

UNION COUNTY WATCHDOG ASSOCIATION

*Shining a Light
on Government*

Newsletter prepared for presentation at Town Hall Meeting with Governor Christie
Monday, September 19th, 2011 at Boys and Girls Club of Union County, Union Twp, New Jersey

Message for the president

AN APPEAL TO GOVERNOR TO FIX CORRUPTION IN NJ

I voted for Christopher Christie because he was a corruption busting U.S. Attorney. I even campaigned for him. I believe that this state needs law and order to fix all of our core ills, our out-of-control property taxes and debt being the most obvious. Less obvious are the causes: Pay to play, nepotism, cronyism and a lack of basic law and order at the local level.

The recent investigation by the Union County Prosecutor into the 2010 Musicfest is a perfect example of what needs to be fixed. It's simple to follow: Cash was mishandled; records weren't kept; vendors were overpaid; Union County Manager George Devanney, the nephew of powerbroker State Senator Raymond Lesniak wasn't held accountable; friend of the Lesniak family, Union County Prosecutor Ted Romankow was seen at Devanney's retirement party just 3 weeks after he released a scathing report on how bad the 2010 Musicfest was managed; One week after that the prosecutor is seen golfing with Senator Ray Lesniak and two prominent Republicans.

The F.B.I. has been the public's only defense against corrupt politicians. For every corrupt politician swept out of public office by the F.B.I. there are a hundred more waiting in the wings to take their place. The chances of officials getting caught, and of being held to any penalty, are too remote. It's too easy for them to break the rules.

Without effective county and state law enforcement public employees and contactors will not feel safe to come forward. Christopher Christie knows better than anyone what needs to be fixed at the state and local levels to bring about lasting change; it is my hope that he is here today to tell us he's going to do just that.

Tina Renna

MUSICFEST REVEALS BROKEN SYSTEM

Reprinted from www.countywatchers.com

"Following an investigation, spanning over five (5) months, including interviews of numerous witnesses, and a review of a multitude of documents, I have concluded that there is insufficient evidence which warrants the filing of criminal charges in this matter [Musicfest 2010]" Theodore J. Romankow, Prosecutor of Union County, August 23, 2011.

Of course there was insufficient evidence. There are lemonade stands run with tighter fiscal oversight. The financials of musicfest are a mess and though money was missing there is no way to know, or prove, whose pocket it ended up in. The prosecutor correctly decided not to spend more resources on chasing down the thieves. But was there criminal activity that, in a perfect world, would be prosecuted? Decide for yourselves based on the prosecutor's report with 28 separate recommendations for the County.

The prosecutor put the cost of the 2010 musicfest at \$1,121,573.42 (though including \$75,000 from 'Rain Insurance from 2008' is questionable). On November 16, 2010 a UCWA press release put that cost at \$1,029,670 with stark similarities to the prosecutor's numbers released nine months later. On September 16, 2010 then County Manager George Devanney put the cost at \$350,000 and he's still involved with running the event.

However, what's left out of the officials numbers are the ancillary expenses. How many county employees work on this event throughout the year? How much income could Oak Ridge have generated if it were being used as, I don't know, maybe a golf course? What fees (ASCAP; liability insurance; catering) are hidden within the county budget that should be allocated to putting on a massive rock festival? What costs are absorbed by other County organizations, UCPAC, UC Alliance, etc.

OVERVIEW OF MUSICFEST SHENANIGANS

The Union County Prosecutor undertook an investigation of the 2010 Union County run Musicfest. He informed the county manager of his findings in a letter dated August 23, 2011.

Union County Manager, George Devanney, resigned effective August 1, 2011, he was quoted in the Star-Ledger as stating his reason for resigning was to work with his wife at her company, Keyword Strategies.

The Union County Performing Arts Center is a non-profit 501(c)3 organization. The county has contracted for several years with the UCPAC to hire the acts for Musicfest.

On July 7, 2011, by memo to the freeholder chairwoman, Devanney recused himself from the responsibility and authority in the handling of any matters concerning the Union County Performing Arts Center.

George Devanney remained involved with the running of Musicfest 2011. He has chaired meetings in county owned facilities, and was filmed during the event. At the last two freeholder meetings Tina Renna asked for an explanation as to why Devanney recused himself from the Arts Center and how he is still involved in running Musicfest despite his having retired effective Aug. 1, 2011. Renna was ignored. The Prosecutor knows Devanney is still running Musicfest, yet he praises the county for enacting some of his recommendations in a Star-Ledger quote, no mention of Devanney still working on Musicfest and still raising money for his Love Hope Strength Foundation. Devanney sent an email to all county employees directing them to write checks to this charity in order to attend his retirement party. The prosecutor and his first assistant attended.

The Union County Watchdog Association has found it impossible to follow the money with Musicfest in several years past, yet this never caught the prosecutor's attention despite repeated requests for accountability at freeholder meetings.

When we saw that cash was going unaccounted for in 2010 we asked the State Attorney General's Office to investigate. They in turn allowed the Union County Prosecutor to handle the investigation despite our stated objections for an independent investigation.

Freeholder Executive Session Minutes state that Prosecutor Theodore Romankow asked the freeholders to allow him to stay on past his mandatory retirement age in February 2011, they did. The freeholders also approve the prosecutor's annual budget.

The Prosecutor's report names the county manager in several instances, George Devanney, but there are many people to blame including Freeholder Daniel Sullivan's niece who was the designated responsible county official in charge of running Musicfest. Sullivan's name is glaringly missing from the prosecutor's report and she is still employed by the county.

This investigation was conducted only for Musicfest 2010. This Is It Productions was found to owe \$24,281.68 to the county. What happened the other 13 years this event has been in existence and why aren't the freeholders and county prosecutor asking this question?

The Love Hope Strength Foundation is a non-profit 501(c)3 organization which George Devanney is a executive of. The freeholders have passed resolutions through the years allowing the LHSF to fund raise during the county run Musicfest. A significant amount of cash was generated from these efforts the prosecutor reported, however there were no records to say how much. County employees personally handled these funds while being paid comp time (for every 1 hour they volunteered for the charity they were given 1.5 hours back in comp time). County employees handled cash for this charity again this weekend.

The report mentions that the county manager handled the cash collected from the "Beer Garden". "The LHS "Beer Garden" generated a significant amount of cash through the sale of alcoholic beverages. This money was collected by County employees. The money was then ultimately transported to the Union County Administration Building where it was placed in a safe at the Union County Finance Department. The Finance Director, Lawrence Caroselli, retired in April 2011. According to the prosecutor the total amount placed in the safe was \$37,507. This money was then deposited in the Union County Chapter of LHSF's bank account. These deposits were made incrementally by George Devanney. When questioned as to the reason behind this method of deposit, Devanney informed our investigator that he did this as a safety precaution because he was not comfortable carrying large amounts of cash at one time."

The report does not mention that the County Manager, along with family members and friends, have been given exotic trips through he LHSF for raising these funds. (Continued on page 3)

(Continued from page 2)

OPRA requests asking for receipts for monies collected from the Beer Garden were returned “no document to provide”. Union County taxpayers paid county employees comp time to collect this money, the money then went into a Finance Department safe located in the county administration building and we are to believe the amount that George Devanney said was collected as true.

The County Finance Director was not mentioned in the prosecutor’s report either, he allowed cash to be kept in his safe without documentation. Lawrence Caroselli retired in April 2011.

The Prosecutor states that their investigation was hampered by the lack of records relating to the arrangement between the county and its vendors. The county never requested receipts, invoices and expenditures. Why wouldn’t the designated person in charge of running Musicfest do so? Why should this

person still be employed? Freeholder Sullivan’s niece was transferred to the county counsels office.

Not one county employee has been held responsible for MusicFest 2010 and George Devanney was involved in MusicFest 2011. There is enough cited in the prosecutor’s report that rises to a level of a criminal investigation for everyone involved.

There is enough that is not cited in the Union County Prosecutor’s report that calls for an independent criminal investigation. The county courts are filled with defendants having to answer for much less. County employees have been fired for much less.

Although the prosecutor makes recommendation for how Musicfest should be run going forward, there is no guarantee that this will be done. More troubleing in the fact that Union County government can be running their affairs without public oversight, or competent management with no grown up to report to.

CHRISTIE IS STILL ALLOWING POLITICS & LAW ENFORCEMENT TO MIX

By Tina Renna | August 21, 2011

In 1997 Star-Ledger reporters Anthony A. Gallotto and Joe Malinconico wrote a scathing expose on the Middlesex County Sheriff’s office. It was no secret at the county that sheriffs employees were paying for their jobs and promotions. Yet it was swept under the rug for over a decade.

As a local citizen government watchdog I see the recent indictment of the former Middlesex County Democratic Chairman and Sheriff Joseph Spicuzzo for blatantly selling jobs and promotions for cash as another glaring example of how badly the state needs to reform how it deals with government corruption. With Christie as Governor, the state has no excuse not to.

These young sheriffs’ investigators allowed themselves to be bribed by the sheriff and his officers rather than trust the system and turn him in. Law enforcement gave up on law and order. So what are government vendors supposed to do?

An inquiry in 1994 into a job payoff by then county Prosecutor Robert Gluck, reported to be a political ally of Spicuzzo, dropped the probe after conducting one interview. Spicuzzo was quoted in the Star-Ledger article on the issue “If they have knowledge, they should go to the prosecutor and file a complaint against me.”

Easy to say when the prosecutor is your ally. Complain to his mom and dad while you’re at it.

Gov. Chris Christie was a government corruption busting U.S. Attorney. He was elected largely because people saw him as a hero in this regard. He won’t get reelected if he continues to ignore what must be glaringly obvious to a man of his vast experience. The longer it takes him to address reform, the more he’s looking like just another political ally trying to divert attention away from politicians trying to ply their trade.

Christie took down former Essex County Exec James Treffinger. Treffinger’s famous quote could wind up taking Christie down:

Recorded by the feds in January 2001, “There are plenty of mobsters to go after,” Treffinger said on the wire. “You don’t have to go after all these poor politicians trying to ply their trade.”

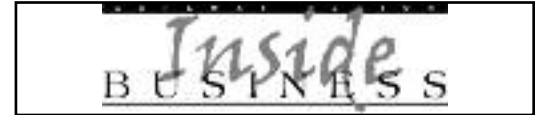
Yeah, Christie you do and you better hurry up because this fish stinks already.

The state recently allowed the Union County Prosecutor to investigate county government run MusicFest. What’s happened since then is scandalous.

Union County Watchdog Association is not alone in looking for answers and accountability

The following pages are just a few samples from various newspapers reporting on Musicfest.

MEDIA COVERAGE



MISMANAGED UNION COUNTY MUSICFEST SHOULD BE SHUT DOWN

Star-Ledger editorial

Each year for the past 14 years, Union County has held MusicFest, a multiple-day event featuring popular musicians, children's acts and local artists. Admission is free, but the thousands who attend spend wads of cash on parking, attractions, food and drink.

How much do they spend exactly? We'll never know. Why? Because the county employees and officials running the event and the concessionaires keep shoddy records — if they keep any records at all.

In Union County, they use the "trust me" accounting method.

- How many cars parked at \$10 a pop?

We're not sure, because the parking lot counter isn't accurate, but trust me, the money is all there.

- How many beers were sold at the Beer Garden?

We're not sure. We took the bartenders' word, but trust me, the money is all there.

- How much was made on the kiddie rides?

There's no method for counting the tickets, but trust me, it's all there.

To which we reply: This is New Jersey. We trust no one with cash, and for good reason.

For years, trying to follow the MusicFest money has been dizzying. Who knows how much could have been skimmed? So this year, the Union County Prosecutor's Office decided to investigate. It found the bookkeeping was so lousy last year — and probably every year — that nobody can tell whether money was stolen. Receipts? Records? What are those?

The prosecutor's office found no criminal wrongdoing (because, ironically, there were few records), but discovered that a vendor nearly ripped off the county for \$24,281.68. A refund has been ordered. If Union County — which spends roughly \$800,000 to stage the event — lost this much in 2010, was it cheated out of money the other 13 years? And why didn't a county official spot this?

The report from Union County Prosecutor Theodore Romankow makes suggestions on how MusicFest should be run: Cash should be given to "a designated, responsible county employee," record-keeping must improve and so on. Common-sense suggestions used at most church bake sales.

Here's another recommendation Romankow couldn't make: Kill the event.

The 2010 MusicFest legacy is shameful and embarrassing: The county finance director allowed \$37,507 to be placed in a safe in his office without a receipt. Money raised for charity might have been commingled with other receipts. Vendors were paid with cash receipts. Money was misplaced.

New county manager Alfred Faella should shut down this fiscal disaster. And Romankow, if he eventually uncovers criminal activity, should prosecute, of course.

Romankow's report says "the use of public monies demands much more than it received."

He's right. It also deserves accountability.

PROSECUTOR SAYS COUNTY 'POORLY EXECUTED' MUSICFEST

By PAUL J. PEYTON *Specially Written for The Westfield Leader and The Times COUNTY*

Union County Prosecutor Ted Romankow announced last week that while his five-month investigation of the operations of last year's MusicFest did not result in criminal charges, the accounting of monies generated was "poorly executed" by the county. The probe determined the event cost the county \$1.1 million, with most of the off-setting revenue going to vendors hired to run the event and book performers.

The investigation was launched following an allegation by the Union County Watchdog Association that \$250,000 in parking revenue may have been missing. Attendees parking at the Oak Ridge Park lots in Clark, where MusicFest was held, were charged \$10 per day.

The investigation revealed poor accounting practices and oversight, from vaguely written contracts with outside firms running the event to lack of reliable parking receipts. Also, Mr. Romankow was troubled by how county employees were reimbursed by the county for work, which was done at times for non-profits hosting fund-raising events at MusicFest.

"It became evident during the investigation that while the intent to entertain the public was admirable as was the permission to permit certain charities to pursue fundraising, the management of the event, from the drafting of the contracts to the accounting of monies, was poorly executed by the County of Union," Mr. Romankow said in his letter dated August 23 to Union County Manager Al Faella. "An event of this nature requires constant oversight involvement by those in county government who endorse it. It received neither.

The use of public monies demands much more than it received." While 80,000 attendees was the figure given for MusicFest attendance by former Union County Manager George Devanney, which also included a Union County Fair and 5K walk-a-thon for cancer research, "there is no way to determine whether Devanney's estimate of attendance is accurate," Mr. Romankow said in his report.

Of the total \$1.1 million cost to the county for MusicFest, \$240,000 was paid to the Union County Performing Arts Center (UCPAC), along with another \$233,000 raised by the county in corporate sponsorships. UCPAC's costs were \$439,675, of which \$384,069 was paid in fees to musical agencies for MusicFest performers. The county also paid This Is It! Concept and Event Production (TIIP), which managed and produced MusicFest, \$265,000; Across The River, LLC, a consulting firm, \$27,500; \$19,200 for weather insurance, and \$200,000 in overtime for Union County Police and other law enforcement agencies working the event.

According to the report, parking receipts were \$46,833,

of which \$24,366 was given to USI Services, the parking vendor for the event. The money, the prosecutor said, was paid "directly with cash proceeds from the parking revenue" by TIIP. Strike Force Protective Services, a private security firm hired for MusicFest, and USI both "claimed it was a balance due on their contract with TIIP." "This amount was not included in the profits reported to the county. This resulted in TIIP retaining \$24,281 which should be reimbursed over to the county," the prosecutor said.

According to the report, a county-supplied car-counting device utilized by Strike Force "was rendered ineffective" as the county "did not maintain records of the number of passes issued." In addition, some cars were incorrectly counted twice, both when entering and exiting the lots.

The county prosecutor recommended that the county establish "standard business practices for large-scale parking...to ensure accurate recordation of vehicles entering the paid parking areas and fees collected in connection with the parking." Other revenue generated from a "beer garden" tent, amounting to receipts of \$37,507, was collected by county employees for the charity Love, Hope, Strength Foundation (LHS). The money was taken to the county administration building in Elizabeth and placed in a safe in the finance department before being deposited in the LHS' Union County Chapter bank account. "These deposits were made incrementally by George Devanney," according to the prosecutor's investigation.

"This money was then deposited in the Union County Chapter of LHS bank account. When questioned as to the reason behind this method of deposit, Devanney informed investigators that he did this as a safety precaution because he was not comfortable carrying large amounts of cash at one time," Mr. Romankow said. In addition, LHS engaged in a 50/50 raffle and a walk-a-thon to raise money for The Valerie Fund. While the 50/50 raffle generated \$4,618, "there are no records to verify the amount" raised for the walk-a-thon.

The prosecutor recommended that county employees no longer handle funds raised for charities and that non-profits be made responsible for the funds from collecting them to depositing them in the bank. Mr. Romankow said his office's efforts to verify expenditures "was hampered by the lack of records" relating to TIIP and the UCPAC, which booked most of the talent except the headliners.

Per a request for receipts, invoices and expenditures by the prosecutor's office, "It was discovered that the county never requested these records from either entity," the prosecutor said.

At last week's freeholder meeting, Mr. Faella promised "a complete review of all internal operations of MusicFest." He said some changes have already been implemented.

MANAGEMENT OF MUSICFEST 'WAS POORLY EXECUTED,' SAYS REPORT ISSUED BY PROSECUTOR'S OFFICE

Posted by Union County LocalSource on August 26, 2011 at 3:30pm, By Cheryl Hehl, Staff Writer

The County of Union may not have done anything criminally wrong when they put on MusicFest 2010, but according to a prosecutor's office report, the use of taxpayer dollars for this event demanded more oversight and personal involvement by the county.

"The management of the event from the drafting of the contracts to the accounting of monies was poorly executed by the County of Union," Union county Prosecutor Theodore Romankow said in the report.

Last week, after five months investigating every facet of how MusicFest was operated, the Union County Prosecutor's Office said the county spent \$1.1 million, far more than the \$448,000 former county manager George Devanney indicated last October when LocalSource reported on the cost of the event.

The 15-page report signed by Union County Prosecutor Theodore Romankow, indicated that after a five-month thorough investigation, it was evident the county not only misplaced money, but had few records of how money went out or came in.

This Is It!, the contractor responsible for organizing the event not only was over budget by \$77,000 but Devanney permitted the overage despite a contract that limited the amount spent. The former county manager also allowed the organizer to keep all profits from the event to compensate for the overage.

In the report, Romankow points out the organizer was supposed to spend no more than \$265,000 to produce the event, but ended up spending \$342,616.89. After looking further into how This Is It! handled its finances, the prosecutor found the county overpaid the organizer by \$24,000. That was only one of many instances the county and organizers of the event mishandled taxpayer dollars.

"It became evident during the investigation that while the intent to entertain the public was admirable as was the permission to permit certain charities to pursue fundraising, the management of the event, from the drafting of contracts to the accounting of monies, was poorly executed by the County of Union," Romankow said.

The prosecutor said an event of this type requires "constant oversight and personal involvement by those in county government who endorse it," but it received neither.

"The use of public monies demands much more than it received," Romankow chastised in the report.

Love Hope Strength, a charity group that was allowed by Devanney and the county to raise money at MusicFest, raised additional concerns, Romankow said. The Boulder, Colo. based non-profit organization

that raises money for cancer centers, held a walkathon, 50/50 raffle and organized the festival's beer tent.

Despite probes by LocalSource into why the county, specifically Devanney, did not choose a local charity rather than one from Colorado, the county communications office did not respond.

Proceeds from the raffle and beer sales totaled more than \$42,000, Romankow reported, but added that "there were no records to verify the amount."

Complicating matters was the fact charitable money earned by Love Hope Strength was carried by Devanney to a county safe and later deposited by the county manager in the charity's bank account.

Romankow said "county employees should not personally handle the funds raised by charitable organizations," the prosecutor said, adding that the money raised "should not be placed in a county safe."

Also confusing is why \$15,471.10 generated from the sale of county merchandise also ended up in the county safe during MusicFest and no one knew it was there until the prosecutor's investigation discovered it. Romankow recommended that any cash held in the county safe be deposited in a county bank account the following day to avoid this problem.

Romankow also had a problem with county employees working for the charity and receiving overtime compensation.

The \$92,627.98 attributed as overtime to Union County employees, the prosecutor said, was actually in the form of compensation time for service. Compensation time is a benefit afforded to county employees in lieu of cash overtime payment.

"Our investigation disclosed that in addition to working MusicFest activities, a number of county employees performed duties for Love Hope Strength," said Romankow, pointing out that this should not have happened.

The prosecutor recommended that commingling of services between a non-profit and government sponsored event be discontinued.

The county released a statement thanking the prosecutor's office for a thorough examination of the "fiscal practices and controls" of MusicFest, stopping short of promising that any change would be made to how things are done in the future.

"We have accepted the findings and will give serious consideration to implementing his recommendations," said Union County Communications Director Sebastian D'Elia said of the prosecutor's report.

Love, Hope Strength Foundation and the Union County Alliance also should be under scrutiny and needs to be investigated

Questions of accountability of cash and expenditures also being raised.

WHAT IS GOING ON HERE?

James Coyle, President, Gateway Regional Chamber of Commerce

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

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

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

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

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

But what the LocalSource discovered was even more compelling. It looks like the Alliance has become some kind of slush fund. According to their research, huge amounts of money are being funneled into "travel" and "conferences" and some nebulous category called "other." Funds also are being used for

a no-show job for a Freeholder relative and a low-show job for an ex-county employee. Several million dollars of public funds have been transferred to the Alliance and yet there is little to show for it except a couple papers that are mailed right before the elections.

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

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

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

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

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

DEVANNEY INVESTIGATED BY U.S. ATTORNEY

Posted by Union County LocalSource on September 8, 2011 at 1:08pm, By Cheryl Hehl, Staff Writer

A month after former county manager George Devanney abruptly resigned, information surfaced that the organizer of MusicFest was being investigated by the U.S. Attorney's office.

Although questioned, neither the private sector attorney hired by the county to represent Devanney, nor the Union County Communications office nor the U.S. Attorney's Office would comment on the nature of the investigation.

According to contract documents obtained by LocalSource, Union County used \$6,360 taxpayer dollars to hire a private attorney to represent Devanney, the nephew of State Senator Raymond Lesniak.

There has been no explanation why the county did not use in-house legal representation or why Devanney did not hire an attorney with his own funds.

The contract, between the county and Krovatin Klingman, LLC, Newark, stipulates the duration of the legal representation is for one year. However, again, there is no mention of why Devanney is being investigated by the U.S. Attorney's office.

When reached by phone Friday, Devanney's attorney Henry Klingman confirmed that he was contracted with the county to represent the former county manager. However, he would not say what the investigation involved.

"That is confidential information. I can't reveal that," Klingman said, but added that while he continues to represent the former county manager "there hasn't been a lot going on with it lately."

When asked about the contract, Union County Communications Director Sebastian D'Elia would not comment, but did release a statement.

"As we do with an investigatory matter, we have fully cooperated with the United States Attorney General's Office," he said.

The scope of services Krovatin Klingman LLC made with the county only states that the legal firm "shall furnish all legal services required to provide legal representation to George W. Devanney in the matter captioned Investigation being conducted by the U.S. Attorney's Office involving the County of Union."

Devanney played a critical part in the MusicFest investigation recently completed by the Union County Prosecutors office. But while Prosecutor Theodore Romankow said the entire event was "poorly executed" by the county, he said he did not find criminal wrongdoing.

Romankow found multiple problems with charities being involved with MusicFest, especially the involvement of county employees working and handling money for the charities.

Devanney brought Love Hope Strength from Denver, Colorado to fund raise at MusicFest. He also permitted the Valerie Fund from Millburn to engage in fundraising efforts at MusicFest to the exclusion of other charities.

Romankow found fault with this, suggesting that Devanney should not have gone this route.

"Other charities should be afforded the opportunity to engage in fundraising in connection with the event, or the alternative," the prosecutor said in his report, adding that "the county should reconsider the policy of contributing to a charity to the exclusion of others."

LHS's mission, according to its website, is to undertake a global initiative to raise funds and awareness through music related events and promotions. They also put strong emphasis on the fact that they use funds raised "to build and support cancer centers around the globe."

But, according to the non-profit's 2009-2010 fiscal year tax return that is not entirely true.

In fact, of the \$600,000 raised by LHS that year, only \$100,000 went to any charity. The remainder, however, was for expenses related to the musical concerts LHS put on around the world. For example, \$168,000 was used for travel, \$90,000 for salary of the director and \$51,000 for advertising along with other expenses to keep the non-profit operating.

Among the "musical pilgrimages" to exotic places LHS went on were to the glaciers of Kilimanjaro, Mount Everest and Machu Picchu. Devanney, in fact, went on trips with LHS to Mount Everest in 2007 and Machu Picchu in 2008. In 2009, Devanney's wife went with LHS to Mount Kilimanjaro.

The Valerie Fund received \$20,750 from LHS and the remainder of the \$100,000 went to charities out of the country, which are not traceable.

Romankow noted in his report that while LHS engaged in fundraising at MusicFest, such as a raffle and walk-a-thon to benefit the Valerie Fund along with the sale of alcoholic beverages in a "Beer Garden," there were no records to verify the amount raised.

"The LHS "Beer Garden generated a significant amount of cash," the prosecutor said, adding that this money was collected by county employees and transported by Devanney to a county safe. The county manager then deposited the money, \$37,507 in a local LHS chapter's bank account the next day.

Of the \$37,507, LHS gave \$20,750 to the Valerie fund. LHS did not respond to questions about where the remaining \$16,757 went.

Romankow also found other problems with how LHS fundraising was handled. Specifically that county employees, who received compensation for working at MusicFest, should not have been working for the charity or handling funds raised by it.

"A charity should be responsible for collecting the funds, transporting the funds, accounting for the funds and depositing the funds in its own account," the prosecutor noted in his report.

Union County's 2011 MusicFest begins Wednesday and lasts through Sept. 18. LHS is due to once again raise funds at the event.

UNION COUNTY ALLIANCE RECEIVES OVER \$300K, BUT TAXPAYERS LEFT IN THE DARK ON WHERE IT GOES

Posted by Union County LocalSource on August 3, 2011 at 12:00pm, By Cheryl Hehl, Staff Writer

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

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

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

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

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

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

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

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

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

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

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

D'Elia did mention that he believed the UCA was

working on a project involving "long-range strategies involving the port."

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

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

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

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

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

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

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

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

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

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

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

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

BUSINESS AS USUAL IN 2011

PROSECUTOR IS STILL ALLOWING DEVANNEY TO RUN MUSICFEST AND SOLICIT COUNTY EMPLOYEES FOR LHS FOUNDATION

By Tina Renna | September 6, 2011

Every county employee received an email blast today from UC Employee Announcements, including Prosecutor Ted Romankow, inviting them to George Devanney's retirement party. The invite features George wearing a t-shirt stating "DON'T WORRY BE HAPPY" and claims that a portion of each \$125 ticket will be a fundraiser for the Love Hope Strength Foundation, the same foundation that the Prosecutor found Devanney had cash lying around in a county safe for.

The party will be held on Tuesday, September 13, 2011 and will include undisclosed "entertainment". Musicfest starts on Wednesday.

I've been told that George Devanney is running a meeting for MusicFest tomorrow (Wens., Sept. 7) at 10:am at Oakridge Park.

George Devanney has been under investigation by the F.B.I. County taxpayers have had to pay his attorney fees \$6,373 to date.

Not one county employee has been held responsible for MusicFest 2010 for the findings in the Prosecutor's investigation. The state Attorney Generals Office allowed the county to investigate itself.

TWO THINGS YOU REALLY NEED TO KNOW ABOUT DEVANNEY'S RETIREMENT PARTY

By Tina Renna | September 15, 2011

1. Union County Prosecutor Theodore Romankow
2. Deputy First Assistant Prosecutor Albert Cernadas, Jr.

They both attended.

"Don't count me out, I'm not going anywhere."

- Part of opening statement by George Devanney before he played his guitar along with Mike Peters at his retirement party.

TYPICAL 4 WEEKS & A DAY IN NEW JERSEY

September 18, 2011

Union County Prosecutor Ted Romankow releases a scathing report after investigating the 2010 Musicfest where funds were missing and public dollars weren't kept track of.

Senator Raymond Lesniak's nephew, George Devanney, is central to the investigation. Devanney retires as county manager prior to the report being released.

The report holds no one accountable and falls just short of any criminal charges, because ironically there were few records kept.

Romankow and his first assistant attend Devanney's \$125 a head retirement dinner, checks were to be made payable to Devanney's charity the Love Hope Strength Foundation.

Devanney is still involved with running Musicfest and county employees are still raising money for the LHSF during Musicfest this weekend.

At or around the time George Devanney is seen driving around 2011 MusicFest in a county golf cart, the following foursome played a round at the Plainfield Country Club:

Prosecutor Ted Romankow
Sen. Ray Lesniak (D-Union)
Ass. Jon Bramnick (R-Union)
Bill Pallatucci

MUSICFEST FREEHOLDER APOLOGY

By County Watchers | September 15, 2011

"You want me to apologize? I'll apologize to everyone that has to listen to their baloney." Freeholder Daniel Sullivan during the 9/15/11 freeholder meeting in response to citizens asking the freeholders to apologize for the mismanagement of Musicfest as outlined in the Union County Prosecutor's report and for ignoring citizens who have been pointing out the mismanagement of this event for years.

The arrogance and disdain for the public by the Freeholders and County manager illustrate how little fear they have of ever being prosecuted.

Until the system enforcing the law for public officials is changed the corruption will continue.

Musicfest is just one example of how Union County runs a million dollar project - part of a \$470 million budget. 2010 Musicfest was found to be mismanaged, so what about the last 10 years?

From: UC Employee Announcements
 Sent: Tuesday, September 08, 2011 2:47 PM
 Subject: Information on Retirement Party for George Devanney

Tuesday, September 13, 2011
 Liberty House Restaurant
 76 Audrey Zapp Drive
 Jersey City, NJ
 7-11pm
 \$125 per person
 Includes dinner, entertainment and open bar
 RSVP by Friday, Sept. 9 to georgesretirement@gmail.com or call 908-482-1555



(above) County manager George Devanney on stage at Musicfest.



(above) County manager George Devanney, left, on annual vacation funded by money raised for Love, Hope Strength Foundation during Musicfest.

(above) George Devanney fundraising/retirement party invite that went out to every county employee.

BE A FRIEND OF MUSICFEST

HERE'S THE BENEFITS!

- Complimentary backstage pass
- Complimentary backstage tour
- Complimentary backstage meal

BUY 3 ON

About Friends of Musicfest Individual Sponsors:
 Generous contributions from business and nonprofit sponsors keep all performances at Musicfest free of charge. In an effort to continue generating new revenues to support the event, a limited number of individual sponsorships will be available through the Friends of Musicfest program.

(left) Union County Arts Center ad selling V.I.P. tickets to free concert. Love, Hope Strength Foundation cash raised by county employees on the public dime at 2010 Musicfest including raffles, beer sales, and parking were not accounted for.

Private and public organizations partnered with Union County must also be made accountable:

- Love, Hope Strength Foundation
- Union County Arts Center
- This is it Productions
- Kean University
- Union County College
- Union County Alliance

Just to name a few.

TAKE ACTION AGAINST CORRUPTION

The time is now! Change starts and stops with Governor Christie!

The Union County Watchdog Association (UCWA) has uncovered countless unethical, nefarious and outright criminal activities in how the Freeholders and County Manager George Devanney operate county government.

There is no state authority willing to investigate county government. The county prosecutor is a friend and colleague of the administration and can not be an objective source of oversight.

There is no state authority overseeing corruption in New Jersey. The State Attorney General's Office passes the responsibility of enforcement back to the county prosecutor.

Governor Christie was elected because of his stellar record as a corruption busting U.S. Attorney. The issue has not been addressed since he took office. UCWA believes the time is now for Christie to address the problem with corruption and we want him to start with Union County.

UCWA is asking concerned citizens to contact the Governor's office and fix the problem.

- 1) The state should NOT ALLOW local county prosecutors to investigate their friends and colleagues.
- 2) Employees and contractors must feel safe to contact law enforcement.
- 3) The veil of secrecy and back room dealing must be lifted. The Open public records act and Open Public Meeting act must be reformed.



(pictured) U.S. Attorney Christopher J. Christie announces the indictment of State Sen. Sharpe James, the former five-term Mayor of Newark. Christie made his anti-corruption record as U.S. attorney a key part of his campaign for Governor.

**Contact the governor
by writing or calling:
Office of the Governor
PO Box 001,
Trenton, NJ 08625
609-292-600
Lt. Gov. Kim Guadagno
609-575-8111**



Visit unioncountywatchdog.org
for free access to public records.

Visit countywatchers.com
for analysis and commentary on how Union County
is spending our tax dollars.

Like us on Facebook. Follow us on Twitter.

The Union County Watchdog Association is a nonpartisan nonprofit 501(c)3 organization working on behalf of the residents and taxpayers of Union County monitoring the activity of county government and advocating change to eliminate waste, corruption and incompetence.

The UCWA believes that good government can only be achieved through a checks and balance system that includes the watchful eye of the people.

ACTION ALERT!

Did the Governor address your concerns today about how the state will change the way local government corruption is dealt with?

Do you believe the state should allow local county prosecutors to investigate their friends and colleagues?

Let us know:

Contact

info@unioncountywatchdog.org