Corruption Bust May Aid Christie Bid Against Corzine (Update2)

By Terrence Dopp

July 24 (Bloomberg) -- New Jersey Governor Jon Corzine’s re-election bid may be damaged by the federal corruption arrests of 44 people yesterday, which shifted attention from the economy to the state’s reputation for pay-to-play politics.

The investigation was ongoing while Christopher Christie, the Republican gubernatorial candidate, was the U.S. attorney for New Jersey. Residents witnessed corruption convictions of more than 100 public officials during Christie’s seven-year tenure, including state lawmakers.

Yesterday’s case shows that corruption continues, even after Corzine, a first-term Democrat, passed laws aimed at keeping his campaign pledge to attack “the toxic mix of money and politics” that has plagued the state for years.

“This problem of corruption has been one that Republicans have tried for years to make hay with,” said Brigid Harrison, professor of political science and law at New Jersey’s Montclair State University. “This is, in my mind, one more sweep they will use.”

Corzine, 62, issued a statement on yesterday’s arrests within four hours of their announcement, saying, “The scale of corruption we’re seeing as this unfolds is simply outrageous and cannot be tolerated.”

Personal Finances

The governor, the former chairman of Goldman, Sachs & Co., has made the economic plight of middle- and working-class New Jersey residents a focus of his campaign. The arrests will re-focus attention on Christie’s leading attribute as a corruption fighter, said Peter McDonough, a lobbyist and professor at the Eagleton Institute of Politics at Rutgers University.

“Despite what Corzine’s campaign is saying about how much progress he’s made, New Jersey set a new standard (yesterday) for perp walks,” said McDonough, who was communications director for former Republican Governor Christie Whitman’s administration. “And that has got to be good for Christie.”

Since taking office in January 2006, Corzine has created the comptroller’s office to audit government contracts and re-established the public advocate’s office, which seeks to protect consumers’ rights.

Corzine also barred former lawmakers from becoming lobbyists for one year after leaving office and signed an executive order seeking to end awarding state contracts to campaign donors.

Federal Search

Yesterday, federal authorities executed 54 search and arrest warrants in connection with a wide-reaching probe of public corruption and money laundering. Among those arrested was 32-year-old Hoboken Mayor Peter Cammarano, whose swearing in Corzine attended July 2, and Assembly members from both parties.

FBI agents also searched the home of Joseph Doria, 63, a Democratic former senator appointed by Corzine in 2007 to head the Department of Community Affairs. Doria, who hasn’t been charged in connection with the probe, resigned yesterday at Corzine’s request. Doria didn’t return calls to his office.

“It’s something he hadn’t expected to deal with in the campaign,” Ingrid Reed, director of the New Jersey Project at Rutgers University in New Brunswick, said of Corzine. “There’s a sense right now in New Jersey that Corzine should have changed things and he didn’t.”
Corzine has trailed Christie in polls since February amid voter anger over the state’s finances. Corzine last month enacted a $29 billion budget that slashes spending, scales back property-tax rebates and raises fees on wine, liquor, cigarettes and the wealthy to close the state’s eighth-straight deficit.

Latest Poll

Christie led Corzine 53 percent to 41 percent among likely voters in a July 15 poll by Quinnipiac University. Respondents said 50 percent to 36 percent that Christie would do a better job handling the state budget, and 54 percent to 30 percent that the Republican would do a better job cleaning up corruption.

“This is obviously just another really tragic day for the people of New Jersey,” Christie, 46, said in a statement yesterday. “Unfortunately, today is another example that there is much work still to be done.”

The arrests came a day before former state Senator Wayne Bryant was sentenced to 48 months in prison and fined $25,000 for corruption charges. Bryant, a Camden County Democrat and former chairman of the Senate budget panel, was convicted in November of directing millions of dollars to the state medical school after receiving a “no-work” job there.

‘The Worst’

Christie’s other convictions include former Senator Sharpe James, who was mayor of Newark for 20 years. James is serving a 27-month prison sentence after being convicted of illegally steering city-owned property to a former mistress.

“New Jersey’s corruption problem is one of the worst, if not the worst, in the country,” FBI supervising agent Ed Kahrer said yesterday. “Corruption is a cancer that is destroying the core values of this state and this great nation.”

Corzine’s campaign, in recent weeks, has tried to link Christie to corruption, criticizing a multimillion dollar, no-bid contract he gave to former Attorney General John Ashcroft’s consulting firm. Christie has denied any wrongdoing.

“The last couple of weeks have taken the Corzine campaign off message,” said Ben Dworkin, director of the Rebovich Institute of New Jersey Politics at Rider University. The governor has enough time to recover and refocus the campaign on economic issues -- his signature item, Dworkin said.

Jobs, Health Care

“While this tragedy of public corruption unfolds, the governor remains focused on addressing the issues of urgent and immediate concern to New Jersey families: creating new jobs, expanding access to health care, improving education and making investments in New Jersey’s future,” Elisabeth Smith, a Corzine campaign spokeswoman, said.

Democrats have sought to remind voters that Christie was an appointee of former President George W. Bush, whose policies they say contributed to New Jersey’s financial problems. They’ve also highlighted Corzine’s ties with President Barack Obama, who came to New Jersey this month to boost Democratic support and raise money for Corzine, the only incumbent governor in the nation facing re-election in November.

At a July 16 rally in Holmdel, New Jersey, Obama said Corzine was a leader “called to govern in some extraordinary times” who “hasn’t avoided doing what’s hard.” Obama used the rally, attended by more than 17,000 people, to praise the governor for “fighting” for health-care reform, his top domestic priority, in a state where about 60 percent of voters approve of Obama. About the same percentage disapprove of Corzine.

The arrests will dominate “for the next week or so,” Dworkin said. The Corzine campaign’s priority is to stress how the governor plans to help people “stay in their homes and afford to live in New Jersey.”

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