



[Ciattarelli, Steinhardt battle over ties to PAC, lobbying firm](#)

The two contenders for the Republican gubernatorial nomination upped the [Scoville scale](#) of the race on Monday in an argument over Doug Steinhardt's ties to a political action committee that Jack Ciattarelli alleges helped him circumvent state pay-to-pay laws.

Ciattarelli's claim follows a [Bergen Record report](#) that Steinhardt was a donor to the independent Leadership PAC for Better Government, which in turn contributed campaigns in places where his law firm received public contracts.

The ties between Steinhardt and the PAC are tenuous – the political action committee is headed by Robert Larsen, the fleet manager of the Delaware River Joint Toll Bridge Commission – a majority of the PAC donors are affiliated with Florio Perrucci Steinhardt Capelli Tipton & Taylor, the law firm where the former GOP State Chairman is a partner.

While Steinhardt told The Record that he supports Republican candidates “up and down the state,” the Ciattarelli campaign pointed to contributions made by the PAC seven years to Steve Fulop, then a candidate for mayor of Jersey City in a non-partisan election against an incumbent who was also a Democrat.

The Leadership PAC for Better Government contributed \$1,500 to Fulop. At the time, allies of then-Gov. Chris Christie were supportive of Fulop's successful bid to oust Jeramiah Healy.

“Doug Steinhardt's claim that he and his allies set up this shady PAC with the sole purpose of helping Republicans just isn't true,” said Eric Arpert, Ciattarelli's campaign manager. “Swampy Steinhardt and his allies don't care about red or blue, they care about green.”

The Ciattarelli campaign maintains that the PAC contributions helped Steinhardt's law firm obtain legal work from Jersey City, although the bulk came from the Jersey City Board of Education. The mayor didn't necessarily control the school board.

The Steinhardt campaign pushed back on Ciattarelli's allegations, pointing to the former assemblyman's own [ties to a Trenton lobbying firm](#) whose partners are playing a major role in the 2021 campaign.

"Jack Ciattarelli has been bought and paid for by his lobbyist kitchen cabinet that makes deals with the Trenton Democrats," said Steinhardt campaign manager Theresa Winegar. "While they all stand around a cork board, connecting red yarn to polaroids, Doug Steinhardt has been taking the fight to Phil Murphy and holding him accountable for his failed policies."

But Steinhardt also has ties to prominent Democrats – his law partners include former Gov. Jim Florio and Camden County Freeholder Director Louis Cappelli – and those relationships are part of Ciattarelli's strategy to cast some doubt on the former GOP state chairman's claim that he's a political outsider.

"Steinhardt needs to apologize for lying to Republican voters, explain why he helped re-elect Steve Fulop, and come clean on how he's gotten rich on the backs of New Jersey taxpayers," Arpert stated.

Last week, [Steinhardt slammed Ciattarelli](#) for his ties to the lobbying firm.

"This state needs an outsider like Doug Steinhardt who will turn Trenton upside down, drain the filth and take back New Jersey," Winegar said.

[Grand jury accuses San Jose Unified of misleading public and its own board about lobbying efforts](#)

San Jose's biggest school district left the public and its own governing board in the dark about lobbying activities that were carried out on its behalf – and possibly violated government ethics laws in the process, according to a new grand jury report.

San Jose Unified School District hired a consulting firm to help it with a proposal to build affordable housing for district teachers and employees but didn't disclose to its board or the public that the consulting firm was also lobbying city officials, the Santa Clara County Civil Grand Jury said in a [report](#) issued last week.

Indeed, district staff members repeatedly denied to the board the consultancy was doing any lobbying for the district, according to the report.

Meanwhile, SJUSD obscured for the public and its board the lobbying activities another firm it hired was doing at the state level, according to the report.

“The vagueness, inaccuracies and lack of transparency surrounding the consultant contracts cause the Grand Jury to further question whether the district was evaluating these contracts for compliance with government ethics laws,” the grand jury said in its report.

“The Grand Jury is concerned about the district’s lack of attention to this responsibility; the consultants’ failure to disclose their financial interests; and the fact that the public is unaware that consultants may have disqualifying financial interests in the work they perform for the district.”

The district declined to immediately comment, saying it would issue a formal response to the report “within the statutory timeframes.”

SJUSD denial

SJUSD hired planning firm The Schoennauer Company, LLC, a [registered lobbyist](#), in March 2019 at a rate of \$2,500 a month to help with its affordable housing proposal. At the time, the district was exploring a plan to relocate some of its schools and construct housing on the properties.

The proposal was [opposed by many of the neighbors of the schools facing potential closures](#). Schoennauer helped SJUSD narrow its list of 10 potential sites for the affordable housing development to four.

The grand jury report also criticized the district’s relationship with a second housing consultant who worked with Schoennauer, Snider Consulting. The agreement with Snider was characterized by a trustee as “very vague about what was to be done.”

From nearly the beginning, opponents [criticized the district’s move to hire Schoennauer](#) and questioned the work it was doing for the district. Under questioning from the board, district staff members denied Schoennauer was lobbying for the district.

In fact, though, Schoennauer partner Erik Schoennauer [repeatedly met or spoke with city officials](#), including Mayor Sam Liccardo and Kelly Kline, the city director of land use, about SJUSD’s proposal, according to lobbyist reports filed with the city that were cited in the grand jury report.

“The district repeatedly denied in public meetings that the consultant was lobbying on its behalf despite clear documentation to the contrary,” the grand jury said in its report. “These actions adversely tainted the public contracting process by misleading the board charged with approving the use of public funds for the consultant’s hiring.”

Even if district officials didn’t direct Schoennauer’s lobbying effort, they had little excuse to not be aware of it, the grand jury said in its report. Invoices submitted by the consulting firm to the district explicitly stated that it was performing “political lobbying services” for the district, according to the report.

“I don’t see what the concern is about having a dialogue with the city of San Jose,” said Erik Schoennauer of the Schoennauer Company. “Ultimately, any teacher housing project has to be approved by the city. So certainly it makes sense to check in with the mayor and others in the city to ensure that the direction the district may head in is consistent with the policies and the visions the city has. We should be having more communication, not less.”

Schoennauer said all meetings between city officials and him were lobbying only in the city’s definition of the word.

The city defines lobbying as “influencing or attempting to influence a city official or city official-elect with regard to a legislative or administrative action of the city or redevelopment agency” according to its lobbying ordinance.

“Any communication with a city official is lobbying. Their definition is very simple and very clear,” Schoennauer said. “That’s why our firm included the communications about San Jose Unified in our lobbyist reports to the city. But everyone needs to decide what their definition is of lobbying.”

He added the meetings were to ensure the district and the city were working well together to construct new housing for teachers.

Despite that, when Schoennauer’s contract came up for an extension, district staff declined to correct their previous statements and inform SJUSD’s board about Schoennauer’s lobbying effort, according to the report. Instead, district staff appeared to intentionally obfuscate the work Schoennauer was doing for SJUSD, the grand jury said.

“In response to public comment and a trustee’s request for an update on the consultant’s work, staff provided detail at great length on the consultant’s activities that sound like lobbying without actually using the word ‘lobbying,’” the grand jury said in the report.

With the affordable housing project, SJUSD is seeking to provide homes for its educators and staff in one of the most expensive housing markets in the nation. [Some teachers](#) within the district have told the board in meetings that they are having extreme difficulty paying rent in the area where they teach.

But the project has garnered [considerable pushback](#) from some affluent residents concerned it would decrease property values, increase traffic and endanger pedestrians in the area.

No disclosure forms

While it's legal for the district to lobby city officials, that activity by consultants such as Schoennauer can trigger state financial disclosure requirements that seek to prevent conflicts of interest. Under state law, government bodies are supposed to file a document — Form 805 — with the Fair Political Practices Commission to identify outside consultants who are helping them make governmental decisions.

After an agency files a Form 805, the consultants mentioned in it are required to file their own, separate financial disclosure forms.

But the district hasn't filed a single Form 805 in the past three years, according to the report. And despite doing extensive work on behalf of SJUSD, including lobbying, neither Schoennauer nor Snider filed the financial disclosure forms, the grand jury reported.

“Without this information, the board and public may not be able to identify areas in which the consultants are potentially prohibited from participating due to their financial interests,” the grand jury said in the report.

Indeed, the grand jury identified one such potentially disqualifying conflict of interest. One of the four sites now being considered for affordable housing is yards away from a house owned by Kelly Snider of Snider Consulting. Snider is also a district parent. Although the district knew about the conflict, it didn't disclose it to the public or its board, determining that it didn't need to.

“The school district's attorney reviewed my contract and all the payments (related to the project) were sent to my house,” Snider told San José Spotlight. “My address is public. I have a business license with the city of San Jose at this address. So this is not a conflict in any way. All of the business I do is out of my own home.”

Snider did not believe her property constituted a conflict of interest, and denied doing any lobbying.

“I did no lobbying, and no one I worked with did any lobbying,” she said. “I am not aware of any lobbying, including the collaboration I did with the other consultants who were working on the project.”

Essentially, the district chose to avoid the issue rather than being transparent about it, the grand jury said. And by doing so, it could have violated state ethics laws.

“While the ultimate resolution of alleged state ethics law violations rests with other public bodies, the Grand Jury’s investigation found deficiencies in the district’s process for identifying consultants who are required to file public statements of economic interests,” the grand jury said.

Lack of transparency

The grand jury also found problems with SJUSD’s lobbying at the state level. Last year, the district hired Ball/Frost Group, LLC to represent it in Sacramento, according to the report. But the contract it signed with Ball/Frost isn’t readily available to the public, and the district didn’t clearly and fully disclose the work Ball/Frost was doing on its behalf, the report found.

Ball/Frost was not immediately available for comment.

“Nothing is remotely transparent about the state lobbying contracts,” the grand jury said in the report.

The grand jury issued four recommendations. It asked the district to be more transparent and accurate in communicating with the public, to revise its contracting procedures to make sure lobbyists are more clearly identified when they work with the district, to clearly place any lobbying business on its agenda and to have a better method to inform contractors of their obligations to disclose information, including information that should be sent to the FPPC.

Civil grand juries are responsible for examining the administration of county services, hearing citizen complaints from county officials and serving as a financial watchdog for public funds, among other duties. They generally release reports on their findings several times a year.

SJUSD educates approximately 30,000 students from kindergarten through 12th grade and employs more than 3,000 teachers and staff. Its boundaries stretch from north of downtown San Jose to Almaden Valley.