

Records offer backroom view of grant process

by [Dunstan McNichol and Ted Sherman](#)/The Star-Ledger

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The names of lawmakers who secretly funneled millions of dollars in legislative grants to favored projects and causes were disclosed for the first time yesterday, with the release of hundreds of pages of internal state treasury department records.

The e-mails, grant lists and other records provided the most definitive view yet of an often criticized backroom budget process in Trenton that had long awarded money to community groups, municipalities and others at the sole discretion of powerful legislators.

For example, the records show Senate President Richard Codey (D-Essex) worked to steer portions of the funding he controlled to a U.S. Congressman's pet projects, and weighed the political implications of sending \$150,000 to an ally's political rival.

"I didn't spend much time at all on this," Codey said. "I have no recollection of those grants."

Codey said the disclosures were old news, and part of a process no longer secretive because of reforms he spearheaded.

Other records tied to the Legislature's \$128 million Property Tax Assistance and Community Development Grant program in budget years 2005 and 2006 show state Treasury Department officials raised concerns about a handful of the organizations that lawmakers recommended for funding -- including a notation that Sen. Wayne Bryant (D-Camden) awarded \$200,000 to a non-profit health provider run by his brother Mark.

The new records also show other senators and assembly members proposed grants for a for-profit organization in South Jersey and a church.

The grant awards have never been a secret, and have been used by both parties through the years, under the control of whoever was in power. The money has often gone for road paving work, AIDS programs, community centers, ball fields and other causes. However, there have been abuses over the years, and blatant political favors. The documents released yesterday show that politics was often a major consideration when it came to grants.

The grant process, approved behind closed doors without any public debate, has always been kept secret, and legislative officials claimed there were no records that would provide a paper trail allowing one to follow the money.

What the Treasury Department released yesterday, though, provided a breakdown of who controlled the public money, and who sought to give it out. For the first time the names of lawmakers --both Democrats and Republicans -- were attached to the grants they sought.

The grants, known as "Christmas Tree" items because they would appear like presents under a holiday tree, have come into sharp focus in recent weeks in the ongoing federal fraud trial of Bryant. The veteran lawmaker is accused of abusing his position as chairman of the Senate Budget and Appropriations Committee to steer million in grants to the University of Medicine and Dentistry of New Jersey after they put him on the payroll.

Last week, state Treasurer David Rousseau told jurors Bryant had exclusive control over \$4 million in the now-defunct state grant program. But his testimony raised new questions about the role of other legislative leaders.

Rousseau said Codey controlled \$12 million in the grant program during the 2005-06 budget year, and used some of it for projects promoted by other lawmakers of both parties. The treasurer also testified that then-Senate Majority Leader Bernard Kenny (D-Hudson) controlled \$4 million while unnamed Assembly members controlled \$20 million.

The revelations led to demands by Republicans to release records of the grants and to partisan charges and counter-charges over alleged abuses in a budget process that was subject to major reforms last year.

The documents came out late yesterday after Codey announced he would not invoke executive privilege to bar the release of the list that covers the budget Codey approved during his 14 months as acting Governor and Gov. Jon Corzine's first months in office.

"People have a right to know how their money is being spent. I think the public will see, as they scrutinize these lists, that this money helped support many good causes," Codey said. "The release of these documents will help clarify many questions surrounding the grant program."

One section of the release spelled out grants under Codey's control during the 2005-06 fiscal year. It showed awards to community groups, theaters and even town paving projects. The list also included the names of lawmakers and others who were requesting the money from Codey. For example, there was a \$200,000 grant for Bayonne carrying the name of Joseph Doria, the former Assembly speaker, state senator and Bayonne mayor who now serves as Department of Community Affairs Commissioner.

Another \$500,000 grant under Codey's control went to Centenary College's Littell Technology Center in Hackettstown. That grant carried the name of former Sen. Robert Littell (R-Sussex), a longtime member of the budget committee and a prominent advocate for the school.

Out of his \$12 million total, Codey awarded a total of \$250,000 to then-Assemblyman Wilfredo Caraballo (D-Essex) for nine projects. They ranged from \$50,000 for a food pantry at The Apostles House to \$25,000 for architectural and design work for a new recreation center at Newark's North Ward Center.

Assemblyman Joseph Malone (R-Burlington), who has emerged as a harsh critic of the grant program, got \$10,000 for emergency renovations at Clara Barton House.

Codey's own grants included \$400,000 for a science and technology center at Seton Hall University, \$300,000 for the New Jersey Performing Arts Center, \$200,000 for Paper Mill Playhouse, \$250,000 for historic restoration at Our Lady of Mount Carmel Church and \$14,000 for a part-time psychiatrist for the North Jersey AIDS Alliance.

One e-mail from Rousseau to Codey showed U.S. Rep. Donald Payne of Essex was seeking state money as Treasury officials were seeking to cut the grant totals. Rousseau also asked whether he wanted to go ahead with a \$150,000 grant to Union City. "You did this for Assemblyman Stack, not Senator Kenny, do you still want to keep it in?" he asked. Stack was a political rival of Kenny, an ally of Codey.

Another e-mail from Rousseau asked Codey if he wanted to add Republican-backed projects to the list. "You might want to consider something for someone like either Lance, Martin, Ciesla, Blee, maybe even Alex DeCroce," he said.

Codey said he never saw the e-mails.

"I don't do e-mail," he said.

Corzine late yesterday noted the grant program was discontinued by his administration quickly because, among other things, it gave decision-making authority to lawmakers in violation of the governance rules laid out by state law and the New Jersey constitution.

"We came to a view that it should not continue. We stopped it," he said.

Staff writers Josh Margolin, Robert Schwaneberg, Susan K. Livio, and Claire Heininger contributed to this report