

Shining a Light on the NJEA's Dark Money Trails

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LAWRENCE DID VERY WELL RUNNING SUPER PACS

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As expected, several big Democratic Super PACS were active in the effort to get Gov. Murphy re-elected in 2021. These were largely funded by \$17.4 million from New Jersey's most powerful special interest, the New Jersey Education Association (NJEA), and *all* of this money came from teachers' highest-in-the-nation, \$999 annual dues. While the political effectiveness of this money was questionable, it provided for quite a payday for certain Democratic insiders. In particular, \$10.5 million of NJEA money went to Super PAC New Direction New Jersey, which proved to be very lucrative for the political operatives who run it: Brendan Gill, Steve DeMicco and Brad Lawrence. It must be nice to run an organization where you can funnel hundreds of thousands or even millions of dollars to your own firm. "Doing well by doing good" takes on a whole new meaning in the cozy world of New Jersey special-interest politics.

Progressive New Jersey Working Families Alliance has also done quite well by New Direction. It is not clear what Working Families was paid for – in the past Working Families has provided foot soldiers for the NJEA to get out the vote - but what is clear is that New Direction constitutes another channel for NJEA money to reach Working Families. This helps complete a picture that reveals that over \$1.1 million of NJEA money has flowed to Working Families, bringing into question whether Working Families is truly the "independent" organization it claims to be.

Sunlight wonders how teachers would feel if they knew that their automatically withheld dues were helping to enrich Democratic insiders and fund progressive dark money groups.

Once again Sunlight aims to shine a light on the opaque world of special interest politics in New Jersey. New Jerseyans - and in particular, teachers – should know the facts.

What is New Direction New Jersey?

New Direction is a pro-Murphy Super PAC (political action committee) launched by Murphy's former campaign manager Brendan Gill and his television ad wizards Steve DiMicco and Brad Lawrence.

Technically, it is a 501(c)4 (named for the section of the Internal Revenue Code) organization, which means that it effectively operates as a Super PAC - because it can raise and spend unlimited amounts of money - without having to disclose its donors. 501(c)4s like New Direction are the "dark money" groups that the head of New Jersey's elections watchdog recently called a "danger to democracy and transparency."¹

¹ Jeff Brindle, "We must shine a light on the shadowy dark money groups trying to influence your vote," *nj.com*, October 13, 2020, <https://www.nj.com/opinion/2021/10/we-must-shine-a-light-on-the-shadowy-dark-money-groups-trying-to-influence-your-vote-opinion.html>.

New Direction was operating as a dark money group until Sunlight dug through the NJEA’s internal documents and exposed the NJEA as the secret funder of New Direction. Since then, under pressure from Murphy, New Direction has voluntarily revealed its donors.

As seen in Table 1, of the \$13.2 million spent by New Direction, \$10.5 came from the NJEA. In the New Direction’s latest year of operation, the NJEA provided 92% of the funding.² Sunlight believes that given the NJEA’s dominant funding role, New Direction should be considered simply another NJEA Super PAC - along with Garden State Forward - and we will treat it as such.

Table 1. Top Contributors to New Direction New Jersey

Contributor	Amount
Garden State Forward (NJEA)	\$10,500,000
CWA	\$687,000
32BJ SEIU	\$350,000
Laborers	\$300,000
Carpenters	\$250,000

Source: New Direction New Jersey

But what is particularly interesting is who has benefited from the NJEA’s largesse. In Table 2 are three New Direction payees that jumped out at Sunlight.

Table 2. Selected Payments from New Direction

Payments from New Direction New Jersey to:	Amount
Message & Media (DiMicco & Lawrence)	\$4,962,700
BGill Group	\$547,321
Working Families Alliance	\$200,000

Source: Election Law Enforcement Commission

New Direction appears to have been a lucrative gig for the well connected Democratic insiders who run it: Brendan Gill, Steve DiMicco and Brad Lawrence.

DiMicco and Lawrence: Masters of the Dark Arts of Dark Money Politics

DiMicco and Lawrence co-founded the political consulting firm Message & Media. Message & Media was paid \$4,962,700 by New Direction. Certainly, a good portion of this money was for ad buys and the like, but it seems likely that DiMicco and Lawrence profited handsomely from the arrangement. They certainly controlled the purse strings.

² InsiderNJ, Press Release, “New Direction New Jersey Voluntarily Releases Donor List for the Second Year in a Row,” *insidernj.com*, December 23, 2020, <https://www.insidernj.com/press-release/new-direction-new-jersey-voluntarily-releases-donor-list-second-year-row/>.

DiMicco and Lawrence have done this before: In 2013, they ran One New Jersey, the dark money group that supported Democrat Barbara Buono’s gubernatorial run, which was entirely funded with \$2.95 million of NJEA money.⁴ Sunlight can only guess at DiMicco and Lawrence’s haul from One New Jersey. Perhaps someone should ask these masters of the dark arts of dark money politics just how much money they have made running Democratic dark money groups.

Brendan Gill: the \$750,000 Man

Gill ran Phil Murphy’s successful gubernatorial campaign in 2017. His firm, BGill Group, was paid \$547,321 by New Direction.

In addition, two other NJEA-funded, pro-Murphy Super PACs also made payments to Gill, Committee to Build the Economy and Our New Jersey. Garden State Forward was the lead contributor to each of these Super PACs, with \$4,150,000 to Committee to Build the Economy and \$2,500,000 to Our New Jersey. As Table 3 shows, that makes \$753,321 paid to Gill by NJEA-funded, Democratic Super PACs.

Table 3. NJEA-Funded Super PAC Payments to Brendan Gill

Payments to Brendan Gill from:	Amount
New Direction New Jersey	\$547,321
Committee to Build the Economy	\$140,000
Our New Jersey	\$66,000
TOTAL	\$753,321

Sources: New Direction New Jersey, Election Law Enforcement Commission

More Dark Money: New Jersey Working Families Alliance

Unlike Gill, DiMicco and Lawrence, Sunlight is not suggesting that anyone at Working Families is getting rich off of New Direction. However, Working Families holds itself out as an “independent” progressive organization, but it is difficult to know if Working Families is truly independent because it is a 501(c)4, dark money group that does not disclose its donors. It has taken a lot of digging to get a fuller – if incomplete – picture of who funds Working Families, and New Direction provides another glimpse into the dark recesses of special interest funding networks. As shown in Table 4, we now know that Working Families has received at least \$1,169,000 of NJEA money. So much for independence.

⁴ William Digges, “Can you say ‘dark money super PAC?’” *illinoisreview.com*, August 24, 2014, <https://illinoisreview.typepad.com/illinoisreview/2014/08/can-you-say-dark-money-super-pac.html>, and New Jersey Education Association, 2013 IRS Form 990.

Table 4. NJEA-Related Payments to Working Families

Payments to NJ Working Families Alliance from:	Amount
NJEA Donations (from NJEA IRS Forms 990)	\$830,000
New Direction New Jersey	\$200,000
Garden State Forward GOTV	\$139,000
TOTAL	\$1,169,000

Sources: IRS Forms 990, New Direction New Jersey, Election Law Enforcement Commission

Perhaps this is why Working Families Executive Director Sue Altman distanced herself from the New Direction money. When Matt Friedman of Politico spoke with Altman after it was revealed that Working Families had been paid by \$100,000 by New Direction in May 2019, Altman put the responsibility for that decision on her predecessor, Analilia Mejia.⁵ But now we know that under Altman Working Families accepted another \$100,000 from New Direction in 2020. Apparently, money talks – even to progressive activists like Sue Altman.

All Funded by New Jersey Teachers’ Highest-in-the-Nation Dues

All of the NJEA money discussed in this report came from New Jersey teachers’ highest-in-the-nation, \$999 annual dues. As shown in Table 5, the NJEA contributions to the Super PACs supporting Murphy’s re-election totaled \$17,350,000. That is \$139 for each and every teacher. If One New Jersey and all the Working Families funding are included, the total becomes \$21,269,000 – all from teachers’ dues. Sunlight hopes that Messrs. Gill, DiMicco and Lawrence, as well as Ms. Altman, remember to thank New Jersey’s teachers for their generosity.

Table 5. NJEA Pro-Murphy Contributions Funded by Teachers’ Dues

Pro-Murphy Super PACs	Amount
New Direction New Jersey	\$10,500,000
Committee to Build the Economy	\$4,150,000
Our New Jersey	\$2,500,000
Working Families Alliance	\$200,000
TOTAL	\$17,350,000

Because the NJEA prefers to keep its money trails and teachers in the dark, it is highly unlikely that New Jersey teachers know that their dues are enriching Democratic insiders and funding progressive dark money groups. So the Brendan Gills, Steve

⁵ Matt Friedman, “Pressure increases on Carpenters union,” New Jersey Playbook, *politico.com*, November 20, 2019, <https://www.politico.com/newsletters/new-jersey-playbook/2019/11/20/pressure-increases-on-carpenters-union-487711>.

DiMiccos and Brad Lawrences of New Jersey politics - the connected, Democratic insiders who run the dark money groups and Super PACs - will continue to feast on New Jersey's special-interest-dominated political system.