# 2010 Annual Report

NEW JERSEY OFFICE OF THE ATTORNEY GENERAL

DEPARTMENT OF LAW AND PUBLIC SAFETY

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## Executive Staff

- Paula T. Dow, Attorney General
- Phillip H. Kwon, First Assistant Attorney General
- Marc-Philip Ferzan, Executive Assistant Attorney General
- Carolyn A. Murray, Counsel to the Attorney General
- Deborah R. Edwards, AAG, Chief of Staff
- Howard J. McCoach, Administrator

Division of Criminal Justice – Stephen J. Taylor, Director
Division of Law – Robert M. Hanna, AAG, Director
Division of New Jersey State Police – Colonel Joseph R. Fuentes, Superintendent
Division of Consumer Affairs – Thomas R. Calcagni, Acting Director
Division on Civil Rights – Chinh Q. Le, Director
Division of Highway Traffic Safety – Gary Poedubicky, Acting Director
Division of Gaming Enforcement – Josh Lichtblau, Director
Division of Alcoholic Beverage Control – Jerry Fischer, Director
Juvenile Justice Commission – Veleria N. Lawson, Executive Director
New Jersey Racing Commission – Frank Zanzuccki, Executive Director
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Victims of Crime Compensation Office – Marsetta Lee, Director

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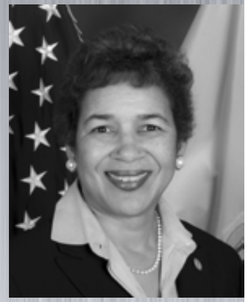
# Message from the Attorney General



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

The year 2010 was one of accomplishment, challenge and change as the Department of Law and Public Safety pursued its core mission of protecting New Jersey residents, ensuring integrity in government and defending state statutes while managing with austerity in the face of tough economic times.

Department-wide, we engaged in a thorough self-examination designed to eliminate waste and reduce costs without compromising effectiveness.

At the same time, we successfully prosecuted public corruption, violent street gang activity and other crime, protected consumers, combated bullying in schools, issued policy reforms that strengthened public safety, helped reduce traffic fatalities and brought hundreds of millions of dollars into state coffers through civil litigation.

On the public corruption front, the Division of Criminal Justice obtained guilty pleas from 60 defendants in 2010 and secured prison sentences against a number of high-profile public office-holders, including two former State Assemblymen.

In the continuing fight against street gangs and violence, the Division secured prison sentences against 128 defendants and obtained three indictments charging various members and leaders of "Bloods" gang factions with crimes.

The Division also fought traditional "mob-style" organized crime in 2010, obtaining an indictment against two ruling members of the New-York-based Lucchese crime family -- as well as 32 other members and associates -- on charges of racketeering, conspiracy and money laundering related to an international sports gambling enterprise. The same indictment charged a former state corrections officer and a ranking member of the Bloods with cooperating with Lucchese crime family members to smuggle drugs and pre-paid cell phones into East Jersey State Prison.

The year provided an encouraging sign in terms of traffic safety, as the number of crash-related deaths reported to the State Police Accident Investigation Unit – 556 – was the lowest number of fatalities reported since 1948. Although highway fatality data can be informed by many variables, it is also true that the Division of Highway Traffic Safety and the New Jersey State Police were vigorous in carrying out driver safety, passenger safety and pedestrian safety awareness/enforcement efforts in 2010.



Lawyers assigned to our Division of Law obtained more than $195 million for the State in recoveries and judgments in 2010 – a 31 percent increase over the prior year. Included were $81 million from environmental litigation and $39 million from litigation related to securities fraud, consumer fraud and insurance fraud.

In April 2010, the Attorney General's Office announced a revised AMBER Alert policy designed to provide law enforcement officials with clear criteria in determining when they should activate the emergency broadcast system to seek public assistance in finding a child who has been abducted. This change came following the tragic death of an infant girl who was allegedly kidnapped by her biological father in East Orange. We believe our AMBER Alert reforms will better protect children in New Jersey. However, given the time line established through our investigation of the East Orange case, we do not believe the changes would have averted tragedy in that unfortunate situation.

In October, we announced a revised policy governing the use of stun guns by law enforcement officers in New Jersey. The revised policy replaces an existing policy, implemented in 2009, that was viewed by some as overly restrictive and unclear in terms of which officers could carry stun guns, and when they could use them. The new policy still restricts use of stun guns, for the most part, to situations in which an officer seeks to prevent a suspect from causing death or serious bodily injury. And it still dictates that stun guns may not be used against a person who is offering only passive resistance to police commands. However, the new policy does away with restrictions in the prior policy that – as a practical matter – would often have prevented police officers from using stun guns during swiftly unfolding crises.

Among many other actions in 2010, the Department also:

- Targeted officials and vendors who corrupted the public contracting process or stole funds, including a Department of Corrections administrator sentenced to seven years in prison for taking kickbacks on more than $1 million in contracts he steered to friends, and a senior engineer for the Department of Transportation who allegedly took part in a scheme to steal $700,000 in rail project grant funds.
- Secured multiple indictments charging gun traffickers – including the alleged leader of a network that trafficked guns from Virginia to street gangs in Trenton – as a result of a historic partnership with the State Police and the U.S. Bureau of Alcohol, Tobacco, Firearms & Explosives focused on crime guns and those trafficking firearms in New Jersey.
- Adopted aggressive policies to move criminal cases quickly to indictment and/or guilty pleas, including an escalating plea policy requiring defendants to plead guilty to an initial, strictly-capped offer by an early deadline or face greatly enhanced penalties for any later plea.

■ Filed and prosecuted cases charging voter fraud in Atlantic City, Essex County and Paterson.

■ Took legal action, via our Division on Civil Rights, to hold schools accountable for preventing student-on-student bullying, and for dealing effectively with the problem when it is reported. Among other actions, Findings of Probable Cause were issued against two public school districts – Old Bridge and Emerson – accused of failing to protect students who had been bullied and harassed for years because of their perceived sexual orientation.

■ Protected consumers, through our Division of Consumer Affairs, by proactively finding unregistered home improvement contractors and unlicensed moving companies. State investigators conducted undercover stings, including the use of a vacant Morris County house in need of repairs, and cited eight contractors and 34 moving companies for operating without being registered or licensed by the state.

■ Continued to aggressively combat underage drinking. The Division of Alcoholic Beverage Control carried out undercover operations, including Cops in Shops, resulting in the arrest of hundreds of people for underage drinking, attempting to procure alcohol for minors, etc..

■ Prosecuted more than a dozen men for crimes against children, including possessing or distributing child pornography, sending obscene materials to a child and sexual assault. In one notable case, a pediatric neurologist was permanently barred from practicing medicine for possessing child pornography.

■ Obtained the first indictment under New Jersey's new Gang Criminality Statute, and secured additional, lengthy prison sentences against the top leader of the "Nine Trey Gangsters" set of the Bloods, David "Duke" Allen, and the leader of the "Nine Trey Headbustas" set, Michael Anderson, who were running their gangs from New Jersey State Prison.

■ Implemented a statewide Summer Warrant SWEEP initiative resulting in the arrest of more than 1,100 high-risk parole and probation absconders, as well as other fugitives during the months of July and August, when violent and property crimes tend to peak.

■ Spearheaded the Fugitive Safe Surrender program in Central New Jersey. The four-day initiative resulted in approximately 4,000 fugitives surrendering, voluntarily, to authorities on outstanding warrants for predominantly non-violent crimes.

■ Provided, via our State Police Emergency Management Office, emergency assistance to thousands of residents and motorists during four federally-declared natural disasters. During the December 2010 blizzard, State Troopers handled 1,077 accidents and provided emergency assistance to an additional 2,889 motorists.



■ Protected the integrity of New Jersey's thoroughbred and harness horse racing industries through the efforts of the Racing Commission. Working in concert with the State Police Forensic Laboratory, the Commission oversaw the testing of more than 39,000 equine urine samples in 2010 to ensure that race horses had not been given illegal substances – including steroids. Such testing resulted in the identification of 31 "positives" for prohibited substances.

■ Continued, through the efforts of the Division of Gaming Enforcement – often in cooperation with State Police and the Division of Criminal Justice – to identify, investigate and prosecute gaming cheats and otherwise ensure the integrity of New Jersey's casino gaming industry

■ Saved public dollars through implementation of the Juvenile Detention Alternatives Initiative (JDAI), a collaborative effort involving the Juvenile Justice Commission, the state Judiciary and other stakeholders. In 2010, JDAI reduced the number of young offenders being held, unnecessarily, in secure county detention facilities while maintaining public safety. As a result, detention center populations were reduced, leading to a reduction in the number of youths ultimately committed to state custody – typically the costliest disposition.

Staffed by approximately 8,200 employees, the Department of Law and Public Safety has a unique role as both New Jersey's lead law enforcement agency and its chief provider of legal representation to state government.

Each day, our mission touches the lives of millions of people who reside, work, travel and do business in New Jersey.

And each day, we achieve results that make a genuine difference.

Looking forward, we remain committed to working both on our own, and in cooperation with agencies at every level, to combat public corruption, significantly reduce violent crime, protect the state's environmental, economic and other assets, and improve the quality of life for all New Jersey citizens.

Paula T. Dow
Attorney General

# Division of Criminal Justice

New Jersey's unified, integrated system of law enforcement is unique in the nation. The Criminal Justice Act of 1970 designated the Attorney General as the Chief Law Enforcement Officer of the State. The Division of Criminal Justice, on behalf of the Attorney General, is charged with responsibility to enforce the criminal laws of the State and serve a variety of functions pertaining to the administration of criminal justice. In addition to its direct law enforcement operations, it provides oversight and coordination within New Jersey's law enforcement community. It is the goal of the Division to help coordinate law enforcement efforts and resources at all levels – state, county and municipal – to ensure the safety and security of all New Jersey residents. For more information about the Division go to www.nj.gov/oag/dcj.

## Targeting Public Corruption, Financial Crimes and Gangs

The Division of Criminal Justice made prosecuting public corruption, financial fraud, criminal street gangs and organized crime top priorities, charging more than 1,000 new defendants in 2010, while obtaining convictions in high-profile cases. They adopted aggressive policies to move criminal cases quickly to indictment and/or rigorous guilty pleas, including an escalating plea policy requiring defendants to plead guilty to an initial strictly capped offer by an early deadline or face greatly enhanced penalties for any later plea. The Corruption Bureau took guilty pleas from 60 defendants, securing prison sentences for prominent public office holders, including two State Assemblymen. The Gangs & Organized Crime Bureau secured sentences that put 128 defendants in state prison in 2010. It aggressively targeted violent street gangs, obtaining three indictments charging the leaders and numerous members of Bloods factions throughout New Jersey and securing indictments charging gun traffickers. It also fought traditional organized crime, obtaining an indictment charging leaders of the Lucchese crime family, and joining forces with the Waterfront Commission of New York Harbor to make arrests in a scheme to extort money from dock workers. The Major Crimes Bureau secured convictions and prison sentences for individuals responsible for more than $16 million in financial fraud, including investment fraud, mortgage fraud, embezzlement and identity theft. In addition, the Division of Criminal Justice aggressively targeted Medicaid fraud through the Office of the Insurance Fraud Prosecutor, obtaining guilty pleas in several major investigations involving licensed professionals. OIFP obtained $19 million for New Jersey through national Medicaid fraud settlements with pharmaceutical and other companies.

## Prosecuting Public Corruption

The Corruption Bureau convicted three State Assemblymen in 2010. Former Assemblyman/Perth Amboy Mayor Joseph Vas faces eight years in prison after pleading guilty to charges that he received $25,000 in free home improvements from a city vendor; had a vendor pay, and secretly charge the city for, a $58,000 catering bill; illegally funneled money into his congressional campaign via straw donors; rigged a public housing lottery; and used $5,000 in city funds for personal expenses. Former Assemblyman Neil Cohen was sentenced to five years in prison for viewing and printing child pornography using a computer in his district office, and Assemblyman Anthony Chiappone forfeited his seat after pleading guilty to filing false reports with the Election Law Enforcement Commission. Other notable defendants included former Jersey City Municipal Court Administrator Virginia Pagan, who was sentenced to three years in prison for

dismissing 215 parking tickets she and her daughter received, and former Irvington Mayor Michael Steele, who was sentenced to seven years in prison for taking kickbacks from contractors as business administrator for the Irvington Schools.

The Corruption Bureau filed and resolved cases charging government officials and vendors who corrupted the public contracting process and stole millions of dollars. In September, it charged New Jersey Department of Transportation Senior Engineer Gaudner Metellus and an accomplice in a scheme in which Metellus allegedly asked for more than $325,000 in bribes from a railroad company, proposing that the company inflate the cost of a Roseland railroad bridge project from $700,000 to $1.4 million and submit false invoices to the state for rehabilitation work that would never be performed. In July, the Corruption Bureau indicted Maryland insurance broker Francis Gartland for conspiring with others to steal over $2.5 million from the Perth Amboy Board of Education. In June, Gartland and others were charged with stealing $216,000 from the City of Perth Amboy. Also in June, former NJ Department of Corrections Assistant Director of Operations Gerald Kennedy was sentenced to seven years in prison for taking $80,000 in kickbacks on over $1 million in DOC contracts he steered to friends, and former DOC construction management specialist Frederick Armstrong was sentenced to three years for bid rigging. In December, Anna Taliaferro, a coordinator of the Parent Resource Center in the Paterson Schools, was charged with stealing over $100,000 by hiring her own company and fraudulently overbilling the district. In addition, former New Jersey City University office manager Shaunette P. Ruffin-Moody was indicted with her husband, Alex A. Moody, for stealing $485,000 in student funds.

The Corruption Bureau also prosecuted officials and beneficiaries who defrauded public assistance programs. Two local administrators for the NJ Home Energy Assistance (HEA) Program, Nicole Victor and Constance Campbell, were each sentenced to five years in prison in 2010 for filing fraudulent applications to steal thousands of dollars in federal and state funds. Two other local HEA administrators were indicted. One of them, Denise Nicole Johnson, has pleaded guilty and faces four years in prison. The former owner of an East Orange supermarket, Elvis Manuel Sanchez-Vazquez, pleaded guilty in September in an ongoing investigation into a million-dollar fraud involving the federally funded Women, Infants and Children (WIC) nutrition program in Newark. He faces 10 years in prison after pleading guilty to first-degree money laundering for knowingly purchasing false WIC vouchers to collect more than $500,000 from the program. In February, former Department of Community Affairs senior field representative Robin Wheeler-Hicks was sentenced to seven years in prison for stealing $831,000 from the Homelessness Prevention Program.

The Corruption Bureau pursued voter fraud cases in Atlantic City, Essex County and Paterson. In Atlantic City, trial began late in the year for Councilman Marty Small and five co-defendants on charges they systematically conspired in various fraudulent messenger ballot schemes in the 2009 Democratic primary election for mayor. In Essex County, the Bureau continued its prosecution of defendants, including Essex County Freeholder Samuel Gonzalez, who were indicted for election fraud in connection with absentee ballots they collected and submitted as campaign workers in the 2007 campaign of Gonzalez' wife, State Senator Teresa Ruiz. In that case, a data processor for the county superintendent of elections faces prison after pleading guilty in March to absentee ballot fraud. In Paterson, 12 people were charged with voter fraud and tampering with public records for alleged fraud involving mail-in ballots in the May 2010 Paterson Council-At-Large election. Candidate Rigo Rodriguez, his wife and an aide were charged in December with witness tampering in that investigation.

## Combating Gangs & Organized Crime

In April, the Gangs & Organized Crime Bureau obtained an indictment charging 22 members and associates of the violent Nine Trey Hillside Beehive set of the Bloods with first-degree gang criminality. Five leaders of the Paterson-based set were also charged with first-degree promoting organized street crime. It marked the first time that the Attorney General's Office obtained an indictment using those two new anti-gang laws, which punish the commission of crimes in connection with gang activity more harshly. The indictment stemmed from a joint investigation by the State Police, Division of Criminal Justice, Department of Corrections, Paterson Police Department, Passaic County Prosecutor's Office and Passaic County Sheriff's Department.

In May, the Gangs & Organized Crime Bureau secured indictments charging nine defendants in connection with illegal gun trafficking. Those indictments were obtained as a result of a historic partnership with the State Police and U.S. Bureau of Alcohol, Tobacco, Firearms

& Explosives to trace crime guns and investigate illicit gun trafficking in New Jersey. One indictment charged a Trenton man, Trayle Beasley, with leading a network that trafficked guns from the Eastern Shore of Virginia to Trenton, where they were allegedly sold to gang members and other criminals.

In July, the Bureau indicted 14 Trenton residents on first-degree racketeering charges as members of the Gangster Killer Bloods street gang as a result of "Operation Capital City," a joint investigation with the Mercer County Prosecutor's Office, Trenton Police and State Police. The indictment charges alleged area gang leader Bernard Green with three murders, including the August 2005 murder of Sharee Voorhees, 22, who was caught in gunfire while on her porch. The acts of violence charged in the indictment occurred in 2005, when

violence erupted between the Gangster Killer Bloods and two rival Bloods sets, the Nine Trey Gangsters and Sex Money Murder.

The Bureau secured additional lengthy prison sentences for the top leader of the Nine Trey Gangsters set of the Bloods, David "Duke" Allen, and the leader of the Nine Trey Headbustas, Michael Anderson, who pleaded guilty to leading their gangs from New Jersey State Prison. Allen was sentenced to seven years in prison in August, and Anderson faces a 20-year sentence as a result of his plea in November. In February, two top deputies of Allen were sentenced to 23 years and 10 years in prison, and three of Anderson's top deputies face 10 to 15 years in prison as a result of guilty pleas.

In November, the Bureau obtained an indictment charging Anderson and 18 other alleged members of the Nine Trey Headbustas set of the Bloods street gang with first-degree racketeering as a result of "Operation Hardhat," a joint investigation with the Department of Corrections, State Police, Middlesex County Prosecutor's Office, New Brunswick Police Department and other law enforcement agencies. vIn efforts targeting traditional organized crime, the Bureau obtained an indictment in May against two ruling members of the New York-based Lucchese crime family and 32 other members and associates, including alleged current and former top New Jersey capos Ralph V. Perna and Nicodemo Scarfo Jr. on first-degree charges of racketeering, conspiracy and money laundering. In April, the Division of Criminal Justice and the Waterfront Commission of New York Harbor announced the arrests of a top official of the International Longshoremen's Association, Nunzio LaGrasso, and three current or former ILA members on charges that they extorted money from dock workers by demanding "tribute" for better jobs and pay, or engaged in loansharking.

In other organized crime cases, the Bureau, in a joint investigation with the State Police, Monroe Police (Middlesex County) and numerous other agencies, indicted three members of an alleged multi-national drug syndicate who grew a $10 million crop of marijuana in five rented houses. In May, the Bureau secured an 18-year prison sentence for Allen "Prince" Brown, who ran a major human trafficking and prostitution ring. The conviction resulted from "Operation Red Light," a joint investigation with the Jersey City Police Department. The Division of Criminal Justice partnered with the Department of Corrections in September to indict correction officer Luis S. Roman and 34 others for allegedly smuggling cell phones and narcotics into Northern State Prison.

## Targeting Major Crimes

In 2010, the Division's Major Crimes Bureau prosecuted major mortgage fraud cases. It secured a 12-year prison sentence for Ronald P. Mas, a mortgage broker and title agency owner who stole $3.8 million in loan proceeds which he used to play the stock market. In November, Martin Gendel and his son, Seth Gendel, owners of Casey Properties, LLC, pleaded guilty to stealing $4.5 million from mortgage lenders by providing false information on loan applications. Martin Gendel faces five to 10 years in prison. The Bureau also obtained guilty pleas from Yi Feng Reid and Yu Chen, who were involved in the mortgage and small business loan industry. They stole over $1 million by fraudulently using the identities of others to obtain mortgages, loans and credit cards. Chen was sentenced to five years in prison, and Reid, to three years. Both entered into consent judgments to pay the entire amount of the theft.

The Major Crimes Bureau worked with the Bureau of Securities to prosecute large securities fraud cases in 2010. Samuel Serritella pleaded guilty to securities fraud in October for selling unregistered shares of stock in his startup horseshoe manufacturing company to hundreds of investors and misappropriating $1.7 million. Seritella was sentenced to nine years in prison and must pay full restitution. Zina Martin, president of Kairos Financial Corporation, was sentenced in November to 10 years in prison for defrauding 30 investors of $925,000 by selling shares in fictitious investment vehicles called the "Kairos Funds." She also must pay full restitution.

The Bureau secured a six-year prison sentence in August for Michael Fava in a major money laundering case. Fava and other defendants set up a company, Packed Fresh Produce, to defraud creditors in the produce industry of $2 million. The defendants bought and shipped large quantities of produce with the intention that they would file for bankruptcy without paying their creditors, suppliers or shippers. In a high-profile case investigated by the State Police Cyber Crimes Unit and prosecuted by the Major Crimes Bureau, Daniel Goncalves pleaded guilty in December to stealing a company's Internet domain name, "P2P.com," and selling it over eBay for over $110,000 to an unsuspecting buyer, an NBA basketball player. It was the first known conviction for a domain name theft. Goncalves faces five years in prison.

The Division of Criminal Justice and its Major Crimes Bureau prosecuted other types of crime, including murder, child pornography and environmental crimes. The Bureau prosecuted over a dozen men for crimes against children, including possessing or distributing child pornography, sending obscene materials to a child, or sexual assault. In one notable case, a pediatric neurologist, Ross Finesmith, was permanently barred from practicing medicine for possessing child pornography.

The Major Crimes Bureau prosecuted Mark Magee, who pleaded guilty to murder for shooting shift manager Raymond Kot at the Taj Mahal on May 27, 2009. He was sentenced to 30 years in prison without possibility of parole. Nasir Salaam pleaded guilty to felony murder and was sentenced in October to 40 years in prison, including 30 years of parole ineligibility, for his role in a robbery in March 2007 in which Makhan Singh was fatally shot at his gas station and mini-mart on the White Horse Pike in Atlantic City. In August, the Bureau obtained an indictment charging Shamsiddin Abdur-Raheem with murdering his infant daughter, whom he allegedly dropped from the Driscoll Bridge on the Garden State Parkway in February 2010. Former NBA basketball player Jayson Williams pleaded guilty to aggravated assault and was sentenced in February to five years in prison, including 18 months of parole ineligibility, in the shooting death of limousine driver Costas "Gus" Christofi in 2002.

In environmental prosecutions, Thomas McFarland, a dentist, pleaded guilty to unlawful discharge of water pollutants for taking a boat into Townsend Inlet and dumping a bag of medical waste, including 260 dental-type needles, which washed up on the beach in Avalon

in August 2008. He was ordered to pay $100,000 to the Borough of Avalon and serve four years of probation. RD Secaucus, the owner of the Crowne Plaza Secaucus Hotel, pleaded guilty to discharging waste water contaminated with sewage into the Hackensack River. The defendant was ordered to pay $75,000 to Hackensack Riverkeeper to be used for river patrol and monitoring. The owner must retain a consultant to monitor the hotel's handling of wastewater.

## Office of the Insurance Fraud Prosecutor

The Office of the Insurance Fraud Prosecutor (OIFP) filed 118 new cases involving 140 defendants, including noteworthy cases against licensed professionals who defrauded the Medicaid program, private insurers or clients. In Operation MedScam, the OIFP Medicaid Fraud Control Unit and Jersey City Police uncovered a criminal network in which purported patients obtained fraudulent narcotic prescriptions from doctors and had them filled by cooperating pharmacists. The narcotics were sold illegally by street-level dealers throughout Hudson, Bergen, Ocean, Morris and Monmouth counties. In July, Dr. Magdy Elamir, a licensed neurologist, was indicted on charges he conspired to submit fraudulent claims to the Medicaid program as part of the scheme. Pharmacist Kamal Moorjani was sentenced to three years in prison in October, and pharmacist Babak Bamdad was sentenced to jail in August. In addition, two ringleaders and 28 street-level drug dealers pleaded guilty and/or were sentenced. In another case, East Orange pharmacy owner Herbert Brandt and his son, Douglas, were each sentenced in May to three years in prison for defrauding Medicaid of more than $700,000 by paying Medicaid beneficiaries cash for their AIDS/HIV and other expensive prescriptions, then billing Medicaid without dispensing the drugs. They were convicted in Operation PharmScam, an investigation by the OIFP Medicaid Fraud Control Unit, Jersey City Police and U.S. Food and Drug Administration which resulted in convictions of over a dozen defendants, including a clinic owner, pharmacists, pharmacy technicians and beneficiaries involved in the fraudulent scheme.

OIFP took a guilty plea in August from Larry Berman, a licensed dentist who fraudulently billed Medicaid $85,000 for services that were not provided or were not medically necessary for residents of nursing and assisted living facilities. He faces up to a year in jail. A year-long initiative to uncover fraudulent billing by dentists led to guilty pleas from Berman and five other dentists employed by New Jersey Mobile Dental Practice, P.A., of Colts Neck, which provides care in nursing homes: Joshua Prensky, Christopher Lillo, Anna Pavda-German, Marc Wertheim and Subina Anand.

In August, OIFP indicted licensed insurance agent Daniel Trolaro for allegedly stealing $1.9 million from nine clients, which he was supposed to invest. Olasehmdeme Arowosaye, owner of Be Kind Health Care Services, pleaded guilty to fraudulently billing Medicaid over $800,000 for personal care assistance services that were never provided. He faces three years in prison. In June, OIFP secured a three-year prison sentence for insurance agent Pape Seck, who fraudulently tried to obtain a $7 million life insurance policy in the name of his father from two insurance companies.

## Other Initiatives

Enhanced policies were established in 2010 to give police guidance and clarity in using advanced law enforcement tools, including stun guns, the Amber Alert Plan and Automatic License Plate Readers (ALPR's). The new stun gun policy provides responsible and realistic parameters for police to use stun guns as an alternative to deadly force. It replaced a prior policy that police said made the devices unusable. The revised Amber Alert Plan provides law enforcement with clear criteria regarding when to activate the emergency broadcast system to seek public assistance in locating a child who was recently abducted and is believed to be in danger, including family abductions. The ALPR policy regulates who can access data from cameras and limits the retention of data collected from the camera to five years.

In 2010, the Prosecutors Supervision and Coordination Bureau handled numerous vital tasks in supporting and exercising the Attorney General's statutory supervisory authority over the 21 county prosecutors' offices and their local police departments, including opening 2,334 legal advice files in connection with requests for assistance from law enforcement agencies; drafting the Attorney General's Guidelines for the Retention of Evidence, which created a statewide template for evidence retention for law enforcement; awarding $21.5 million through the Program Development Section to state, county and local law enforcement agencies, including $3.5 million for 544 agencies to buy body armor vests for their officers; and paying a total of $9.5 million in compensation to victims of crime through the State Victims of Crime Compensation Office.

■ Appellate Victories: The Division's Appellate Bureau had significant victories that continued to shape state law in important areas related to law enforcement.

In State v. Best, the Bureau secured a New Jersey Supreme Court ruling that, in light of the strong state interest in school safety, a school administrator does not need probable cause or a search warrant, but only reasonable grounds to believe evidence of illegal activity will be found in a vehicle, to search a student's car on school property.

In In The Matter of the Expungement of D.H., the Bureau successfully appeared as amicus curiae before the Supreme Court in support of the position that when a former public official has a conviction expunged for a disorderly persons offense that touched upon his or her office, the permanent debarment of that official from public office entered at the time of conviction remains unaffected and intact.

In State v. Quran Goodman, the Bureau secured an Appellate Division ruling that gang affiliation evidence is admissible at trial when it is relevant to demonstrating defendant's motive, for example, defendant's motive for murdering someone with whom he had been on friendly terms prior to their involvement in rival gangs.

In State v. Lyons, the Bureau secured a ruling from the Appellate Division that a person can be convicted of distribution of child pornography for knowingly storing images of child pornography in a peer-to-peer file sharing network on the Internet.

In State v. Gandhi, the Bureau appeared as amicus curiae, obtaining a ruling that strengthened prosecutions under New Jersey's anti-stalking law. The Court ruled that the State need not prove the defendant intended or was aware his conduct would cause a reasonable person to fear bodily injury or death, only that he purposely or knowingly engaged in conduct that would cause such fear in an objectively reasonable person.

# Division of Law

Staffed by approximately 500 attorneys, 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 including protection of children from abuse and neglect, preservation of the environment, delivery of quality health care, protection of consumers, preserving the state's financial assets, safeguarding civil rights and other issues. 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 Division that this mission is accomplished. The Division's workload at any given time is driven by a variety of factors, including the number and nature of lawsuits being pursued by agencies of government, and by the volume of lawsuits pending against the State. In 2010, the Division handled more than 39,000 pending legal matters and resolved or closed more than 20,000 matters. The Division conducted more than 1,200 trials and 1,100 administrative hearings throughout the year. It also briefed, presented or addressed more than 1,700 appeals, prevailing in more than 81 percent of those appeals. To learn more about the Division of Law visit www.nj.gov/oag/law.

## Highlights

■ Increasing State Revenues Via Litigation: Through the Division's efforts, the State obtained more than $195 million in recoveries and judgments in 2010 — a 31 percent increase over the previous year. Recoveries in 2010 included more than $81 million recovered as a result of environmental litigation; $21 million collected as a result of debt recovery actions; $39 million brought in from litigation related to securities fraud, consumer fraud and insurance fraud; and $10.5 million as the result of tax recovery actions.

■ Preserving Valuable Open Space: On behalf of the Department of Environmental Protection's Green Acres program, Division attorneys took part in 74 real property closings. These efforts resulted in the preservation of more than 1,500 acres of open space with a market value of more than $10 million.

■ Helping to Ensure Banking Integrity: Working closely with state banking officials, Division attorneys took part in joint enforcement actions against banking licensees that resulted in nearly $4.2 million in fines.

■ Protecting Children: Lawyers assigned to the Division worked closely with the Department of Children and Families in 2010 to protect some of New Jersey's most vulnerable citizens – its children. Deputy Attorneys General representing the Division of Youth and Family Services (DYFS) appeared regularly in all court vicinages, filing emergent matters for custody of abused and neglected children, advocating during the progress of the cases, presenting permanency hearings and trying guardianship trials. In 2010, Division lawyers representing DYFS filed approximately 600 termination-of-parental rights cases, and completed 487 termination-of-parental-rights trials. More than 1,400 children were adopted following successful prosecution of termination trials and appeals. In addition, Division lawyers successfully litigated kinship/legal guardianship cases resulting in more than 2,500 children finding permanent homes with kin.

■ Helping Veterans Know Their Rights: Working collaboratively with the Division on Civil Rights and the Department of Military and Veterans Affairs, the Division of Law launched an initiative in 2010 aimed at helping returning veterans know their rights based on their military status. The awareness effort was also aimed at helping disabled veterans know what legal protections are available to them, such as the right to "reasonable accommodation" under the New Jersey Law Against Discrimination (LAD) in such areas as housing and employment.

■ Litigation Avoidance: The Division provided counseling to various departments of government in 2010 designed to help them avoid potential legal problems. Division lawyers provided, literally, hundreds of thousands of hours of counseling to client agencies in such areas as the professional licensing boards, community affairs, public utilities, housing, labor, elections, health, education, finance, transportation, employment and contracting.

## Significant Cases

■ Athos Settlement: In its on-going effort to help protect the environment through litigation, the Division had a major success in 2010 with fruition of a settlement in the matter of the Athos Oil Spill. In 2004, the ship Athos ran aground in the Delaware Bay and spilled oil that traveled around Cape May and polluted both the Delaware Bay and some of the Atlantic coast. Through the efforts of Division attorneys, the U.S. Coast Guard National Pollution Funds Center agreed to provide New Jersey with $20.25 million to pay for related, past cleanup costs, and to fund future restoration projects. The Athos case represents the largest recovery New Jersey has ever achieved related to environmental damages caused by an oil spill.

■ Expanded Beach Access Obtained in Sea Bright: The Division successfully resolved litigation brought by the State against several Sea Bright beach clubs, as well as the Borough of Sea Bright, in its effort to expand public access to beach areas in front of the clubs. In January 2010, the Division settled with six of the beach clubs, significantly increasing the public's access to the beach areas at issue. In June 2010, the trial court decided the remaining case against the last club, Seabright Beach Club. In its decision, the court granted the State the relief it sought: ownership of, and public access to, the ungranted State tidelands, which encompasses nearly 90 percent of the beach in front of Seabright Beach Club.

■ Major Settlement in Foreclosure "Rescue" Fraud Case: The owner of several New Jersey loan modification companies agreed to pay the State $805,000 and stay out of the foreclosure rescue business to resolve allegations he defrauded struggling homeowners who sought help in staving off foreclosure. Defendant Stephan Pasch of Greenbrook Township, Somerset County, agreed to a judgment of $805,000 to settle charges that his company New Day Financial Solutions, Inc. – as well as other companies he owned – collected up-front fees from homeowners in return for promised mortgage modification help – a prohibited practice in New Jersey. In addition to Pasch, another defendant in the lawsuit, attorney Ejike N. Uzor of Newark, settled claims by the State against him for $25,000. In most cases, Pasch and Uzor failed to deliver any loan modification help after collecting up-front payments. In addition, they were charged with seeking to fraudulently instill consumer confidence in their operations by creating a "non-profit" known as the American Financial Advocacy Council, which had a Web address of www.lordsavemyhome.com.

■ Wells Fargo Settlement over "Pick-a-Payment" Loan Deception: Wells Fargo Home Mortgage agreed in 2010 to provide New Jersey consumers with nearly $67 million in loan modifications, and to pay the State nearly $4 million, to resolve allegations that companies it acquired – Wachovia Corporation, Golden West and World Savings – deceptively marketed adjustable rate mortgage loans. Acquired in 2008 by Wells Fargo, the companies sold thousands of so-called "Pick-a-Payment" adjustable rate mortgages in New Jersey by touting the mortgages' low monthly payment options. However, the companies failed to warn borrowers that choosing the minimum payment option could lead to a treadmill of debt. Specifically, a borrower's "low" monthly payment option often failed to cover the interest on his or her loan. This resulted in an increase in the loan's principal balance, causing the monthly payment to spike well beyond what the consumer expected to pay. Some borrowers became delinquent as a result and faced the prospect of foreclosure. Others ultimately lost their homes.

| Judgment / Recovery Type | CY 2006 Amount | CY 2007 Amount | CY 2008 Amount | CY 2009 Amount | CY 2010 Amount |
|---|---|---|---|---|---|
| Civil Insurance Fraud | $1,720,464.22 | $1,228,962.57 | $1,314,379.41 | $2,210,105.64 | $996,193.85 |
| Consumer Fraud | $19,789,424.34 | $5,479,913.24 | $10,222,460.44 | $31,719,216.23 | $6,303,176.99 |
| Debt Recovery | $11,267,392.00 | $19,981,300.44 | $19,170,048.80 | $11,437,088.19 | $21,069,059.17 |
| Environmental | $3,016,669.38 | $14,532,564.67 | $14,746,088.64 | $42,627,621.79 | $81,420,690.97 |
| General | $1,362,972.81 | $10,484,375.38 | $22,033,672.86 | $15,793,905.47 | $32,492,459.14 |
| Medicaid | $1,848,710.19 | $3,710,245.97 | $3,024,072.27 | $5,406,488.67 | $6,843,511.65 |
| Pension Security Fraud | $53,500,000.00 | $48,573,502.33 | $63,804,230.46 | $10,776,408.51 | $2,297,217.65 |
| Professional Boards | $200,105.99 | $1,324,119.01 | $1,307,786.05 | $2,167,309.72 | $1,842,214.98 |
| Securities Fraud | $1,266,000.29* | $8,449,859.35 | $6,526,953.80 | $9,743,283.36 | $32,099,449.16 |
| Tax | $6,661,167.27 | $10,514,808.35 | $12,486,875.80 | $18,020,924.37 | $10,564,046.14 |
| Total | $100,632,906.49 | $124,279,651.31 | $154,636,568.53 | $149,902,351.95 | $195,928,019.70 |

■ Settlement in Case of Scheme that Defrauded Towns, Non-Profits: Bank of America agreed to pay a total of $67 million to New Jersey and 19 other states in 2010 to resolve allegations related to a nationwide scheme to rig bids and engage in other anti-competitive conduct that defrauded state agencies, municipalities, school districts and other not-for-profit entities in their purchase of municipal bond derivatives. The settlement was part of an overall, $137 million settlement into which Bank of America entered with the U.S. Securities and Exchange Commission, the federal Office of the Comptroller of the Currency, the Internal Revenue Service, the Federal Reserve and the 20 states. The combined settlement provided restitution to state agencies, towns and non-profits who entered into municipal bond derivative investments with Bank of America and were harmed by the scheme. Eligible New Jersey entities were to receive a total of approximately $1.4 million as a result of the settlement.

■ Dow v. Greenblatt: A Superior Court judge entered a Consent Order and Final Judgment for approximately $19.4 million in restitution, thereby settling claims by the Bureau of Securities against 18 defendants. The Greenblatts ran a real-estate-related, securities fraud Ponzi scheme that resulted in millions of dollars of investor money being diverted by individual defendants to pay personal expenses.

# Division of New Jersey 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 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 street crime and violence, drug trafficking and other forms of organized crime, disaster response, cybercrime, casino crime, and domestic preparedness. The State Police employs traditional law enforcement strategies in conjunction with new approaches and cutting-edge technology to most effectively deal with such threats as illegal drug distribution, violent gang activity, official corruption, Internet predators and identity theft. More information about the State Police is available at www.njsp.org.

## Intelligence Highlights

■ Drug Trafficking Investigations: Through its Drug Trafficking North Unit, the State Police conducted 31 separate investigations leading to the arrest of 74 people on various charges related to the possession and distribution of narcotics. The Drug Trafficking North Unit was responsible for the seizure of drugs valued at approximately $19.5 million and more than $2 million cash. The Unit also dismantled a heroin "mill" that was producing more than 30,000 individual dosages or "decks" of heroin per week. This investigation had a major impact on the availability of heroin in the cities of Paterson, Newark and Elizabeth. In a separate investigation, the Unit seized a total of five pounds of crystal methamphetamine that had been shipped into Somerset County via a well-known parcel service. The seizure helped investigators to identify a major international methamphetamine trafficking operation based in Mexico that apparently had been shipping the drug into New Jersey for a year. In June 2010, the State Police Drug Trafficking Central Unit, working in cooperation with the federal Drug Enforcement Administration, seized 29 kilograms of suspected heroin valued at $2.5 million and arrested three suspects after searching a California-registered tractor-trailer at a hotel in South Plainfield. The heroin was found in a sophisticated hidden compartment in the side walls of the trailer.

■ Street Gang Investigations: In 2010, the State Police Street Gang Unit north conducted 237 separate investigations leading to the arrest of 406 people, including 65 gang members. The Street Gang Unit worked with various local, county, state and federal agencies to identify and investigate violent gang activity. During Operation Wetlands, Unit members worked jointly with the Jersey City Police Department and the Hudson County Prosecutor's Office to dismantle a PCP distribution network operating in Jersey City. As a result, 33 suspects were arrested, including a number of documented gang members, on charges including racketeering, narcotics distribution and related offenses. During Operation Empire, Unit members worked with the state Department of Corrections to identify and dismantle an elaborate network responsible for the smuggling of contraband into Northern State Prison. The investigation resulted in 35 arrests, including a corrections officer, on various charges of official misconduct, racketeering, bribery and money laundering.

■ Cargo Theft: The Cargo Theft Unit conducted 40 separate investigations leading to the arrest of 30 suspects on various charges related to the theft and trafficking of stolen goods as well as counterfeit trademark offenses. The Cargo Theft Unit was responsible for the recovery of stolen property valued at approximately $2.5 million, and the seizure of counterfeit property valued at approximately $1.2 million Unit members worked with various local, county, state and federal agencies to identify organized cargo theft groups throughout New Jersey. During Operation GSK, Unit members recovered stolen pharmaceutical products valued at $1.5 million after reviewing extensive GPS and video surveillance footage to identify a storage location used by cargo thieves. In that case, two suspects were arrested.

## Special Investigations Highlights

Arrest of Fugitive Couple Accused of Murder in A.C.: Following an intense manhunt, members of the State Police Fugitive Unit arrested a couple accused of murdering a man they had carjacked in the parking garage of the Taj Mahal Hotel and Casino in Atlantic City. Fugitives Craig Arnow and Jessica Kisby were located at the Golden Key Motel in Egg Harbor, Atlantic County on May 28. Both were charged with the carjacking of North Bergen resident Martin Caballero after he'd dropped off his wife and daughter in the garage. The victim was later found stabbed to death in a wooded area off Exit12 of the Atlantic City Expressway.

■ Arrest of Local Police Officer for On-Line Obscenity Involving "Underage Girl": In May 2010, members of the Digital Technology Investigations Unit arrested a veteran Madison police officer on charges of official misconduct, attempting to endanger the welfare of a child and attempting to transmit obscene materials to a person under the age of 16. During the course of the investigation, members of the Digital Technology Unit secured a warrant to conduct the first wiretap of an Internet service ever executed in New Jersey. As of this writing, the Madison police officer arrested, James Haspel, is free on bail and awaiting trial. He is accused of transmitting webcam videos of himself, with his genitals exposed, to a person he believed to be an underage girl. The girl was actually an undercover detective. He is also accused of sending explicit videos from a hotel in Ohio, where he was attending a police training conference.

■ Arrests in Casino Cheating Scam: State Police investigators worked with federal immigration officials and authorities in Connecticut to apprehend two South Korean nationals who won hundreds of thousands of dollars by cheating at the card game Midi-Bac at Bally's Park Place Casino. Altogether, four South Korean nationals won a total of about $440,000 playing at Bally's between October 14 and October 18. A review of surveillance tapes showed that one of the men illegally switched cards on 75 occasions using an electronic cheating device hidden under his shirt sleeve. This method enabled him and his three accomplices to win. Investigators subsequently learned that the four men had left the United States and gone back to South Korea. However, investigators learned in November that two of the suspects, Ingyu Park and Sun Jang, had returned to the United States. They were ultimately located at Foxwoods Casino in Connecticut and arrested by Connecticut State Police. Jang and Park waived extradition and were transported back to Atlantic County by New Jersey State Police to face criminal charges.

■ Forest Fire Arson Arrest: In February, members of the State Police Polygraph Unit, working in collaboration with Stafford Township Police and the Ocean County Prosecutor's Office, helped identify an arsonist who had set a forest fire in an area behind the Fawn Lake residential development in 2009. David Cisek, of Stafford Township, agreed to submit to a polygraph exam and his answers sometimes appeared deceptive. During the post-test interview, Cisek confessed to setting the fire. He was charged with second degree aggravated arson and lodged in the Ocean County Jail on $100,000 bail.

## Troop A Highlights

■ Camden/South Jersey Crime Reduction: Troop A serves a dual policing role within the City of Camden. Troop A staffs a uniform contingent of personnel who are assigned to the Metro South Station and a complement of plain-clothes detectives who are assigned to the Strategic Investigations Unit South (SIU). Both entities have a singular mission to reduce the overall crime rate and the number of shootings within the city. During the 2010 calendar year, SIU personnel conducted a total of 177 shooting (non-homicide) investigations and 21 non-shooting criminal investigations. Additionally, SIU conducted 23 court -ordered search warrants, seized $41,980 in narcotics, $16,450 in U.S. currency and recovered 27 weapons. During this period, Troopers arrested 77 persons on charges including attempted murder, aggravated assault, unlawful possession of weapons and possession of a controlled dangerous substance. SIU personnel also assisted the Camden County Prosecutor's Office Homicide Unit with 28 homicide investigations. The Metro South Station is charged with assisting SIU with all non-fatal shooting investigations. Its operational mission is to gather critical intelligence data connected to shooting investigations. During 2010, Metro South Station personnel were responsible for the arrest of 674 persons on 2,360 criminal charges including possession of various narcotics, distribution of controlled dangerous substances and other offenses. Also, seized were $104,312 U.S. currency and $264,193 in narcotics.

■ Atlantic City International Airport Security: During 2010, the State Police continued to work in partnership with the South Jersey Transportation Authority and Office of Homeland Security and Preparedness in making strategic improvements in security/preparedness at the Atlantic City International Airport. Among the major accomplishments for 2010 was the completion of the design and bidding phases of the Federal Inspection Station (FIS). The FIS will give the Atlantic City International Airport the ability to launch and receive direct-to flights involving international destinations. The facility will add three additional gates – one gate dedicated for domestic travel, two others capable of handling international travel. A full time Customs & Border Protection (CBP) unit will be present upon opening. In keeping with national strategies for aviation security and combating terrorism, Troopers assigned to the Atlantic City International Airport received advanced training and conducted proactive aviation law enforcement operations in the areas of critical infrastructure protection, criminal and terrorism investigations, and technical intelligence collection. These activities were structured to detect, deter and/or disrupt a terrorist attack at the facility, or within the region, and were fully integrated with the efforts of the FBI's Joint Terrorism Task Force.

## Troop B Highlights

■ Meadowlands/Super Bowl XLVIII: Meadowlands Station personnel completed the inaugural season of the New Meadowlands Stadium in December 2010. The season consisted of 19 professional football games, three college football games, an international soccer game and a large concert. A total of 103 events were held at the stadium, or in the stadium's parking lots. More than 140 events were held at the Izod Center, and 342 took place at the Meadowlands Race Track. Meadowland Station, in cooperation with the Troop B command staff, began preparations for Super Bowl XLVIII, to be held at the New Meadowlands Stadium in February of 2014. The Contingency Action Plan (CAP) for the New Meadowlands Stadium, the Timex Center and

the pre-existing New Jersey Sports and Exposition Authority facilities is underway and should soon be completed. Station personnel took part in extensive training and exercises in order to prepare for any eventuality, including the presence of an active shooter, in 2010. The training and exercises are ongoing.

■ Overall Enforcement: Troop B initiated 5,122 criminal investigations, arrested 4,578 suspects for various criminal offenses, and arrested another 1,604 individuals for Driving While Intoxicated. Also, Troopers responded to more than 14,000 traffic accidents – a decrease compared with 1,363 the prior year.

■ Irvington Crime Reduction: Troop B serves a dual policing role within the Township of Irvington. Troop B personnel staff a uniform contingent assigned to the Metro North Station, as well as a complement of plain-clothes detectives who are assigned to the Strategic Investigations Unit North (SIU). The mission of both entities is to reduce the overall crime rate and the number of shootings. During the 2010 calendar year, Metro North and SIU personnel conducted a total of 286 investigations and arrested 278 individuals for various alleged crimes. Metro North and SIU personnel also recovered 27 firearms and arrested 117 peoples for outstanding warrants. Additionally, Troopers seized $168,185 in controlled dangerous substances and $54,089 in U.S. currency.

## Troop C Highlights

■ Vehicle Crash Reduction: Troop C has identified vehicle crashes to be an ongoing issue in its jurisdiction. As a result, Troopers were engaged in a variety of safety-related initiatives in 2010 that appeared to pay dividends. Specifically, statistics show there were 4,278 crashes on both public roadways and private property in 2010 – a 7 percent decline compared with the prior year. Troop C personnel conducted 550 Aggressive Driver Patrols in 2010. Troopers conducted more than 6,000 motor vehicle stops and issued approximately 4,500 summonses for hazardous driving offenses. Of the summonses issued, 1,823 were for speeding and 712 were for driving while using a cell phone. The remainder were for various other violations.

■ Pedestrian Safety Initiatives: Troop C's Traffic and Tactical Patrol Units continued their educational and enforcement efforts regarding pedestrian safety in 2010. Troopers conducted pedestrian safety enforcement details in Farmingdale Boro in April and May, resulting in 18 summonses and five warnings to motorists who failed to yield to pedestrians.

■ DWI Enforcement: Troop C personnel continued their aggressive Driving While Intoxicated enforcement in 2010. The number of DWI arrests increased in every category including "on view" arrests (up to 654 from 472 the prior year), arrests resulting from a vehicle crash (up to 156 from 131 the prior year) and arrests resulting only from testing only (up to 89 from 78 the previous year.)

■ Protecting Young Drivers: In response to an increasing number of vehicle crashes involving young drivers in the Graduated Driver's License (GDL) phase, Troop C personnel continued an overall GDL initiative at Allentown, Seneca and Delaware Valley High Schools, all three of which are located in the Troop's primary area of responsibility. In April of 2010, members of the Troop C Traffic Office, along with members of Troop C Tactical Patrol Units, conducted awareness details at each of the three high schools. A total of 283 vehicles were checked, and students were given additional information about the current GDL. requirements. In addition, students were given "Got your Decal?" brochures, as well as traffic safety bulletins.

## Troop D Highlights

■ Parkway Patrol/Enforcement: Troop D, Parkway Region, conducted more than 74,000 motor vehicle stops in 2010 – a 21 percent increase over the prior year. In addition, Troopers serving the Parkway Region aided more than 45,000 motorists, an 18 percent increase. For the year, Parkway Region Troopers wrote more than 43,182 tickets – a 43 percent increase over the previous year – including more than 8,000 for speeding. Troopers also made 889 arrests for Driving While Intoxicated, a 28 percent increase over 2009.

■ Turnpike Region Drop in Fatalities: Troop D, Turnpike Region, reported a drop-off in accidents and fatal accidents in 2010. The Turnpike Region had a total of 6,063 accidents in 2010 -- a 15 percent decrease compared with the prior year. Fatal accidents declined by 27 percent. In fact, the year ended with the fatality rate on the New Jersey Turnpike at its lowest point since the start of record-keeping in 1961. In order to help achieve this level of safety, Troop D's Traffic Office relied heavily on Intelligence Led Policing (ILP) and intensive data gathering and analysis. Troopers along the Turnpike carried out 10 percent more motor vehicle stops in 2010, issued 8 percent more tickets, and made 25 percent more Driving While Intoxicated arrests. In addition, an in-house crash database maintained by Troop D was used in conjunction with historical weather and traffic volume data for both commercial and passenger vehicles. Troopers kept a look-out for aggressive and drunk driving, and sought to ensure occupant safety through the proper use of seatbelts and child restraints. Troopers also worked to ensure that large commercial vehicles were operated in a safe manner. Troop D also worked in 2010 with the Turnpike Authority to ensure safety, via the analysis of crash data, in work zones that are part of the massive New Jersey Turnpike Widening Project. That effort continues.

## Emergency Management Section

■ Emergency Preparedness Bureau: In November 2010, the Emergency Preparedness Bureau's North Region worked cooperatively with the National Transportation Safety Board, the Federal Bureau of Investigation, Minneapolis Police, and the New York State Police in developing and presenting a course for emergency responders focused on responding to a transportation incident. The course was entitled, "Transportation Disaster Response - A Course for Emergency Responders". The training class was delivered to first responders from across the nation at the National Transportation Safety Board Academy in Ashburn, VA and provided the participants with the tools to most effectively manage a major transportation disaster. Representatives of the North Region added credibility to the training by relaying their personal experiences as first responders.

■ Transportation Safety Bureau: A four-month effort seeking to reduce crashes involving commercial motor vehicles resulted in more than 8,700 stops by Troopers, nearly 2,700 tickets issued and nearly 4,000 warnings. More than 2,000 trucks were inspected, resulting in the issuance of nearly 500 violations that took trucks out of service. In addition, Troopers made 38 criminal arrests. Significantly, crashes involving commercial motor vehicles declined in 2010 in each of four areas targeted under the program, known as New Jersey Targeting Aggressive Cars and Trucks (TACT.) Also in 2010, the Transportation Safety Bureau initiated a Mobile Safe Freight Squad. The squad seized more than 400 pounds of marijuana, $84,000 in untaxed liquor and $1.5 million in bulk U.S. currency. Overall, Troopers performed more than 30,000 commercial vehicle inspections in 2010, including more than 4,300 on commercial carriers transporting hazardous materials by highway. The number of inspections on trucks hauling hazardous materials accounted for 14 percent of all commercial vehicle inspections, thereby exceeding the state's goal of 10 percent.

# Division of Consumer Affairs

The Division of Consumer Affairs is responsible for enforcing laws designed to ensure fairness and integrity in New Jersey's commercial and investment marketplaces, and for assisting consumers who may have complaints or questions about particular vendors or service providers. The Division's essential mission is to protect New Jersey consumers from fraud and deception, and to ensure that the state's licensed professions and trades observe high standards of conduct. In addition to investigating and prosecuting those who commit fraud and other consumer-related violations, the Division provides information to the public on a variety of consumer-related issues. More information on the Division is available at www.njconsumeraffairs.gov.

## Bureau of Securities

### Significant Cases

■ Distribution Plan to Compensate Victims of Robert Brennan Fraud: In January 2010, a state Superior Court judge approved a distribution plan to provide $5.15 million in restitution to approximately 27,000 investors defrauded by stock broker Robert Brennan. The court's action was a significant milestone in the case against Brennan, who was sued by the Bureau in August 1995. The original state lawsuit against Brennan and L.C. Wegard, an investment firm that Brennan controlled, alleged violations of the New Jersey Securities Law, as well as the state's Racketeer Influenced and Corrupt Organizations (RICO) Act. That same month, Brennan filed a voluntary Chapter 11 bankruptcy petition. The Bureau later obtained a $45 million, non-dischargeable judgment against Brennan and L.C. Wegard, but Brennan claimed to have no assets with which to satisfy the judgment. An extensive search by Bureau investigators followed, and the Bureau was ultimately able to uncover assets Brennan had attempted to hide, including a pension fund set up for himself. A court-approved receiver based in Princeton is handling claims for restitution from defrauded Brennan investors.

Carr Miller Capital LLC Lawsuit: In December, the Bureau filed a lawsuit against Carr Miller Capital LLC of Evesham, Burlington County, and its three principals for their alleged use of a Ponzi scheme and other means to defraud investors out of more than $40 million. Filed in state Superior Court in Newark, the nine-count lawsuit charges that the defendants violated numerous New Jersey Uniform Securities laws by committing fraud, co-mingling funds and selling unregistered securities. The Bureau requested, and obtained, court approval to freeze the assets of Carr Miller and to have a receiver appointed to oversee and control those assets.

## Office of Consumer Protection/ Office of Weights and Measures

### Significant Cases

■ Investigation of Moving Companies: Thirty-four moving companies were issued notices of violation and assessed a $2,500 civil penalty after each was found to be an unlicensed mover during an undercover investigation carried out in October 2010. Posing as a father and daughter who needed to move the daughter's personal items out of storage to the father's New Jersey home, Division investigators contacted movers who

had posted on Craigslist and on other Internet sites. When 19 movers arrived at a self-storage facility in Belleville during the two-day operation, Division investigators and State Police Troopers from the Transportation Safety Bureau checked on their credentials and violations were issued where appropriate. The other 15 movers were cited for unlicensed operation based on advertising of their services to the public. The Division requires movers to be licensed annually. Movers must have cargo liability insurance and meet other requirements in order to obtain a license.

■ Investigation of Home Improvement Contractors: Twelve home improvement contractors were cited for violating New Jersey's Contractor Registration Act as the result of an undercover investigation carried out by the Division. The investigation took place over the summer of 2010, and investigators set it up at a vacant house in Morris Plains, Morris County. Using print and on-line advertisements, investigators contacted suspected unregistered contractors and asked them to inspect the residence and provide estimates for needed improvements including driveway repaving, basement renovations and waterproofing, installation of new wood floors, bathroom renovations, masonry repairs and installation of a new fence. Estimates for the projects ranged from $1,180 to $14,000. As a result of the investigation, eight contractors were cited for being unregistered and four were cited for being registered, but not displaying their registration numbers to the public as required. Two other contractors received warning letters for minor violations of the Contractor Registration Act. The law, which took effect in 2006, requires all contractors performing residential work to register annually with the Division. In order to register, contractors are required to disclose where their businesses are located, provide proof they have insurance, and use contracts containing specific consumer protection language for all projects costing more than $500.

■ Operation Bling: A Precious Metals Task Force created by the Division's Office of Weights and Measures cited 49 gold and jewelry buying businesses with a total of more than 1,600 consumer-fraud-related violations during an inspection sweep that uncovered the use of inaccurate scales. Violators were required to answer the charges in municipal court, and ultimately paid a total of $106,000 in civil penalties. The Task Force began its inspections in June 2010 following receipt of a consumer complaint by the Division. The Task Force carried out unannounced inspections of jewelry stores and also transient buyers of gold and jewelry who typically operate out of hotels. Among scales confiscated by state investigators was one that had a spring mounted under the weighing platform. The spring would push back as an item was being weighed, producing an inaccurately light reading. The businesses charged were cited for use of scales that had been tampered with, were unregistered, had not been inspected and were not approved for use in New Jersey. Some were also charged with violating laws that require detailed receipts to be provided to sellers. The detailed receipts are important to individuals who may, after selling their jewelry, wish to dispute the transaction or attempt to reclaim the items during the 48-hour period in which the buyer is required to hold them.

## Professional Licensing Boards

■ Dr. Steven Brigham License Suspension: The state Board of Medical Examiners temporarily suspended the license of Dr. Steven Brigham in October 2010 after a nine-hour hearing focused on his practice of starting late-term abortions in New Jersey, where he was not authorized to perform them, and finishing them in Maryland, where he was not licensed to practice medicine. Brigham owns American Women's services, which has offices in several states. New Jersey law allows any physician to perform first-trimester abortions. However Brigham, who is not an obstetrician-gynecologist, is not authorized under state law to perform abortions of fetuses older than 14 weeks. The abortions Brigham performed in Maryland involved women in their second and third trimesters. In successfully making a case for emergent suspension, the state noted that, among other things, Brigham administered drugs to his patients in New Jersey that were essential to the abortion process, some of which caused fetal death. The state also argued that the drugs Brigham gave his patients made their travel to Maryland for the second part of their abortion procedures more dangerous. As of this writing, a hearing to adjudicate the charges in the administrative complaint is scheduled for April 5, 2011.

■ Crackdown on Unlicensed Practitioners: The Professional Licensing Boards within the Division took action in 2010 against unlicensed individuals offering dental and medical services to the public. Working with local law enforcement agencies, the Division's Enforcement Bureau identified a dozen individuals who were not licensed dentists or doctors, but who nonetheless were treating patients. The unlicensed persons were arrested and their treatment locations shut down. Among those arrested were Maria Medel, of Bound Brook, who was charged with running an unlicensed dental practice out of a rented home in the borough. Medel was charged in June following a cooperative investigation by the Division, local police and the Somerset County Prosecutor's Office. The investigation began when an individual who'd been previously treated by Medel developed an infection and sought care from a licensed dentist in Eatontown. The licensed dentist became concerned about the patient's condition, inquired as to who had done the prior dental work, and subsequently contacted the Division. The unlicensed Medel was arrested after she allegedly examined an undercover investigator from the Somerset County Prosecutor's Office and told him that she would perform certain dental work at a later date.

Also prosecuted in 2010 was Dr. Farid Hakimi, a podiatrist who had been banned from practicing for several years in connection with inappropriate conduct toward a female patient. Hakimi's license was suspended in May 2006 after an Administrative Law Judge found that he "unnecessarily and inappropriately exposed and touched the naked body of a female patient" in August 2001. During the final 18 months of his suspension, however, he was permitted to practice with a probationary license. A condition of Hakimi's probationary license was that he treat patients in the presence of a board-approved chaperone. Jersey City police arrested Hakimi for practicing without a license in late January 2010 after he examined an undercover state investigator without the required chaperone present.

■ Customer Service Improvements: The Division embarked on a massive, Division-wide scanning initiative in 2010, taking a substantial step away from the cumbersome and time-consuming manual processing of paper applications for its regulated businesses and professional licensees, and a significant step toward a much more streamlined, automated work flow and records management system dealing with digital images. Those efforts, in tandem with the development of increased online capabilities through the Division's Website, are bringing the Division within reach of its goal to decrease substantially the processing time for professional licensure and business registration applications, thus getting people to work sooner.

■ Reorganization: Along with the move toward online automation, the Division made significant strides in streamlining its overall organizational structure. The Office of Consumer Protection (OCP) Reorganization was recently completed, consolidating that component's enforcement resources into six investigative units with an eye toward maximizing existing staff and aggressively addressing the Department's enforcement priorities. Those units are as follows: Financial Fraud, Charities Fraud, Cyber Fraud, Commercial Fraud, Regulated Businesses, and General Investigations & Special Projects. Along with the current overhaul of OCP's Customer Service Center that's under way, this reorganization will further the Division's goals of (1) more innovative and aggressive anti-fraud enforcement initiatives, and (2) increasing the early and successful resolutions of consumer complaints.

# Division on Civil Rights

The Division on Civil Rights is responsible for enforcing the New Jersey Law Against Discrimination (LAD) and the New Jersey Family Leave Act. The LAD seeks to prevent and remedy unlawful discrimination in employment, contracting, housing, in schools and other places of public accommodation. The Family Leave Act provides eligible employees with leaves of absence in connection with the birth or adoption of a child or the serious health condition of an eligible employee's parent, child or spouse. As part of its statutory mission, the Division receives, investigates and resolves Complaints that the law has been violated. In a broader sense, the Division's mission is to foster attitudes of acceptance, equality and respect among all people throughout the State. The Division has regional offices located in Atlantic City, Camden, Newark and Trenton. In December 2010, the Division closed its Paterson office. In addition to processing and investigating complaints of unlawful discrimination, the Division receives – and responds to – more than 15,000 inquiries each year from the general public regarding civil rights law. More information about the Division is available at www.NJCivilRights.gov.

## Overview

The Division collected approximately $2.4 million in total monetary awards on behalf of the victims of discrimination in 2010. The Division began the year with 806 cases under investigation and closed the year with 829 cases — a three percent increase in its investigative caseload. Broken down by category, cases included alleged discrimination in employment (610), housing (112), places of public accommodation (52), multiple-dwelling reporting rule (42), and Director's Complaint's (13). Despite reductions in staffing, the Division continued its efforts to reduce case backlog, reduce the intake of frivolous cases, and increase special investigations focused on "pattern and practice" cases, which generally affect large numbers of people and/or involve matters of significant public interest. Regarding complaints filed by citizens, 31percent resulted in a disposition unfavorable to the Complainant (Dismissal/Finding of No Probable Cause). Cases resulting in outcomes favorable to the Complainant (Settlement/ Order) accounted for a record 42 percent of cases closed in 2010. The remaining cases were concluded administratively. Consistent with recent years, the majority of complaints filed with the Division in 2010 involved race, disability and sex. The Division received Complaints from residents in all of New Jersey's 21 counties, with the greatest number of Respondents located in Camden, Mercer, Essex, Bergen and Burlington Counties. In addition to collecting $2.4 million in monetary awards, the Division collected more than $133,000 in administrative costs and payments in lieu of a penalty, which were deposited into the State Treasury. The Division also fulfilled its obligations under work-sharing agreements with the U.S. Equal Employment Opportunity Commission and the U.S. Department of Housing and Urban Development for the federal fiscal year ending September 30, 2010. These two federal agencies paid the Division $317,500 and $395,448, respectively to satisfactorily investigate and resolve dual-filed cases alleging discrimination in employment and housing.

## 2010 Significant Cases/Orders

### School Bullying

■ Emerson Board of Education FPC: In a widely-reported anti-bullying action, the Division issued a Finding of Probable Cause against the Board of Education in Emerson Borough, Bergen County, for allegedly failing to take sufficient steps to stop the harassment and bullying of a male student that went on for six years. According to the Division, the district failed to effectively deal with continued verbal, physical and cyber-harassment of the male student – identified only as J.C., Jr. – that began in 2002 and continued through 2007. The harassment occurred while J.C. was attending junior and senior high school in Emerson, and was focused on the student's perceived sexual orientation. The alleged harassment, which was reported to school officials numerous times, included name-calling and derogatory remarks from other students about J.C.'s perceived homosexuality, as well as physical assaults and threats of violence. In addition, students on one occasion created a page on a social networking Web site that described J.C.'s sexual orientation as "unknown," and also depicted him as a female. Students also are alleged to have circulated derogatory drawings of J.C., including at least one that depicted him performing a sex act on another male. While the initial Complaint was filed by the parents of J.C. Jr., the Division subsequently joined the complaint. As of this writing, the case is in Conciliation.

■ Old Bridge Township Board of Education FPC: In another school-related anti-bullying case, the Division issued a Finding of Probable Cause against the Board of Education in Old Bridge Township, Middlesex County, for allegedly failing to take sufficient steps to stop the harassment and bullying of a student during his years attending a township middle school. According to the Division, the school district failed to deal effectively with the harassment of a Jonas Salk Middle School student – identified only as H.D. because he is a minor – that began in the fall of 2004 and continued through the end of the school year in 2007. The harassing conduct included derogatory remarks from other students about H.D.'s perceived sexual orientation, as well as his Jewish faith. The district's own documentation shows that, during one stretch between early September 2006 and late January 2007, there were at least 11 reported incidents of harassment against H.D. involving 14 different students. In two of the cases, no action was taken because of a lack of information. In the remaining cases, a total of 12 students received discipline ranging from a verbal warning to after-school detention to in-school suspension. However, the bullying of H.D. continued. The Finding of Probable Cause cites Old Bridge for failing to take affirmative steps to prevent the bullying of H.D., and for dealing with it only via "after-the-fact" discipline, without any prevention measures or efforts at broader outreach to students. While the initial Complaint was filed by H.D.'s parents, the Division subsequently joined the Complaint. Conciliation failed to resolve the case and, as of this writing, it is awaiting a hearing before an Administrative Law Judge.

### Sexual Harassment

■ Avenel First Aid Squad FPC: The Division issued a Finding of Probable Cause against the Avenel-Colonia First Aid Squad in Woodbridge Township, Middlesex County, in connection with charges that its leaders sexually harassed a female squad member then retaliated against her for objecting to the harassment. Also named as Respondents in the Finding of Probable Cause were first aid squad captain Carmen Parisio and assistant captain Wayne Tasaki, both members of the squad's four-member executive board. The Respondents were accused of sexually harassing Emergency Medical Technician (EMT) Jennifer Braun during a period of several months in 2009. They also were accused of subjecting the young woman to workplace reprisals, including eventual termination, after she made clear that she opposed the sexually-charged work atmosphere. In her Complaint Braun said that, for a period of months starting in January 2009 and continuing into April, when she was discharged, she was repeatedly subjected to demeaning comments and inappropriate questioning by Parisio and Tasaki about her sexual preferences, the size of her breasts and other sex-related topics. Other incidents described by Braun involved Tasaki and Parisio allegedly offering unsolicited comments concerning their anatomy and/or sexual prowess. Six former Avenel-Colonia First Aid Squad members interviewed by the Division corroborated that graphic, sexually-charged conversations were a regular occurrence at squad headquarters. The Division joined Braun's Complaint against the first aid squad and its leadership. Conciliation failed to resolve the matter and, as of this writing, it is assigned to the Office of Administrative Law for a hearing.

■ Galilee Baptist Church Settlement: In July the Division announced a settlement requiring Galilee Baptist Church of Trenton and its pastor, Reverend John H. Harris, Jr. to pay former church secretary Minnie Davis $50,000 to resolve allegations the woman was sexually harassed by Harris and then fired after reporting his alleged conduct to church officials. In addition, Harris and Galilee Baptist agreed to pay the Division $7,500 to cover administrative costs and a fee in lieu of statutory penalties. The agreement also required the church to establish clear, written anti-discrimination and harassment policies, and to designate a representative to receive and investigate any complaints made under the policy. Under the settlement there was no admission of liability by either Harris or the church. Minnie Davis was hired by Galilee Baptist as a secretary in 1997, and her job description was later expanded to that of secretary/church clerk in 1999. Davis claimed to have had a consensual relationship with Harris that began in 2001, but said she broke it off in 2003 and made clear she wanted no further involvement. Despite her repeated statements disavowing any interest in him, Davis alleged, Harris continued for years to pressure her in the workplace. In March 2008, Davis sent a memo to the deacons and trustees of Galilee Baptist accusing Harris of repeatedly propositioning her, touching her inappropriately and other harassing actions. She also reported that, as a result of her rejection of his overtures, Harris took retaliatory action such as minimizing her work duties, requiring her to provide 30 days notice when seeking time off and implying that she was stealing. Harris and the church denied all allegations. However, the Division issued a Finding of Probable Cause against both in 2009.

■ Newport Swim & Fitness FPCs: The Division issued Findings of Probable Cause against a Hudson County fitness club, its former executives and a former pool supervisor in connection with complaints filed by two ex-employees that they were sexually harassed on the job, then discharged for reporting it. Named as Respondents in the two Findings of Probable Cause were TFC Partners, Inc., doing

business as Newport Swim and Fitness of River Drive South, Jersey City, former club executives Jim Delaunay of Chester, N.Y., and Gina Bucci, of Clifton, Passaic County, and former pool and lifeguards supervisor Orlando Pizarro, of Jersey City. Two sisters from Jersey City who worked as lifeguards at Newport Swim and Fitness from July 2006 through 2007 were both terminated in February 2007 after approaching club management and alleging that Pizarro was sexually harassing them. Both young women then filed discrimination complaints with the Division charging sexual harassment and retaliatory discharge. Pizarro was accused of subjecting the two sisters to sexually harassing comments, including references to his own anatomy, sexual preferences and proclivities. Delaunay and Bucci were charged with failing to adequately address the allegations raised by the two victims, one of whom was a minor at the time. All three Respondents are no longer employed at Newport Swim & Fitness. Among other things, the Division found that the club's ownership was negligent in that it failed to put in place an effective system for preventing the harassment of employees. The Division joined the two ex-employees' Complaint, which is in Conciliation as of this writing.

## Race-Based Discrimination

■ Nathan/Bank of New York Mellon Settlement: The Division announced in April that the Bank of New York Mellon had agreed under a settlement to pay former employee Paul Nathan a total of $188,037 to resolve allegations the worker was harassed on the job at a bank office in Hudson County, then discharged after he complained about a hostile work environment. In addition to agreeing to pay former mail operations employee Nathan to resolve his complaint, the Bank of New York Mellon also agreed to pay the Division $5,000. The Division earlier had joined in Nathan's discrimination complaint. Nathan, of Flushing Meadow, N.Y., was employed with a securities and asset management company owned by the Bank of New York in Hudson County when he filed his original discrimination complaint in late 2006. He subsequently amended the complaint to include retaliation after his employer fired him. (The Bank of New York later merged with Mellon Financial Corp. and became the Bank of New York Mellon.) An employee of the company's Enclosing Mail Operations department, Nathan charged in his original complaint that he and another African-American worker were routinely assigned to the largest, most difficult and burdensome equipment in the so-called "green room" without assistance in lifting heavy materials. The green room was where the company's master mailer machines were located. Nathan's complaint charged that non-African-American workers were not regularly assigned to such green room duty and, if they were, received help in dealing with the heavy lifting. A Finding of Probable Cause issued by the Division reported that a half-dozen other Bank of New York Mellon employees interviewed by State investigators corroborated Nathan's account of disparate treatment. Two witnesses corroborated Nathan's claim that the green room was also referred to as "the plantation." Nathan also told investigators he was targeted for acts of harassment by co-workers because of his acknowledged homosexuality. Among other things, Nathan charged that he'd been called names and subjected to derogatory comments about his sexual orientation, as well as at least one racially and sexually offensive photograph and caption, and a threat that he would be sodomized with a stick. The Bank of New York Mellon acknowledged placing Corrective Action Notices in the personnel files of two management employees implicated by Nathan. In addition to the $188,000 settlement pay-out, the bank agreed to expunge from all records any indication that Nathan was terminated, and to put in place effective anti-discrimination and anti-harassment policies and procedures.

## Other Keynotes

■ Mediation, Conciliation and Litigation: The Division's Mediation Unit successfully mediated 73 cases and obtained a total of $376,123 in monetary awards for complainants. The Mediation Unit offers the parties in a discrimination complaint an opportunity to resolve the matter amicably, and in the early stages. Through the program, parties to a complaint can voluntarily meet with one of the Division's mediators shortly after the complaint is filed. In doing so, the parties can potentially resolve the matter and avoid a lengthy investigative and litigation process. Conciliation is essentially a final attempt to resolve a discrimination complaint after it reaches the stage in which a Finding of Probable Cause is issued. In 2010, 12 Findings of Probable Cause were successfully resolved through Conciliation, resulting in a total of $303,787 in monetary awards to complainants. If Conciliation fails to resolve a case, the matter is referred for a hearing presided over by an Administrative Law Judge. Deputy Attorneys General assigned to the Division of Law prosecute such cases on behalf of the Division on Civil Rights. In 2010, 39 discrimination complaints were tried before an Administrative Law Judge, resulting in total awards of $577,543 to the victims of unlawful discrimination.

■ Training and Outreach: Through its newly re-established Bureau of Prevention, Outreach and Public Education, the Division conducts civil-rights-related training initiatives throughout New Jersey. In 2010 the Bureau hosted a number of community roundtables and presented regional workshops, in addition to participating in several statewide conferences focused on such timely issues as the rights of those with disabilities, sexual-orientation-based discrimination and bullying.

# Division of Highway Traffic Safety

The mission of the Division of Highway Traffic Safety is to prevent vehicle-related crashes and the property damage, injury and death they cause. To achieve its mission, the Division undertakes an array of traffic safety programs relating to education, enforcement and engineering. The bulk of the Division's funding comes from the federal government, via the National Highway Traffic Safety Administration. Funding received by the Division is used to develop and implement a comprehensive statewide traffic safety plan, and is also distributed among local, county and state agencies in the form of traffic safety grants. Among the Division's chief priorities are occupant protection, impaired driving, pedestrian safety, distracted driving, aggressive driving and bringing the message of traffic safety to New Jersey's diverse populations. More information is available by visiting the Division's Web site at www.nj.gov/oag/hts.

## Fatalities Data: Traffic Deaths Down

Highway Fatalities Down A total of 556 highway fatalities were reported to the State Police Fatal Accident Investigation Unit in 2010, a decrease of nearly 5 percent compared with the prior year, and the lowest number of traffic deaths reported since 1948. Of those fatalities, 305 were drivers, 97 were passengers, 140 were pedestrians and14 were pedal cyclists. Allowing that one highway death is too many, an encouraging trend in 2010 was that fatalities were down in most categories. For example, there were 10 fewer drivers killed on New Jersey highways, and 17 fewer pedestrians lost their lives.

## Keeping Alcohol & Drugs off the Road

■ Over the Limit, Under Arrest: From August 20 through September 6 of 2010, the Division participated in the national Over the Limit, Under Arrest impaired driving crackdown. The goal was to mobilize all police agencies throughout New Jersey to raise awareness about the dangers of impaired driving through a combination of stepped-up enforcement and media activity.

The Division invited hundreds of police agencies to support the initiative, and provided 187 of those agencies with overtime enforcement grants of $4,400 each.

Other police agencies were asked to support the effort through their own resources. The 17-day crackdown resulted in 1,707 arrests for Driving While Intoxicated, an increase of nearly 200 arrests compared with the prior year.

The 417 police agencies that participated also issued more than 10,000 speeding summonses and more than 6,000 tickets for failure to wear a seat belt.

■ Cops in Shops: The Division provided funding to support the Division of Alcoholic Beverage Control's Cops in Shops program. In Cops in Shops, local police work undercover in participating retail locations, either posing as store employees or taking up positions outside the store to catch adults who attempt to buy alcohol for underage drinkers. During the summer phase of the program, 31 shore-area police departments took part in the effort and arrested a total of more than 200 people. The

fall "college" phase of the initiative took place in cities and towns where colleges or universities are located, as well as in neighboring communities. Conducted from November through June 2010, the program resulted in many more arrests. Since its launch in 1996, Cops in Shops has resulted in the arrest of more than 8,000 underage persons and adults on charges related to the illegal purchase of alcohol, and helped save countless lives by keeping potential drunk drivers off the road.

## Protecting Pedestrians and Bicyclists

■ Cops in Crosswalks: Through this program, police agencies throughout New Jersey took part in a pedestrian safety enforcement and education program designed to increase awareness about properly sharing the road. As part of Cops in Crosswalks, undercover police officers posed as pedestrians and tried to traverse marked crosswalks. Motorists who failed to halt for the undercover officers were stopped a short distance down the road by uniformed officers. The initiative was used to help reinforce New Jersey's pedestrian law, which was amended April 1, 2010 and requires motorists to stop and remain stopped for pedestrians in delineated crosswalks. The Division is also working on crosswalk safety in partnership with Downtown NJ, a statewide organization that works with local government officials, businesses and community organizations to promote municipal downtown areas and reinforce the pedestrian safety message in town centers.

## Occupant Protection

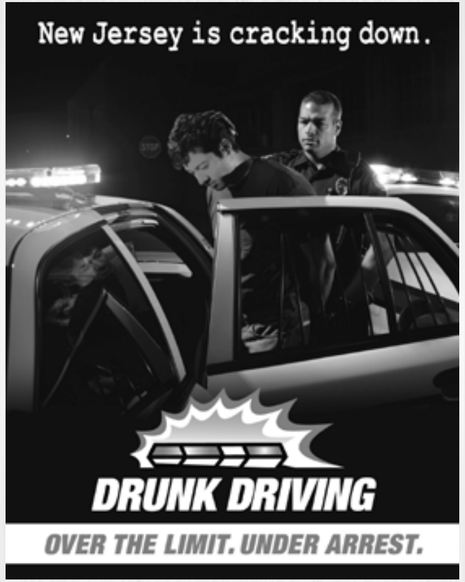
■ Click It or Ticket: The Click It or Ticket campaign was conducted May 24 through June 6, 2010 and resulted in the issuance of 35,671 seat belt tickets by participating police agencies. Key elements of the effort included targeted seat belt enforcement by a total of 401 police departments – 81 percent of all police forces in the state. Of those policing agencies, 157 received $4,000 overtime enforcement grants.

Awareness of the Click It or Ticket campaign and the importance of wearing a seat belt were further enhanced by the distribution of educational materials by partner agencies throughout New Jersey. In addition to summonses for failure to wear a seat belt, participating police wrote nearly 6,000 tickets for speeding, made 592 arrests for Driving While Intoxicated and issued more than 1,000 tickets for failing to properly restrain a child passenger.

■ Kyleigh's Law: On May 1, 2010, Kyleigh's Law (N.J.S.A. 39:3-13.2a) took effect. The new law is designed to help prevent teen driver deaths and injuries. It mandates the display of red, reflector decals on the front and rear license plates of any vehicle operated by a permit or probationary license-holder under age 21. The new decal provides an additional tool for law enforcement officers to use in their continuing efforts to enforce the state's Graduated Driver License Law.

## Prevention

■ Put the Brakes on Fatalities Day: The Division once again coordinated a statewide effort to engage the public and media during the national observance of Put the Brakes on Fatalities Day, held annually on October 10. On this day, motorists are asked to slow down, buckle up, avoid distractions and follow all rules of the road in an effort to achieve zero highway fatalities for a 24-hour period. In New Jersey, three people were killed in highway crashes on October 10, 2010. There were two reported fatalities on Oct. 10 of the prior year.




■ Traffic Safety Training Courses: State and local police attended numerous highway traffic safety and crash investigation courses funded by the Division in 2010. Hundreds of police officers attended such courses as Crash Investigation I and II, as well as Traffic Crash Reconstruction and other specialized training classes including: pedestrian/bicycle crash investigation, motorcycle crash investigation and computerized collision diagramming.

■ Motorcycle Safety Education: A total of 7,100 riders throughout the state were trained in 2010 through motorcycle safety education programs designed to help riders acquire – or refresh – the knowledge, skills, attitudes and habits needed to safely operate a motorcycle. The courses were conducted solely at private locations and were taught by instructors employed by public and private educational institutions.

## Grant Funding Highlights

■ State and Community Highway Traffic Safety: The Division awarded 52 grants totaling approximately $6.4 million in 2010 to provide seed money for innovative programs, and to otherwise support highway-safety-related enforcement, education and awareness initiatives.

■ Driving Under the Influence: The Division awarded 328 grants totaling $3.5 million to support programs that combat driving under the influence of alcohol and/or drugs.

■ Seat Belt Safety/Occupant Protection Grants: The Division awarded 46 grants totaling $1.8 million in Safety Belt Performance funds to support enforcement of seat belt safety laws among other initiatives. The Division also awarded 161 grants totaling $771,000 in Occupant Protection Incentive Grant funds to support programs that encourage proper restraint of all vehicle occupants.

■ Child Safety Restraints: The Division awarded 23 grants totaling $591,600 to be used for enforcement of child safety seat laws and to support public education programs focused on proper use and installation of child safety restraints.

# Division of Gaming Enforcement

The mission of the Division of Gaming Enforcement (DGE) is to protect the public interest by maintaining a legitimate and viable casino industry free from the influence of organized crime, and to ensure the honesty, good character and integrity of casino operators, vendors and employees. Through its various bureaus, the Division oversees all aspects of gaming in Atlantic City, including license investigations of individuals and companies, inspections of individual slot games and systems, the auditing of gaming returns, and criminal and regulatory prosecutions. Criminal cases identified by the Division are investigated by the New Jersey State Police and prosecuted by the Division of Criminal Justice. For more information about the Division of Gaming Enforcement visit www.njdge.org.

## Significant Matters

■ Casino Licensing: As a result of economic conditions, the Division investigated a number of corporate restructurings and refinancings in 2010, including four transactions by Caesars Entertainment Corp. and one by Borgata. The Division also analyzed and issued recommendations concerning the Trump Entertainment bankruptcy plan of reorganization and, following a preliminary investigation, the status of a bond holder's application for interim casino authorization. In addition to these actions, the Division closely monitored the financial conditions of a number of struggling properties to ensure they could meet their legal obligations and thereby maintain their casino licenses.

■ Technical Services Bureau: The Technical Services Bureau ensures the integrity and fairness of all electronic gaming equipment used in Atlantic City. In addition to completing more than 900 gaming submissions annually, the Bureau is also called upon to assist law enforcement with technical aspects of casino-related investigations, and to testify in court proceedings if necessary. In 2010, the Bureau continued to improve its efficiency as evidenced by a reduction in the average number of days required to review and make recommendations, or package submissions, from 32 to 22. In addition, the Bureau established an Internet portal to allow manufacturers and casinos to track the status of their submissions, print approval letters and identify revoked software. These computer applications have been lauded by the casino industry and have eliminated the need to telephone inquiries and hard-copy mailings.

■ Regulatory Prosecutions Bureau—Compliance: The Regulatory Prosecutions Bureau is responsible for prosecuting violations of the Casino Control Act and the regulations promulgated by the Casino Control Commission as they relate to casino operations. The Bureau initiated 28 new violation actions and 29 forfeiture actions in 2010. It also resolved 22 formerly-pending regulatory violation actions and 24 forfeiture actions before the Casino Control Commission. Collectively, these concluded cases resulted in more than $600,000 in fines, penalties and forfeitures. Monies collected as a result of the fines and forfeitures are awarded to the New Jersey Council on Compulsive Gambling, which uses the funds to educate compulsive gamblers and to combat gambling addictions.

■ Regulatory Enforcement Bureau Tracks All Elements of Casino Operations: The Regulatory Enforcement Bureau is responsible for monitoring casino operations and information technology, enforcing the exclusion and self-exclusion lists and alcohol beverage control laws, performing casino forensic audits, and overseeing all aspects of homeland security for the casino industry. The unit investigates such areas as casino computer systems, surveillance issues, underage drinking and gambling, casino credit and employee theft. In addition, it performs security vulnerability assessments of each casino property and coordinates the homeland security needs of the casinos with local, state and federal law enforcement.

In 2010, the forensic audit units conducted a total of 618 investigations of casino internal controls to verify compliance with casino regulations, including monthly analyses of currency transaction reports and suspicious activity reports. The Casino Information Technology unit conducted 1,098 investigations, including computer system security checks to ensure that the systems are providing accurate revenue information and remain free from unauthorized access. The Casino Operations Unit conducted a total of 5,820 investigations, including detailed analysis of surveillance systems, security procedures, compliance with underage gambling and drinking laws, use of unauthorized service industry vendors, and compliance with rules-of-the-game and gaming equipment specifications. For minor regulatory infractions, the Regulatory Enforcement Bureau issued 89 Notices of Non-compliance. These matters required corrective action on the part of the casinos, but did not rise to the level of necessitating further legal action.

# Division of Alcoholic Beverage Control

The mission of the Division of Alcoholic Beverage Control is to regulate how alcoholic beverages are sold and to foster moderation and responsibility in alcohol consumption. The Division pursues its mission by regulating and licensing the manufacture, distribution, sale and transportation of all alcoholic beverages within the state. Essential to state control of the liquor industry is the concept that licensees are granted a privilege to sell alcoholic beverages, and that this privilege can be revoked. 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 is the official repository for licensee ownership information. The Division is also the sole issuing authority of manufacturing and wholesale licenses, as well as a variety of special permits to enable the sale of alcoholic beverages in conjunction with charitable and business-related events. More information about the Division is available at www.nj.gov/oag/abc.

## Overview

ABC enforcement actions generated approximately $2.1 million in total penalties and fines in 2010. The Division's Investigations Bureau conducted 436 investigations and 415 inspections of retail and wholesale businesses. In addition, Bureau personnel were involved in 1,138 undercover operations in 864 licensed establishments, resulting in the arrest of 157 persons and the "carding" of 2,584 persons to verify they were of legal age to purchase or consume alcohol. Three-hundred-eighteen cases involving a total of nearly 1,200 administrative charges were referred to the Division's Enforcement Bureau for review. Enforcement Bureau personnel also provided technical and investigative guidance on 656 municipal enforcement issues. The Division's Licensing Bureau processed approximately 9,200 retail licenses and approximately 95,000 other permits.

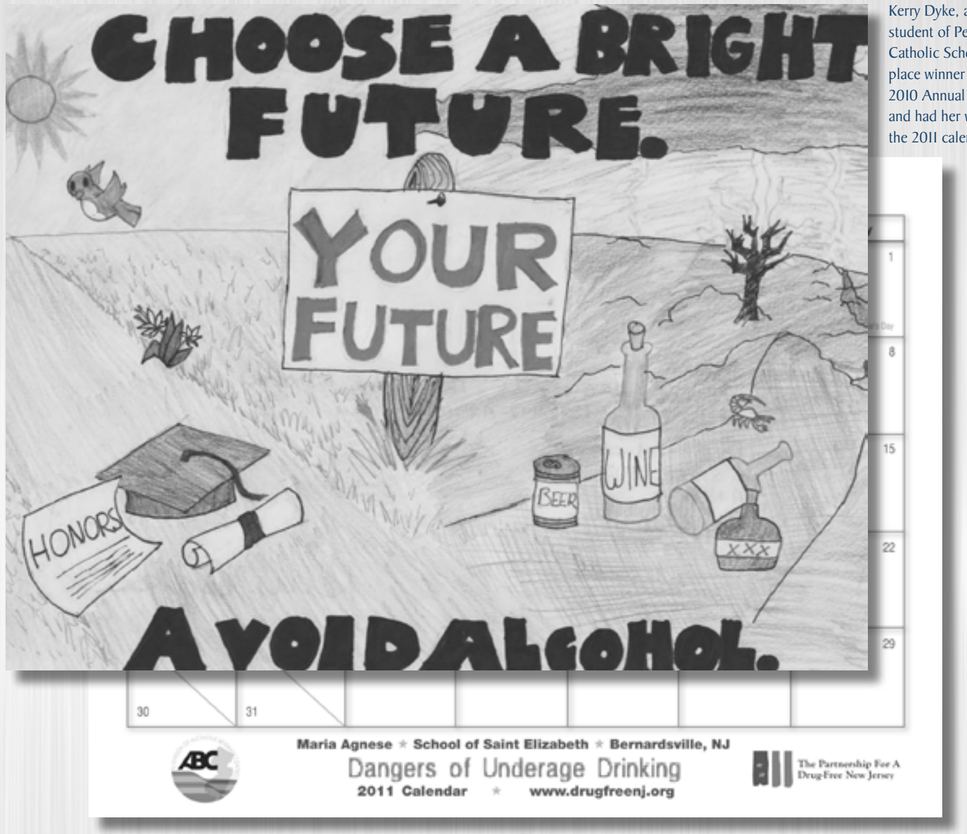
## Case Highlights

■ Revocation of license of UHR, LLC t/a Hooters & Sidepockets: In the wake of an underage patron's death in a one-car accident within minutes of leaving the tavern in Union Township, Union County, as well as other reported incidents involving underage patrons being served, the Division moved to revoke UHR's liquor license. In June the Division did, in fact, issue an order revoking the license and ordering divestiture, by end of the current license term, of other

licenses held by owners of more than 20 percent of UHR's stock. Twenty-year-old Chantal Mueller died in a single-car crash less than 10 minutes after leaving Hooters in January 2007. Mueller, who weighed 107 pounds, had a blood alcohol concentration of .302 percent after consuming 11 ounces of 80 proof alcohol – more than four times the legal limit. An investigation determined that Mueller continued to be served even after a tavern employee observed her to be visibly intoxicated. UHR was cited by the Division for a total of four license violations involving Mueller and other underage patrons. The charges included three citations for selling alcohol to an underage person and one for selling alcohol to an intoxicated person.

■ Route 17 Entertainment Corp. t/a Satin Dolls and Sea-Card Enterprises, Inc. t/a AJ's Gentlemen's Club: The Division filed charges in 2010 alleging that Anthony Cardinalle, an individual who is criminally disqualified from holding a liquor license, held an undisclosed interest in license-holders Route 17 Entertainment (Satin Dolls) and Sea-Card (AJ's Gentlemen's Club). Satin Dolls, site of the fictional "Bada Bing" club on the HBO drama "The Sopranos," is located in Lodi, Bergen County. AJ's is located in Secaucus, Hudson County. Cardinalle's wife was the sole disclosed shareholder of both licenses. Cardinalle, who was previously convicted of federal tax evasion, was not listed as a shareholder in the licenses. In addition to charging that Cardinalle held undisclosed interest in both premises, the Division also charged failure to maintain accurate financial records. Under terms of a settlement, the licensee of record paid the Division $1.25 million in lieu of license revocation, and the two licenses were transferred to the licensee's daughter. In addition, new management was hired to oversee the two licensed premises, and a certified public accountant and compliance officer with ABC experience were hired to ensure that all Division regulations are followed. The settlement also required that the two licenses be sold by 2015 to a bona fide third party.

■ Cage 3 Group, LLC, t/a Marlton Tavern: In 2010 the Marlton Tavern in Evesham Township, Burlington County, agreed to serve an 18-day license suspension and pay the State $45,000 to settle charges related to its employment of persons who engaged in narcotics activity on the premises, and who had prior convictions for crimes or moral turpitude. The settlement resolved license violations related to the arrest, in 2005 and 2008, of employees who'd engaged in drug transactions on tavern premises and were ultimately convicted. The tavern had also been cited for employing persons disqualified from working on licensed premises because of prior convictions for crimes of moral turpitude (aggravated assault and possession of cocaine with intent to distribute.)




Kerry Dyke, an eighth grade student of Perth Amboy Catholic School was the first place winner of the Division's 2010 Annual Calendar Contest and had her work featured on the 2011 calendar cover.

# Juvenile Justice Commission

The mission of the Juvenile Justice Commission is to foster public safety and reduce juvenile delinquency by holding young offenders accountable, providing them opportunities to achieve positive change, and promoting their return to the community as productive, law-abiding citizens. Now in its second decade of existence – the agency was created by statute in 1995 – the JJC continues to focus on serving the needs of at-risk youth and those adjudicated delinquent by the courts and placed in its custody. The year 2010 presented many challenges, as the JJC continued to provide quality services and facilities during fiscally challenging times. All areas of the agency were scrutinized with the goal of reducing spending while not compromising the programs needed to support at-risk youth, provide rehabilitative services for young people under JJC supervision, and structure reentry initiatives that help juvenile offenders make the transition back into their home communities. More information about the JJC is available at www.nj.gov/oag/jjc

## Keynote Developments/Initiatives

### JDAI Effort a National Model

The Juvenile Detention Alternatives Initiative (JDAI) continues to serve as a model program for the nation, as data for the 12 New Jersey counties that were active in JDAI throughout 2010 demonstrates. According to the latest data:

- On any given day, there were 381 fewer youth in secure detention in 2010, with youth of color accounting for 90 percent of this decrease.
- New Jersey JDAI sites reduced the total number of juveniles admitted to county detention for a technical violation of probation by 13.5 percent
- Across 11 JDAI sites reporting detention alternative outcome data, the success rate in 2010 averaged approximately 79 percent. Throughout these sites, an average of less than 4 percent of juveniles were discharged from a detention alternative program due to a new alleged offense.
- The number of girls in detention on any given day decreased by about 58 percent across the 12 JDAI sites.
- A total of 5,079 fewer youth were admitted to juvenile detention in 2010 – a decrease of nearly 54 percent – when 2010 data is compared with data from the year prior to JDAI's implementation at each of the 12 sites.

While nationally, JDAI operates in 109 local jurisdictions spanning 26 states, New Jersey is the only state to be designated a national model for detention reform by the respected Annie Casey Foundation of Baltimore. Consistent with the national JDAI experience, cost-savings have been realized in New Jersey as the result of JDAI. Significant juvenile population reductions have allowed several counties to close their detention centers and house their youth in other counties' facilities. Gloucester, Passaic, Sussex, and Monmouth Counties each closed their juvenile detention centers by the end of 2010, and entered into agreements with other counties to house their juveniles. These agreements resulted in millions of dollars in cost savings for the sending counties and substantial revenue increases for the receiving counties of Camden, Essex, Morris, and Middlesex.

Nationally, in established JDAI sites, detention reform has proven to be a springboard for broader juvenile justice system reform and related cost-savings. Research indicates that detained youth are more likely to be committed by the courts to state custody than youth with similar histories who have not been detained. It makes sense, then, that a reduction in the number of youth held in detention would lead to a reduction in the number of youth committed to state custody — typically the costliest of all placements. In New Jersey this has proven to be true. Across the most established JDAI sites (i.e., the five original sites) commitments to the JJC have been reduced by 55 percent. This reduction in commitments has the potential to save the state millions of dollars.

Since JDAI's inception, juvenile arrests have continued to decline. This trend demonstrates that, consistent with the national picture, JDAI is an effective public safety strategy in New Jersey. In 2009, the most recent

year for which Uniform Crime Report data is available, juvenile arrests were down in all twelve JDAI counties compared with data from the last year before JDAI was implemented in those counties. As of the end of 2010, three more counties – Middlesex, Cumberland, and Warren – had launched JDAI efforts, bringing to 15 the total number of participating jurisdictions. The three new counties join the following counties, who already have JDAI programs: Atlantic, Camden, Essex, Hudson, Monmouth, Bergen, Burlington, Mercer, Ocean, Union, Passaic and Somerset.

## Creation of Therapeutic Mental Health Unit

The JJC opened a secure mental health unit at its Juvenile Medium Security Facility in January 2010. Known as "H-Wing," this unit was created to serve committed youth requiring the highest level of custody, with persistent mental health pathologies and corresponding symptoms. The opening of H-Wing resulted in the provision of a full continuum of care for residents with mental health needs.

## Program Units

The JJC has developed a therapeutic milieu treatment setting in three housing units at the New Jersey Training School in Monroe Township. The goal of the effort is to expand and enhance rehabilitative options available to young people in JJC's secure care facilities. The concept is an adaptation of the Missouri Model, developed by the Missouri Division of Youth Services. The model includes a focus on changing thinking, rather than merely changing behavior. The model includes the implementation of therapeutic units focused on cognitive behavioral treatment, personal development, and group process.

The units will provide the JJC with a continuum of rehabilitative services that promote positive growth and activities necessary for rehabilitation. The treatment provided will be evidence-based and will be individualized based on residents' risks and needs. It will also provide incentives for Level 2 (moderate security) residents who would otherwise be ineligible for community program placement due to the nature of their charges. All aspects of the environment are planned and designed to provide a comprehensive experience for the residents. The core values of the therapeutic milieu are: respect, communication, relationship building, participation, process and responsibility. The units hold a maximum of 30 residents and include a behavioral management system that incorporates positive incentives and consequences appropriate to each individual resident. A comparable program for female residents was instituted in 2010 at the Juvenile Female Secure Care & Intake Facility-Hayes Unit, known as the "Exceptional Residents Program."

## Behavioral Management Program

The JJC fully implemented its Behavior Management Program in 2010. The program utilizes a system of rewards and sanctions as a tool for staff to encourage positive resident behavior and discourage negative behavior. The Behavior Management Program is structured on a classification system that assigns residents to the lowest custody level (Custody Level 1 or a community program) to the most secure level (Custody Level 3 or the Johnstone Campus' secure facilities in Bordentown.) Residents receive the most privileges in Custody Level 1 and the fewest privileges in Custody Level 3. This "level system" offers incentives to exhibit positive behavior, school accomplishment, etc. as a means to gain Level 1 status and, accordingly, the greatest number of privileges. The Behavior Management Program's Incentives/Disincentives Grid delineates the privileges each resident receives.

The Behavior Management Program is a true "accountability" system that teaches residents that they determine their own level of privileges by controlling their own behavior. Staff support is built into the program to help residents who exhibit positive deportment maintain their status, and to help those who display less than acceptable behavior to improve their situations. A particularly important component of the Behavior Management Program is a new level (Custody Level 2.1) that serves as a support to the incentives/disincentives model. This new level was incorporated into the program for residents who score Custody Level 1 classification, but are ineligible for transfer to a community program due to the nature of their charges, i.e. murder, sexual assault/rape, fire setting, etc. In such cases, the Level 2.1 designation allows such residents to be afforded Level 1 privileges within a Level 2 setting.

## Secure Care & Transitional Services

Implementation of the Behavior Management Program and use of a revised classification tool enabled the restructuring of the agency's secure care facilities to a more "operationally-friendly" function in 2010. The JJC's juvenile reception function was relocated from the Johnstone Campus' Juvenile Reception & Assessment Center (JRAC) to the New Jersey Training School (NJTS) in May 2010. All juvenile intake processes now take place at that location.

The former JRAC facility received the residential, operational and counseling components formerly located at the Juvenile Medium Security Facility (JMSF) – a Level 3 facility. As a result, the former JRAC became a Level 3 facility. The JMSF serves as the JJC's Level 3 facility.

The NJTS serves as a Level 2 facility and contains self-contained, independent units (or cottages) that allow staffing levels to be adjusted according to supervision needs. It also houses the Level 1 Program Units for those residents who are ineligible for transfer to a community program.

The changes in the secure facilities have realized $4.8 million in cost savings for the JJC, most importantly as they have allowed for significant staff reductions in the custody ranks, the collapsing of housing unit posts at JMSF, and the redeployment of personnel as a result of the Behavior Management Program and the revised classification process, both of which have contributed to enhanced operational effectiveness.

## Apprenticeship Program

Restructuring within the JJC's Office of Community Programs resulted in the removal of younger residents from the Albert Elias Residential Community Home to the Green Residential Community Home, which

services younger juveniles. This allowed for creation of a residential program for juveniles in possession of a high school diploma or GED who needed an opportunity to earn credentials for future employment. The JJC's Office of Education, in collaboration with Mercer County Community College, subsequently offered students a 16-week apprenticeship course in medical billing and training. Completion of this course will result in the issuance of a certificate that is recognized by employers in the medical field.

## Step Up/Step Down Programming

Youths who are released from a JJC community program may be returned to that program as part of their reentry process if they appear to be heading toward non-compliance with the conditions of their release. This graduated sanction allows youth at risk of violating the conditions of their release to refocus their reentry efforts and, with the support of

# New Jersey Racing Commission

The core mission of the Racing Commission is to govern, direct and regulate horse racing and pari-mutuel wagering in New Jersey. The Commission conducts vigorous oversight of horse racing matters throughout the state to ensure that racing is conducted in a fair, responsible and lawful manner. Commission staff members also provide administrative support to encourage the growth of the horse racing industry through expansion of wagering opportunities. The Commission was extremely active in 2010 in its oversight of the industry and responded in a timely fashion to ever-changing industry needs. Originally scheduled to hold six meetings, the Commission held six additional meetings, one of which resulted in the approval, after special legislation was enacted and signed by the Governor, of the amendment of racing dates for Monmouth Park that created an "elite meet" of 50, $1 million dollar purse dates. This action was lauded by the racing industry nationwide. For additional information, visit the Racing Commission Web site at www.nj.gov/oag/racing

## Highlights

■ New Chairman Sworn In: Attorney Dennis A. Drazin was sworn in as Chairman of the Racing Commission on May 14, 2010. Chairman Drazin has a history of extensive involvement in horse racing, having owned and bred thoroughbreds in New Jersey, New York, Kentucky and Florida. He is president of Drazin and Warshaw, a Red Bank based law firm. In his previous position as president and legal counsel of the New Jersey Thoroughbred Horsemen's Association, he was instrumental in coordinating efforts to secure additional funding for the Monmouth Park meet.

■ Steroid Testing: The Commission increased its drug testing capabilities during the year through enforcement of rules that allow testing for steroids in race horses. The Commission purchased specialized equipment for such testing, which is conducted at the New Jersey State Police Forensic Laboratory located at the Meadowlands Racetrack. Two forensic scientists were added in 2010 to conduct the tests. Including tests for steroids, more than 39,000 samples were evaluated during the year resulting in 31 "positives." The Commission also continued with its out-of-competition testing program, conducting such testing twice at race track grounds and on five occasions at off-track stabling facilities.

■ Off-Track Wagering: The three Off-track Wagering facilities in New Jersey processed nearly $142 million in wagers on in-state and out-of-state races in 2010. The off-track wagering site in Woodbridge, Middlesex County – reportedly the highest volume off-track-wagering facility in the United States – captured $90 million in bets. The Commission authorized a fourth off-track wagering facility planned for Bayonne, Hudson County in 2010. That project, however, is on hold pending resolution of racetrack ownership issues.

■ Account Wagering: Account wagering is operated by the New Jersey Sports and Exposition Authority and offers state residents the opportunity to place bets via computer and telephone on horse races taking place in New Jersey, as well as on races happening in other jurisdictions. Since its first full year of operation in 2006, the betting volume for account wagering has grown from $60 million to nearly $87 million in 2010.

■ Endorsement of National Racing Compact: The Commission approved a resolution in 2010 supporting a proposal to create a National Racing Compact. The Compact would encourage and facilitate interstate cooperation among member states, as well as uniformity in the regulation of racing by those states. The Compact would also be a central forum to collect racing data, research same and consolidate resources needed for the rule-making process, resulting in a cost savings to all members. At least six jurisdictions must pass legislation in order for the Racing Compact to be formed.

■ Approval of Scientific Games Purchase: The Commission authorized the purchase of Scientific Games, LLC following a comprehensive investigation by staff into the potential buyer's suitability to own and operate the wagering hub. In September, Sportech PLC was approved and now runs the Quantum Data Center East that processes all wagers made at New Jersey Racetracks, Casino Race Books in Atlantic City and the New Jersey Account Wagering System, as well as the state's three off-track wagering facilities. In addition, as a cost saving measure, the data center is a regional hub processing pari-mutuel wagering from out-of-state locations.

■ Adoption of Rules: The Commission promulgates rules and regulations to support and enforce its regulatory functions. During 2010, the Commission adopted six new rules, including one that enhanced the standards for rider safety vests and helmets.

# State Athletic Control Board

The State Athletic Control Board is charged with the regulation and supervision of all contests and exhibitions of unarmed combat held within the State. The Board's main purposes are to ensure the health and safety of contestants and ensure integrity and fairness in all contests. The agency collects ticket and television taxes, licensing fees and disciplinary fines as its revenue sources. The presence of combative sporting events often leads to increased casino drop, higher hotel occupancy rates, employment opportunities and other taxable revenues. Additional information about the State Athletic Control Board is available at www.nj.gov/oag/sacb.

## Highlights

- The Board successfully regulated 25 professional boxing events, 19 professional mixed martial arts events, 21 amateur mixed martial arts events and 5 muay thai events.
- Major events such as the UFC on pay- per-view, and championship caliber ESPN boxing featuring Tomasz Adamek, were held at the Prudential Center in Newark. Meanwhile, world championship boxing featuring HBO's KO-of—the-Year winner, Sergio Martinez, and Kelly Pavlik, was staged in Boardwalk Hall in Atlantic City. At smaller levels, the agency regulated events from North Bergen to Wildwood Crest.
- Commissioner Aaron Davis was a keynote speaker at the Association of Boxing Commissions annual convention held in New Orleans. He continues to Chair the Code of Conduct and other committees.
- Commissioner Davis's decision to deny a boxing license to high-profile boxer Hector Camacho, Sr. was upheld by the Board Members at a formal open public hearing.
- Chief Boxing Ringside Physician Dr. Domenic Coletta was inducted into the New Jersey Boxing Hall of Fame.
- Chief Martial Arts Ringside Physician Dr. Sheryl Wulkan was honored in Orlando, Florida as the Ringside Physician of the Year by the American Association of Professional Ringside Physicians.
- Counsel Nicholas Lembo was inducted into the Action Martial Arts Hall of Fame.
- The Board's physicians screened two contestants and prevented them from competing in 2010. As a result, one contestant underwent life-saving brain surgery. The other was found to require heart surgery, which was successful.
- The agency collected nearly $250,000 dollars in overdue child support payments from the purses of licensed contestants.

# Victims of Crime Compensation Office

The Victims of Crime Compensation Office (VCCO) was created under the Criminal Injuries Compensation Act of 1971 to provide financial assistance to eligible victims and their families for a variety of victim services, including, but not limited to, mental health counseling, medical services and financial support. For more information about the Victims of Crime Compensation Office, visit the Web site at www.nj.gov/oag/njvictims.

## Highlights

In 2010, the VCCO received 3,305 claims and reviewed 2,197 supplemental and reopened claims, for a total activity of 5,492 claim submittals. Of the claims submitted, 1,750 claims were paid and 2,096 were administratively closed or denied as ineligible, for a total of 3,846 claims concluded.

A total of approximately $9.5 million in victims' compensation was paid in 2010. Of this figure, approximately $6 million was paid to victims of assault, $1.7 million was paid to the surviving family members of homicide victims, $844,465 was paid to victims of sexual assault, and $438,874 was paid to the victims of child abuse.

Because of compensation provided by the VCCO, the financial burden on crime victims and their families is lessened. VCCO pays a myriad of crime related expenses. Among the expenses paid were:

- $4.8 million in crime-related medical or dental expenses.
- $1.7 million in economic support including loss of earnings, relocation and stolen cash.
- $1.2 million in funeral expenses.
- $838,976 in mental health counseling services
- $887,000 paid to families for loss of financial support.

In 2010, the VCCO continued its Outreach Program in an effort

to educate service providers and the public at largconcerning on available victims' benefits. These efforts included launching a new Web site containing updates, and numerous training seminars to EMTs, SANE (Sexual Assault Nurse Examiner) staff and hospital personnel, staff from county prosecutor's offices, municipal courts, medical service providers, youth groups, non-profits, governmental agencies and the public at large.

In addition to federal grant and state funding, the VCCO also receives funding via penalties assessed against offenders. In 2010, funding received from these sources included:

- $4.9 million (net) in penalty revenue Funds collected through the courts.
- $2.7 million in commissary funds collected through jails.
- $219,585 in restitution assessments from offenders.
- $174,441 in subrogation from civil suits.

www.nj.gov/oag

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