

ISSUE UPDATE

CONFLICT OF INTEREST: NJEA PRESIDENT SEAN SPILLER USES MILLIONS OF TEACHERS' DUES FOR HIS PERSONAL POLITICAL CAREER

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NJEA President Sean Spiller's vast personal political ambitions are well known. He has been running for public office in Montclair since 2012 and is currently mayor. He is reportedly eyeing a run governor in 2025.

Underscoring the massive conflict of interest that has loomed over all his personal political endeavors, the main funder (by far) for Spiller's personal ambitions has been the NJEA, of which he has been an officer since 2013 and is now president. The NJEA's Super PAC, Garden State Forward, has been the primary funding vehicle for his personal political campaigns: for town council and mayor in Montclair, and now for his reported gubernatorial run. While Spiller has been a NJEA officer, Garden State Forward has spent millions in support of his personal political ambitions.

But unlike the NJEA's traditional PAC, NJEA PAC, Garden State Forward is funded by New Jersey teacher's *regular annual dues*. While teachers must opt-into NJEA PAC dues, NJEA leadership decides when and where and how much Garden State Forward spends. Teachers have no say in the matter. Indeed, many teachers have no idea that Garden State Forward exists or that their dues are funding it. Many think the NJEA's political spending is limited to NJEA PAC.

From 2013-20, Garden State Forward spent \$58 million of teachers' dues on politics. After Gov. Murphy's NJEA-supported re-election in 2021, that number is millions higher. All of these millions were directed by NJEA leadership, who appear to view Garden State Forward as a political piggy bank that is unaccountable to the teachers who are forced to fund it. The prime example is the \$5 million spent on Trump-supporting Republican Fran Grenier in his unsuccessful bid to topple then-Senate President and Democrat Steve Sweeney in 2017. Very few, if any, teachers know that they paid for it, which is just as Spiller and the NJEA want it.

Now they are using teacher's dues to pay for the biggest pro-Spiller campaign yet: the NJEA-funded, multi-million-dollar, dark-money Super PAC "Protecting Our Democracy," which is widely seen as a platform for a Spiller gubernatorial run. So much for NJEA President Spiller's duty to look out for his members' best interests. In a political career filled with serial conflicts-of-interest, Protecting Our Democracy is Spiller's biggest conflict of interest yet.

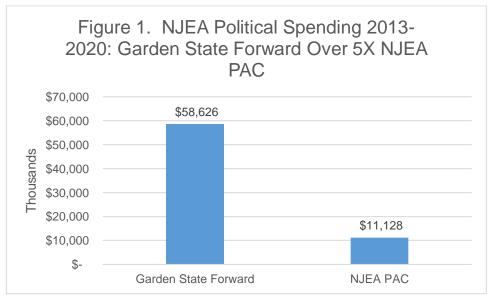
Even if New Jersey teachers had a choice about supporting Spiller's personal political career, which they don't, would the controversy-plagued Spiller be the kind of candidate they would support? Currently embroiled in multiple legal difficulties in Montclair, Spiller may be looking for greener pastures to pursue his political ambitions. Once again, New Jersey teachers are being forced to pay for it.

Garden State Forward: the NJEA's Super PAC Funded by Teachers' Annual Dues

Garden State Forward is the NJEA's Super PAC and provides the NJEA with a vehicle to spend unlimited amounts money in support of favored candidates and issues. In contrast with the NJEA's heavily regulated traditional PAC, NJEA PAC, Garden State Forward has minimal disclosure requirements and is often used by the NJEA as a source of "dark" money, allowing the NJEA to obscure its role in an election or public advocacy campaign. Researchers like Sunlight (and even New Jersey's elections watchdog) must do a lot of digging and rely on circumstantial evidence to discern the NJEA's role.

Unlike NJEA PAC, Garden State Forward is funded by teachers 'regular annual dues. By law, NJEA members must opt into NJEA PAC dues, but allocations to Garden State Forward are determined by NJEA leadership. Teachers have no say in the matter and are largely unaware that Garden State Forward even exists. Many believe that the NJEA's political spending is limited to NJEA PAC and have no idea they are funding Garden State Forward. Just as NJEA leadership would want.

Since its founding in 2013 to 2020, Garden State Forward has become the NJEA's main vehicle for political spending. As shown in Figure 1, Garden State Forward has spent \$58.6 million to NJEA PAC's \$11.1 million. After the millions spent in support of Gov. Murphy's re-election in 2021, that number is much higher now.



Source: NJEA IRS Forms 990 2013-2020.

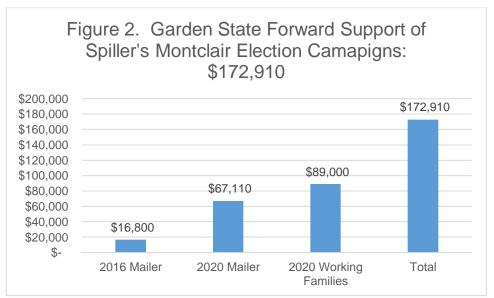
Garden State Forward Funding for Spiller's Montclair Campaigns

Spiller first ran for Montclair town council in 2012. In his re-election campaign in 2016, Garden State Forward spent \$16,800 for mailers in support of his candidacy. Spiller then set his sights

on the mayor's office, a much higher profile position and perhaps a steppingstone for statewide office.

Garden State Forward ramped up its efforts in support of Spiller's mayoral candidacy in 2020. In addition to \$67,110 spent on two mailers, Garden State Forward paid Working Families Alliance \$89,000 to help get out the vote (phone calls and text messages – socially distanced GOTV during the pandemic). With Garden State Forward's support, Spiller outspent his opponent over 30-to-1.¹

As shown in Figure 2, the total amount spent by Garden State Forward in support of Spiller's Montclair campaigns comes to \$172,910.



Source: Election Law Enforcement Commission.

And Now Millions for Spiller's Dark-Money Super PAC "Protecting Our Democracy"

In October, 2022, dark-money Super PAC "Protecting Our Democracy" (POD) was launched.² POD was widely seen as a platform for a Spiller 2025 gubernatorial run. Media coverage described Spiller as a "possible candidate for the 2025 Democratic nomination for governor" (*New Jersey Globe*) and having "his eyes on a gubernatorial run" (*NJ Spotlight News*).

¹ Please see Sunlight's report "<u>The NJEA Broke All the Spending Records to Elect Sean Spiller</u>" for a detailed explanation of the sources and circumstantial evidence behind these numbers.

² Protecting Our Democracy is a E01(c)(4) which means it can spend unlimited amounts of

² Protecting Our Democracy is a 501(c)(4), which means it can spend unlimited amounts of money in support of issue advocacy and candidates and is not required to disclose its donors.

As with Spiller's political ambitions in Montclair, NJEA backing was both assured and essential. But clearly a run for governor would require a lot more NJEA money – and therefore teachers' dues. As Patrick Murray, director of Monmouth University Polling Institute, noted: Spiller alone could not bankroll a run for governor, "but with the teachers 'union [NJEA] behind him, there's a lot of ways he could ... get support."

Clearly, POD was not intended to be a low-budget operation. Per <u>Insider NJ</u>, POD has all the characteristics of a modern, sophisticated – and very well-funded -- political campaign operation:

- Six months of research and polling prior to its launch;
- A "substantial seven-figure omni-channel media buy;"
- An "advanced data-driven organizing effort;" and
- Support for pro-democracy policies and candidates.

POD looks very much like a three-year campaign in support of a Spiller run for governor. Given its multi-pronged approach, the substantial organization it will entail, and the statewide focus, this will be an expensive undertaking. Indeed, by July, 2023, POD had already conducted two waves of digital ads, one on protecting democracy, the other on gun violence. So just how much money is the NJEA pumping into POD?

Because POD is a dark-money group, we cannot know exactly how much money the NJEA has contributed and who, if any, the other funders are. Per <u>Insider NJ</u>, we do know that the NJEA is the "founding donor," and that the campaign will include a "substantial seven-figure" investment – that is, millions of dollars. Sunlight believes it is reasonable to conclude that the NJEA's contribution runs in the millions of dollars. Of course, the NJEA could immediately eliminate the guesswork by disclosing how much they have contributed, but they won't. They prefer to keep New Jersey teachers – and citizens – in the dark.

Given the scale of the campaign and past NJEA tactics, Garden State Forward is almost certainly the NJEA's funding vehicle behind POD, so New Jersey teachers are paying for POD whether they like it or not.

Spiller's Tenure as Montclair Mayor: "You Broke This Town. Fix It."

Now we ask: Even if New Jersey teachers had a choice, is Spiller is the sort of elected official they would want to support?

Conflicts of interest, controversy, and questionable ethics have clouded Spiller's tenure as a Montclair elected official. As a councilman, after an extended and expensive legal fight, Spiller was removed from Montclair's Board of School Estimates by a Superior Court judge for his conflict of interest. But that didn't deter Spiller, who -- no doubt counting on his ample NJEA piggy bank – then ignored an <u>even larger conflict of interest</u> and ran for mayor. Despite

outspending his opponent 30-to-1, Spiller narrowly won. Widespread discontent soon followed: in a referendum, Montclair citizens overwhelmingly voted to strip the new mayor of the long-standing mayoral power to appoint the school board.

Since then, Mayor Spiller and his administration have been plagued by numerous legal difficulties, which have led to citizen protests. Per *NJ Spotlight News*:

- Montclair's former-Chief Financial Officer (CFO) sued the town, alleging she was subjected to abusive behavior in retaliation for trying to correct serious problems that "tie back to the mayor [Spiller] and members of the Montclair Township Council."
- There are allegations of widespread abusive behavior in the administration that had been publicized long before the lawsuit.
- According to the lawsuit, Mayor Spiller "signed off on an illegally awarded contract" regarding a corruption investigation into the Montclair Fire Department.
- The suit also alleges that Mayor Spiller and several council members "unlawfully received health benefits."
- Montclair has seen protests outside the municipal building and "hours of angry demands for accountability" at town council meetings. As one Montclair resident said of Spiller: Montclair "has never had so many active legal cases. You broke this town. Fix it." [Emphasis added].

But mounting legal problems and citizen discontent in Montclair haven't deterred Spiller, either. Now we have a NJEA-funded, dark-money Super PAC propelling a possible run for governor. Spiller's personal political ambitions appear boundless.

Conclusion

Given Spiller's troubles, the rumor around Montclair is that Spiller would not win re-election for mayor in 2025. Given his captive NJEA piggy bank, why wouldn't Spiller seek greener pastures for his boundless political ambitions? The NJEA spent over \$15 million to elect Murphy and no doubt they could and would do it for Spiller. All good for Sean Spiller.

But what about the New Jersey teachers who are forced to fund Spiller's personal political ambitions? President Spiller and NJEA leadership want to keep them in the dark, but if they knew the facts, would they choose to have millions of their dues used for such purposes? We doubt it.