. Administrative charges were filed against both the company and the individual, and fines totaling \$40,000 were collected through Stipulations of Settlement. The shares were ultimately sold and the divestiture trust was closed.

Betfair Interactive US: In 2015, SILB staff also handled the merger of the parent companies of two pending CSIE Internet gaming companies – Betfair Interactive US, LLC and Paddy Power North America, Inc. Betfair had previously been issued a transactional waiver, and is currently operating the Internet gaming platform on behalf of Golden Nugget Atlantic City. Paddy Power had previously filed for CSIE licensure (in 2013) and also had been preliminarily investigated and deemed eligible to petition for a transactional waiver. At the time of the merger with Betfair, Paddy Power had not entered into any contracts with any New Jersey casino to provide Internet gaming. SILB conducted several meetings with representatives of both companies and supervised the review and amendment of the pending applications to reflect the changes in ownership and identity of any new qualifiers as a result of the merger.

Gambling Self-Exclusion List

Through its statutory authority to do so, the Division of Gaming Enforcement has created casino gaming Self-Exclusion Lists for problem gamblers and others who may choose to sign up as a means of prohibiting themselves from gambling in person and/or on-line. Individuals can choose to exclude themselves for one year, five years or a lifetime, and can enroll by submitting an application in-person at various offices across the State. Those offices include DGE's offices in Atlantic City or Trenton, and the offices of the New Jersey Racing Commission in Trenton, East Rutherford, Oceanport and Freehold. Persons who wish to exclude themselves from Internet gambling only can do so online.

Information on the self-exclusion list is protected from public disclosure, but is made known to the casinos. Upon notice, casino licensees must prohibit – to the extent possible – wagering by self-excluded persons, halt promotional mailings to such persons, and withhold from these individuals credit and complimentary or “comps.”

As a disincentive to gambling by self-excluded persons, the statute contains a forfeiture component that allows the State to seize anything of value from a person on the self-exclusion list. In addition, the Division can sanction casinos for failing to prevent self-excluded persons from gaming.

As of the end of 2015, a total of 3,619 persons were listed on Self-Exclusion lists associated with Internet and “property” gambling in New Jersey. Particularly noteworthy was that more than 2,000 persons were signed up for self-exclusion from Internet gambling only – an increase of nearly 1,200 compared to 2014. The increase in self-exclusion by online players is consistent with the overall growth in popularity of Internet gaming.



Juvenile
**Justice
Commission**



The Juvenile Justice Commission was established by statute in 1995 to lead reform of New Jersey’s juvenile justice system. The JJC is the single agency of state government with centralized authority for planning, policy development and the provision of services in the juvenile justice system.

Its three primary responsibilities are:

- the care, custody and rehabilitation of juvenile offenders committed to the agency by the courts
- support of local efforts to provide services to at-risk and court-involved youth
- supervision of young offenders on juvenile parole supervision

Within the JJC’s mission is a responsibility to maintain personal safety, promote responsibility and build stronger communities. In order to achieve that goal, the agency has undertaken diverse measures to address the multi-faceted issue of juvenile justice. The JJC emphasizes accountability and offers programs that afford young people an opportunity to become independent, productive and law abiding citizens. In 2015, the JJC served almost 20,000 youth, reaching young people and their families in every area of the state. This included young people residing in the JJC’s secure care facilities, residential community homes, serving terms of parole, and thousands reached through initiatives funded via the JJC’s Office of Local Programs and Services. For further information about the JJC visit www.nj.gov/oag/jjc.

JDAI Update

Overview

In 2015, New Jersey’s success in the area of youth detention reform continued to bring the State significant recognition as a national leader in the administration of juvenile justice. Through its Juvenile Detention Alternatives Initiative (JDAI), New Jersey continued to safely reduce its reliance on detention for low-level juvenile offenders in 2015, and continued to foster opportunities for positive youth transformation.

While the Annie E. Casey Foundation’s JDAI program operates in more than 300 local jurisdictions spanning 39 states, New Jersey is the only state to be designated as

a national model for statewide detention reform by the Casey Foundation. As New Jersey’s lead agency for JDAI implementation, the JJC receives funding from the Foundation to support JDAI efforts, including the conducting of two-day working sessions with delegations from other states interested in replicating New Jersey’s success. Delegations from various states have participated in New Jersey’s JDAI “Model Site” program, bringing legislators, state supreme court justices and other high-level stakeholders to New Jersey to learn about its system reform.

A primary goal of JDAI is to make certain secure detention is used only to ensure that serious and chronic juvenile offenders are detained, and that effective alternatives are available for other young people who can be safely supervised in the community while awaiting final court disposition. The initiative provides a framework of strategies that help reduce the inappropriate use of secure detention, while at the same time maintaining public safety and ensuring court appearance rates. Through the efforts of the JJC in collaboration with the New Jersey courts and other JDAI partners, detention rates have declined significantly while conditions of confinement for those detained have improved.

New Jersey was selected by the Casey Foundation to participate in its national JDAI effort in 2004. With the addition of Salem County in 2015, a total of 19 New Jersey counties (out of 21) are now participating in JDAI including: Atlantic, Bergen, Burlington, Camden, Cape May, Cumberland, Essex, Gloucester, Hudson, Mercer, Middlesex, Monmouth, Ocean, Passaic, Somerset, Sussex, Union and Warren.

Data Report

On an annual basis, the JJC analyzes data from the previous year as it relates to the JDAI. Data analyzed in 2015 – collected from the prior year – details remarkable outcomes, demonstrating that the use of alternatives to secure detention results in positive outcomes for youth, and a more efficient juvenile justice system. The data shows that, when comparing 2014 active JDAI site data with data from the year prior

to JDAI implementation, the average daily juvenile detention population declined by 60 percent. On any given day in 2014, the data shows, there were nearly 500 fewer youth in secure detention, with youth of color accounting for 89 percent of the decrease. This annual figure translates into tens of thousands of fewer youth removed from their homes and placed in secure detention since JDAI was implemented.

In addition, juvenile arrests have continued to decline, and most young offenders given an alternative disposition through JDAI have completed that disposition without a new delinquency charge.

“Deep End” Reform

The Annie E. Casey Foundation has expanded its reform efforts to include the “deep end” of juvenile justice – the dispositional or sentence-determining aspect – and has selected New Jersey to implement deep end reform on a pilot basis. To assist with the effort, the Casey Foundation has provided the JJC a \$50,000 grant. Camden County has volunteered to serve as pilot county for New Jersey’s deep end reform, which aims to safely and substantially reduce the post-dispositional confinement and out-of-home placement of young offenders. Other goals of the deep end reform effort include reducing racial and ethnic disparities in out-of-home placement, improving youth outcomes, and increasing family and community involvement in juvenile justice. As part of the pilot project, Camden County stakeholders, staff from the JJC and New Jersey’s Administrative Office of the Courts (AOC), and representatives of the Casey Foundation have taken part in a qualitative system assessment designed to gain an understanding of the juvenile justice landscape in Camden County. One component of the assessment involves analyzing data for all cases disposed of in juvenile court in the Camden vicinage in 2014. The assessment also involves such strategies as focus grouping, one-on-one meetings and large group discussions. Findings of the assessment are expected to inform and help direct the work plan for deep end reform in Camden County.

Annual Recidivism Analysis

Each year, the JJC conducts an analysis of former residents who have been out of the agency’s custody and care for three years. By tracking released juveniles over time, the JJC can gather information on how many released residents end up having new involvement with the justice system and, ultimately, gauge rates of recidivism.

The JJC recidivism report issued in 2015 tracked juveniles released from the system during the three-year period from 2009 through 2011. It found that recidivism rates remained fairly stable contrasted with rates reported in the prior year. Nearly 85 percent of released JJC residents had a new arrest, while approximately 70 percent had a new arrest that also resulted in a conviction.

A slight reduction was seen in the number of young offenders released by JJC who ended up being recommitted to JJC custody – or to the custody of New Jersey’s adult prison system – for a new offense. For juveniles released in 2010, the percentage of those re-incarcerated for a new offense was close to 37 percent, compared with slightly more than 32 percent in 2011.

JJC Education Services/Graduation

The JJC provides a full academic program designed to afford each resident the opportunity to earn a high school diploma and obtain other education and training that can launch a career. In the 2014-15 academic year, JJC’s Office of Education provided services to 840 students. (Of those students, 46 percent required special education services.) In addition to academics, the Office of Education provides career and technical programs of study that prepare students for high skill, high wage and high demand occupations. For those students who have already earned their high school diplomas or high school equivalency certificates, the JJC offers additional

opportunities. In 2015, approximately 140 students participated in college classes over the course of the year through community colleges, a significant increase over the 55 students who participated in the prior year. In addition, five JJC students took part in apprenticeship programs.

In June 2015, 114 JJC students received their high school diplomas after successfully completing graduation requirements set forth by the New Jersey Department of Education. During graduation ceremonies held at the New Jersey Training School in Monroe Township on June 25, 2015, JJC Executive Director Kevin Brown presented diplomas to the 46 graduates who physically took part in the ceremony.

Those 46 graduates and 68 others who completed their graduation requirements received either diplomas from their home high schools or a high school equivalency diploma.

Former National Football League tight end Fred Baxter was keynote speaker for the graduation ceremony. Baxter played in the NFL for a total of 12 years with the New York Jets, Chicago Bears and New England Patriots. Among other achievements, he was a member of the Patriots team that, in February 2004, won the NFL's 38th Super Bowl game over the Carolina Panthers. Baxter founded the Fred Baxter Foundation to support the academic and physical development of disadvantaged youth and families through existing charities worldwide. The foundation targets educational programs that support and empower adults, thereby increasing their ability to become self-sufficient and improve their quality of life.

During the JJC graduation ceremony, eight graduates were recognized for their improvement in the following areas: Mathematics, English, Social Studies, Science, Art, Career and Technical Education, World Language and High School Equivalency Score. Each recipient received a \$25 credit to his or her resident account, and a certification of recognition awarded by the County Youth Services Administrator's Association.

JJC Supportive Work Program

Launched in 2014 and paid for through Social Services Block Grant funding, the JJC's Supportive Work Program continued to expand in 2015. The program offers JJC youth an opportunity to obtain real work experience and, at the same time, learn about the responsibilities that accompany employment.

The Supportive Work Program enlists community partners to develop highly-structured work experiences for a population of youth who have historically encountered barriers to employment. The program provides young offenders with an opportunity to obtain employment skills, basic life skills, sound work habits and a positive attitude within a work environment. JJC residents can spend up to 21 weeks in the program, and program activity involves an average of 20 hours per week.

Participants work as part-time employees and are entitled to all legal protection afforded by state and federal employment guidelines. The JJC reimburses participating employers for the wages they pay enrollees during the supportive work period.

The population targeted by the Supportive Work Program includes youth currently residing in JJC's residential community homes, as well as those under supervision of the office of Juvenile Parole and Transitional Services. A total of 11 Memorandums of Agreement (MOAs) have been executed with employers as part of the program, providing 15 youth with employment, for a total of approximately 3,000 work hours in such fields as landscaping, construction, food services, local store retail and national grocery chain retail.

Family Engagement & Advocacy Initiative

The goal of the JJC Family Advocacy and Engagement Initiative is to promote and support family involvement and strengthen the role family members play in the agency's work. Most families of juvenile offenders want to be a part of their loved ones' lives, and can be a positive influence on a young person's rehabilitation. Empowering families with tools and resources allows them to effectively advocate for and support their children. To facilitate this effort the JJC contracted in 2015 with the Alliance of Family Support Organizations (Alliance).

In March 2015, the Family Engagement & Advocacy Initiative was launched as a pilot program at JJC's New Jersey Training School. As part of the effort, Alliance delivered comprehensive family engagement training to more than 200 custody and civilian staff. The training is designed to enable JJC staff to view families as a source of strength, and in turn to work more effectively with families in the delivery of services to JJC residents.

Under the Initiative, a family advocate – provided by Alliance – attends all visits at the Training School and provides on-site consultation to family members. The advocate communicates directly with JJC social services staff and other appropriate agency personnel. At the program's outset, Alliance was actively working with 40 Training School families on a regular basis. The on-going relationship between the family advocate and visiting family members garnered positive feedback from families and JJC staff alike, and many families reported an improvement in the overall quality of their visits.

As of this writing, the Alliance is preparing a comprehensive assessment of JJC policy and practice regarding family engagement. By actively seeking feedback from families about their experiences, the JJC can determine whether JJC policies and procedures are family-friendly, and adjustments can be made as needed. Current plans call for an expansion of the Family Engagement & Advocacy Initiative into several JJC Residential Community Home locations in 2016.

Prison Rape Elimination Act

The Prison Rape Elimination Act (PREA) was passed in 2003 with unanimous support from both parties in Congress. Since that time, the JJC has implemented a comprehensive PREA policy and has undertaken substantial training regarding PREA, allowing the Governor's Office to issue certifications of New Jersey's compliance with the Act. The JJC takes a zero-tolerance approach to sexual abuse and misconduct, which is reflected in its policies and procedures. In the past two years, 10 JJC facilities were audited for compliance with PREA standards and all were found to be fully compliant, thereby maintaining current federal funding levels. In 2015, JJC facilities audited for compliance – and found to be compliant – included: the Female Secure Care and Intake Facility (Hayes), Juvenile Medium Security Facility (JMSF), Green, Warren, Voorhees and D.O.V.E.S, Albert Elias, Costello Prep and Pinelands Residential Community Homes. In 2016, remaining JJC programs will be audited, completing the first full, three-year cycle of PREA audit reviews.

Juvenile Justice Reform

In August 2015, new legislation was signed into law – legislation not effective until March 2016 – that will result in a variety of changes to New Jersey’s juvenile justice system. Among the changes is that a juvenile whose case has been waived up to adult criminal court will serve all or part of any sentence that results in a JJC facility, rather than at an adult Department of Corrections (DOC) facility. The new law also addresses other key aspects of juvenile justice including requirements related to the transfer of juveniles to the custody of the DOC, and criteria for the use of room restriction in state and county juvenile facilities. The criteria rules out using room restriction as a punitive measure.

The juvenile reform legislation resulted from a multi-faceted effort involving many agencies, as well as individuals from a variety of professional disciplines. Reform measures built into the law correlate with modern adolescent brain development research. The research shows that brain development in service of such brain functions as judgment, problem-solving and decision-making is not complete until individuals reach their mid-twenties.

At this writing, JJC rules, policies and procedures are undergoing revision to reflect the new reform law. In preparation for the March 2016 effective date, training will be provided to JJC secure care staff and county detention center staff to reinforce changes to the room restriction usage criteria, as well as other reforms. Modifications and enhancements to JJC and county-level information systems are also anticipated, as is the development of an improved resident disciplinary system. The JJC continues to liaison with various advocacy groups to ensure the agency’s policies and practices meet or exceed national best practices.

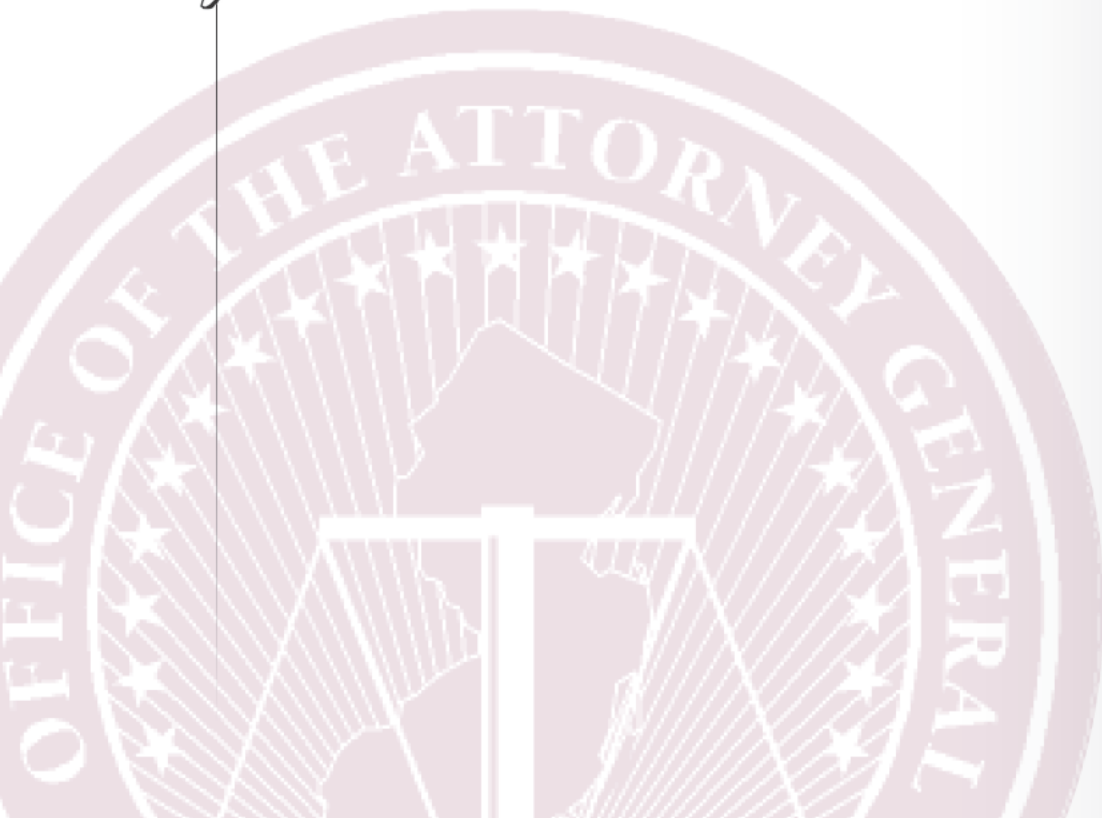
Launch of the School/Justice Partnership

The New Jersey Council on Juvenile Justice Improvement established an Education Subcommittee in 2015 that has placed significant focus on the relationship between education and the juvenile justice system. Through the subcommittee’s efforts, preliminary data has been collected to examine school-based referrals to the juvenile justice system. In the upcoming year, the data will be reviewed to identify system barriers faced by youth leaving secure detention (and other out-of-home placements) and re-enrolling in local schools. This process is designed to develop and implement solutions to address any issues or barriers young offenders engaged in reentry may confront.

To further this objective, the JJC – in partnership with the Council on Juvenile Justice Improvement, the Juvenile Justice and Delinquency Prevention Committee, Advocates for Children and the state Department of Education – held a related forum in 2015 attended by more than 350 individuals. The forum was entitled, “Avoiding the School to Prison Pipeline: Systems Working Together to Enhance Educational Opportunities for At-Risk Students.”



New Jersey
**Racing
Commission**



The Racing Commission's core mission is to govern, direct and regulate horse racing and pari-mutuel wagering in New Jersey. The Commission conducts regular oversight of horse racing matters throughout the state to ensure that racing is conducted in a fair, responsible and lawful manner, and to ensure the safety of the sport's participants. To learn more about the Racing Commission visit www.nj.gov/oag/racing.

Overview/ Commission Structure

Horse racing in New Jersey is regulated by Racing Commissioners who, by law, are appointed by the Governor with the advice and consent of the Senate. Commissioners set policy and rule on all matters affecting racing, including the issuance of permits to conduct horse racing meets, approval of expenditures, and adjudication of licensing matters. They also consider the issuance of licenses for off-track wagering sites and are responsible for the oversight and regulation of account wagering, which includes telephone and Internet wagering in New Jersey. The following individuals served as Commissioners as of the end of 2015: Anthony T. Abbatiello, Manny Aponte, Dr. Michael Arnone, Pamela Clyne, Peter J. Cofrancesco III, Anthony DePaola, David Gruskos, Francis X. Keegan, Jr. and Peter T. Roselle.

The Racing Commission employs staff to effect policy, including an Executive Director who is responsible for overseeing the day-to-day operations of the Commission in accordance with accepted business and financial practices. Frank Zanzuccki serves as the Racing Commission's Executive Director.

2015 Highlights/ Key Issues

Off-Track Wagering: In September 2015, the Racing Commission approved an application for a new off-track wagering facility to be located in a former restaurant in Hillsborough Township, Somerset County. The facility opened for business on October 23, 2015. The new site became the second Off-Track Wagering facility owned and

operated within Monmouth Park's approved site location area, and represented the sixth such facility in New Jersey.

Existing legislation (N.J.S.A. 5:5-186) authorizes wagering on horses through electronic wagering terminals located in a limited number of eligible taverns, restaurants and similar venue. This law, known as the "Pilot Program," limits the placement of electronic wagering terminals to no more than 12 locations in the northern part of the state – specifically Bergen, Hudson, Essex, Passaic, Union, Morris, Somerset, Hunterdon, Warren, Sussex, northern Middlesex and northern Ocean counties. One application was received for the Pilot Program from the New Jersey Thoroughbred Horsemen's Association (NJTHA) that would open such a facility in Clifton, Passaic County. This application was reviewed by the Racing Commission, and a license to operate was approved at the Commission's May 13, 2015 meeting. As of December 31, 2015, the applicant has not implemented the Pilot Program, owing largely to withdrawal from the program by a vendor who was to supply the electronic wagering terminals. At this writing, the NJTHA has advised that it is in negotiations with another vendor, and anticipates possibly beginning the program in 2016.

Drug Testing Program: The Racing Commission continued its comprehensive drug testing program throughout 2015. Truesdail Laboratory, LLC is under contract to conduct such testing for the Commission. Truesdail is an accredited laboratory, and utilizes state-of-the-art equipment and methodologies to analyze specimens. Instrumental testing is one such methodology applied to all specimens, and is capable of detecting a much broader array of drugs at significantly lower levels.

In addition to its post-race testing program, New Jersey became one of the first states – in 2007 – to implement an out-of-competition testing program. The Commission collects specimens on non-race days from horses located on grounds under the jurisdiction of the Commission, as well as from horses located in other states. This program is designed to detect the use of illegal drugs that can affect performance, but cannot be detected on race day. In 2015, the Commission collected more than 128 specimens to be tested under this program.

Exchange Wagering: On November 16, 2015, the Racing Commission voted to grant an exchange wagering license to the New Jersey Sports & Exposition Authority. At the same meeting, an exchange wagering management license was granted to Darby Development, LLC. Also, an exchange wagering services agent license was granted to Betfair US LLC, subject to the terms and conditions contained in the Final Determination and Order. "Exchange" is a system operated by an exchange wagering licensee in which the exchange wagering licensee maintains one or more markets in which residents of New Jersey may back or lay a selected outcome on horse races conducted within and outside of New Jersey. "Exchange wagering" is a form of pari-mutuel wagering in which two or more persons place identically opposing wagers in a given market. Exchange Wagering regulations became effective on April 20, 2015.

A.C. Race Course Closure: The Atlantic City Race Course permanently ceased all operations on January 16, 2015 at 4 p.m. By letter dated January 22, 2015, the Executive Director informed Atlantic City Racing Association (ACRA) that its closure rendered the Racing Commission's November 19, 2014 determination to issue a thoroughbred racing permit for six race dates and a simulcasting license null, void and of no effect. ACRA continues to own and operate the Favorites at Vineland off-track wagering facility.

2015 Racing Related Court Cases of Note

Callahan, Callahn & Hollingsworth v. NJRC: Three horse racing industry licensees were suspended and fined in 2015 as a result of their involvement in a 2014 incident in which two horses were injected with medications while being transported to a track where they were to race. Licensed trainer Alvin Callahan and licensed groom Marvin Callahan were both suspended for five years and fined \$5,000 as a result of their stipulation of involvement in the incident. A third individual, licensed groom John Hollingsworth, was suspended for a year and fined \$250 for his role.

The incident began on March 1, 2014 when an investigator for the Meadowlands Racetrack witnessed a horse trailer being pulled off into a secluded area at a New Jersey Turnpike rest stop. The investigator observed both Callahans entering the horse trailer while Hollingsworth stood by the tailgate, which was open at the bottom but closed at the top.

The investigator witnessed Marvin Callahan dispose of a white bag upon exiting the trailer, and that bag was later found to contain syringes and hypodermic needles with blood residue on them. Those items, along with specimens collected from the two horses, were sent to a lab for analysis. The analysis determined that the drugs ACTH, Vitamin K, Flucort and Winstrol were injected into the race horses.

At a hearing conducted by the Board of Judges assigned to the Meadowlands, the parties stipulated that they had been traveling to Meadowlands with race horses "Twinscape" and "Dointimetogether," as both were entered to race that day. In the trailer, Marvin Callahan injected both horses with foreign substances, including drugs referred to as Vitamin K, Glucor, and Estron. Alvin Callahan assisted Marvin Callahan, as did Hollingsworth, who acted as a lookout.

The Board of Judges determined that Alvin Callahan and Marvin Callahan had engaged in conduct detrimental to racing as well as violation of medication rules and violation of trainer responsibility rules.

They also were found to have engaged in a conspiracy, and to have violated industry rules with regard to the possession of drugs or drug instruments. Hollingsworth was found to have committed the same violations, with the exception of possessing drugs or drug instruments.

The parties appealed the Board of Judges' decision, and an Administrative Law Judge subsequently issued an initial decision upholding the suspensions and fines against Alvin and Marvin Callahan. The ALJ also upheld Hollingsworth's one-year suspension, but reduced what had been an initial fine of \$1,000 to \$250. The Racing Commission adopted the ALJ's initial decision as its own final agency decision on May 13, 2015.

Abrams v. NJRC: Licensee Ronald B. Abrams was suspended for 75 days and fined \$1,000 in 2015 as the result of his being found in possession of a loaded hypodermic syringe containing the drug Banamine on the grounds of Monmouth Park Racetrack. The Board of Stewards at Monmouth conducted a hearing and found that Abrams had engaged in a number of violations including acts detrimental to racing and possession of drugs or drug instruments. Originally, the Board of Stewards determined Abrams should be suspended for three months. Abrams appealed that decision and the matter was transferred to the Office of Administrative Law as a contested case. Subsequently, the parties entered into a settlement whereby Abrams would be suspended for 75 days. The \$1,000 fine amount remained unchanged. At its September 15, 2015 meeting, the Racing Commission approved the Abrams settlement agreement as the agency's final administrative decision.

Adrian Wisner v. NJRC: Licensed Standardbred trainer Adrian Wisner was program trainer for the mare "Love You Always," which won the seventh race at the Meadowlands Racetrack on Friday, May 17, 2013. However, a post-race urine sample tested positive for the drug Methylhexanamine, a substance banned by the U.S. Food and Drug Administration. Wisner then requested that a split sample be analyzed, and Industrial Laboratories confirmed the presence of the drug. Following a hearing before the Board of Judges at the Meadowlands, the Board suspended Wisner for a year, fined him \$1,000 and ordered loss of the May 17, 2013 race purse. Wisner appealed the determination, and the matter was transferred to the Office of Administrative Law as a contested case. An Administrative Law Judge (ALJ) subsequently upheld the Meadowlands' Board of Judges action, finding that the penalties it imposed were "reasonable and appropriate." At its July 15, 2015 meeting, the Racing Commission voted to accept the ALJ's ruling and adopt it as the agency's final administrative decision.

New Jersey Equine Testing Program

2015 Equine Testing: The New Jersey Racing Commission's Equine Drug Testing Program is administered by Racing Commission staff. Samples are tested at Truesdail Laboratories in California. In 2015, a total of 27,735 equine samples were tested through the program, with 33 samples showing positive for banned substances. A total of 340 human samples were tested during the year, with 10 showing positive for banned substances.

Among the substances detected through the testing program were: dimethyl sulfoxide (7); methylprednisolone (5); phenylbutazone (4); dexamethasone (2); flunixin (2); furosemide (2); o-Desmethylpyrilamine (2); hydroxyl xylazine (2); atropine (1); clenbuterol (1); dextrophan (1); isoxsuprine (1); omeprazole sulfide (1); scopolamine (1); stanozolol (1).

2015 New Jersey Racetracks

Freehold Raceway

130 Park Avenue
Freehold, New Jersey 07728
732-462-3800
www.freeholdraceway.com

Freeholder Raceway is owned and operated by Pennwood Racing, Inc. Pennwood Racing, Inc. is a company 50 percent owned by Greenwood Limited Jersey, Inc. and 50 percent owned by Penn National GSFR, Inc.

Meadowlands Racetrack

50 State Route 120
East Rutherford, New Jersey 07073
201-935-8500
www.thebigm.com

Meadowlands is operated by NMRLLC

Monmouth Park Racetrack
175 Oceanport Avenue
Oceanport, New Jersey 07757
732-222-5100
www.monmouthpark.com

Monmouth Park Racetrack's racing permit is held by the New Jersey Thoroughbred Horsemen's Association, and the track is operated by Darby Development.

Atlantic City Race Course

(Ceased Operations in January 2015)
4501 Black Horse Pike
Mays Landing, New Jersey 08830
609-641-2190

The Atlantic City Race Course is owned and operated by Greenwood ACRA, Inc.

2015 Off-Track Wagering Facilities

Favorites at Tom's River

1071 Highway 37 West
Toms River, New Jersey 08755
732-240-1210

Favorites at Toms River is a property owned by Freehold Raceway doing business as Freehold Raceway Off-Track, LLC

Favorites at Vineland

1332 South Delsea Drive
Vineland, New Jersey 08361
856-696-5290

Favorites at Vineland is a property owned by Greenwood Racing, doing business as ACRA Turf Club, LLC.

Favorites at Woodbridge

3 Lafayette Road
Fords, New Jersey 07095

Favorites at Woodbridge is a property owned by the New Jersey Sports and Exposition Authority and leased to the New Jersey Thoroughbred Horsemen's Association.

Winners Bayonne

400 Route 440 North
Bayonne, New Jersey 07002

Winners Bayonne is a property owned by the New Jersey Sports and Exposition Authority and leased to New Meadowlands Racetrack LLC.

Favorites at Gloucester

1300 Blackwood-Clementon Road
Clementon, New Jersey 08021

Favorites at Gloucester is a property in the Freehold Raceway site area.

Favorites at Hillsborough

150 Route 206
Hillsborough, New Jersey 08844

Favorites at Hillsborough is a property of the New Jersey Thoroughbred

Horsemen's Association in the Monmouth Park Racetrack area.

Thoroughbred Organizations

The Thoroughbred Horsemen's Association of New Jersey is a not-for-profit corporation that advocates for thoroughbred racing in the state. It provides general administrative services to its members, including a group health benefits program.

The Thoroughbred Breeders Association of New Jersey is an organization devoted to promoting and enhancing the breeding of New Jersey thoroughbreds. The Racing Commission administers the Breeders Award Program, which provides monetary incentives to owners and breeders by offering purse enhancements for races involving New Jersey-bred horses.

Standardbred Organizations

The Standardbred Breeders and Owners Association of New Jersey is a not-for-profit organization dedicated to advancing the cause of standardbred racing in the state. It provides general administrative services to its members, including a group health benefits program.

New Jersey Sires Stakes, an agency within the New Jersey Department of Agriculture, promotes the ownership and breeding of New Jersey standardbreds. Nearly \$8 million in purse money is devoted to Sires Stake races, which are restricted to horses sired by stallions residing in New Jersey. The Sires Stakes program is funded by distributions from the pari-mutuel handle at harness tracks, and from nominating and sustaining payments by horse owners.





www.nj.gov/oag