



State of New Jersey

PHILIP D. MURPHY
Governor

TAHESHA L. WAY
Lt. Governor

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KEVIN D. WALSH
Acting State Comptroller

July 11, 2024

Via Electronic Mail and U.S. Mail

The Honorable Philip D. Murphy
Governor of New Jersey

The Honorable Nicholas P. Scutari
President of the Senate

The Honorable Craig J. Coughlin
Speaker of the Assembly

Dear Governor Murphy, Senate President Scutari, and Assembly Speaker Coughlin:

Pursuant to its authority under N.J.S.A. 52:15B-1 to -16 and N.J.S.A. 52:15C-1 to -24, the Office of the State Comptroller (OSC) conducted an investigation of the compensation practices for high-level officials in Union County. On December 12, 2023, OSC issued a public report detailing its finding that Union County violated the Optional County Charter Law (OCCL), N.J.S.A. 40:41A-1 to 40:41A-149, by failing to set compensation for its highest-ranked officials by ordinance. The County compensated the Director of Public Works, the Director of Finance, and the County Manager for a combined \$417,772, on top of their base salaries, and without enacting ordinances that authorized that compensation as required by statute. See N.J.S.A. 40:41A-100(d).

OSC directed Union County to submit a corrective action plan by March 15, 2024. As part of the executive branch of state government, counties are required to “fully cooperate with the State Comptroller to develop recommendations for a corrective or remedial action plan.” N.J.S.A. 52:15C-11(a).

Despite OSC’s clear directive to submit a corrective action plan, Union County has refused to do so. According to counsel retained by Union County, the introduction of pending Senate Bill 2702 on February 12, 2024, renders OSC’s investigative findings moot, making it unnecessary for the County to submit a corrective action plan. That reasoning fails to recognize the current state of the law and overstates the relevance of pending legislation. If the mere introduction of a bill by a single

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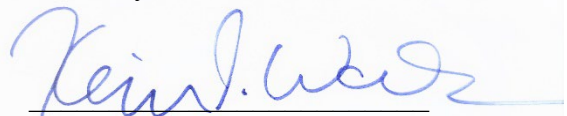
legislator, without a vote on the floor of both houses and in the absence of the presentment of the bill to the Governor for enactment or veto, were enough to justify ignoring current law, then the rule of law in our state would be undermined. Nothing supports such a sweeping view of pending legislation, especially legislation that has not even been introduced in the Assembly.

In light of Union County's continued refusal to comply with OSC's directive, OSC hereby provides the statutorily required notice pursuant to N.J.S.A. 52:15C-11(b) that Union County has failed to cooperate with the development and submission of a corrective action plan to address its violation of law as set forth in OSC's December 2023 investigative report. The County's decision not to cooperate with OSC means there is a serious risk that the County will continue to violate the law and fail to provide transparency to Union County taxpayers—through the ordinance process required by current law—for hundreds of thousands of dollars in additional compensation paid to the County's highest paid public officials. At its core, OSC's report encouraged Union County to choose transparency in setting compensation for its high-level officials. Union County is instead attempting to circumvent this recommendation through legislative means to continue practices that are inconsistent with the plain language of the law. Unless the law is actually changed, Union County has an obligation to comply with the law and fully cooperate with OSC's directive to prepare a corrective action plan.

In accordance with N.J.S.A. 52:15C-11(d), OSC recommends that Governor Murphy withhold the expenditure of state funds that may be due to be paid to Union County and requests by copy of this letter that the Director of the Division of Local Government Services in the Department of Community Affairs, or staff of the Local Finance Board, as may be appropriate, direct that Union County must request prior approval by the Acting State Comptroller of compensation in excess of base salaries for high-level officials. Such a requirement should remain in effect until Union County submits, OSC approves, and Union County complies with the corrective action plan required by law.

Thank you for your attention to this matter.

Sincerely,



Kevin D. Walsh

Acting State Comptroller

- c: Jacquelyn A. Suarez, Commissioner, Department of Community Affairs
- Michele Meade, Deputy Director, Department of Community Affairs, Division of Local Government Services
- Kimberly Palmieri-Mouded, Chairperson, Union County Board of Commissioners
- Deborah Gramiccioni, Esq.