Revenue Falls for Law Firms That Lobby

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By Michael Booth, New Jersey Law Journal

Revenues for the lobbying industry in New Jersey dipped in 2014 after a one-year increase, and the top 10 law firms that lobby suffered lower revenues as well.

Income for all lobbyists dropped to $53,858,957 last year, compared to $56,582,337 in 2013, according to statistics released on March 6 by the state Election Law Enforcement Commission, the government agency that regulates the industry. That represents a decrease in revenues of 4.8 percent.

For the top 10 law firms that include lobbying the state government in their practices, revenues fell to $9,605,808, last year, a decrease of 7.5 percent from 2013's revenues of $10,385,947, according to ELEC's reports.

ELEC Executive Director Jeff Brindle said lobbying expenditures by interest groups can ebb or flow, depending on what issues are being debated at the State House by the governor and the Legislature.

"Looking back at the last five years, you can see lobbying expenditures vary annually," Brindle said in a statement. "Some years are calmer than others because there are fewer controversial issues.

"When wealthier, more powerful interest groups perceive an issue as a major threat or benefit, spending can soar," he said. "That did not occur in 2014."

The biggest spender in 2014 was the American Association of Retired Persons, which spent $1,645,217 on lobbying. Its key issues were measures to enact paid sick leave for private employees and a $675 tax credit for families who care for a chronically ill or elderly relative.

The New Jersey Education Association, the union that represents the bulk of the state's public school teachers, normally ranks as one of the biggest spenders on lobbying. But, because there were few issues directly affecting teachers last year, the NJEA fell off of the top 10 list of spenders altogether.

There was some shake-up in the middle of the pack of the top 10 law firms that lobby, but Gibbons, Optimus Partners and Riker Danzig Scherer Hyland & Perretti retained their hold on the first three positions.

Gibbons saw its income from lobbying increase last year. The firm's lobbying group saw revenues of $2,143,777, up from $1,977,798 the year before.

Gibbons' major clients were Grant Thornton, an accounting and business consulting firm based in Alexandria, Virginia, that paid the firm $240,029 in fees. Other clients included CSC Holdings of Bethpage, New York, better known as Cablevision, which paid the firm $195,000, and Atlantic City Electric, the Mays Landing-based utility, which paid $141,000 in fees.

Gibbons ranked fifth among all lobbyists in terms of revenue. The overall leaders continue to be Princeton Public Affairs Group, which had revenues of more than $9.3 million, and Public Strategies Impact, which saw revenues of nearly $6.3 million.

"Many sophisticated business are working with attorneys ot stay in compliance with current law" and to ensure they are involved in possible changes, said William Castner, the chair of the firm's lobbying group. "We've been working with our clients to not only play defense, but offense as well."

Optimus Partners is headed by Philip Norcross, the managing partner at Parker McCay in Marlton, New Jersey. Norcross' brothers are U.S. Rep. Donald Norcross, D-Camden, and George Norcross, the southern New Jersey Democratic power broker. Also at the firm is Jeffrey Michaels, former chief of staff to Republican Gov. Donald DiFrancesco.

Its revenues dropped from $1,512,550 in 2013 to $1,434,150 last year. Its biggest clients were the Casino Association of America, which paid the firm $175,500; Comcast, the Philadelphia-based cable and television company, which paid $144,000 in fees; and Sayreville Seaport Association, a development company based in King of Prussia, Pennsylvania, that paid $135,000 in fees.

Riker Danzig had lobbying revenues of $1,086,975 last year, down from $1,282,349 in 2013. Its major clients were Cooper Health System in Camden, New Jersey, which paid $103,152 in fees; Pharmaceutical Research and Manufacturers of America, based in Washington, D.C., which paid $99,999; and Philadelphia-based Conrail, which paid $84,333.

Moving up from sixth position to fourth was Porzio Governmental Affairs, the lobbying arm of Morristown, New Jersey-based Porzio, Bromberg & Newman. The lobbying group saw its revenues increase from $998,186 in 2013 to $1,030,011 last year.

Its biggest clients were MasterCard International, based in Washington, D.C., which paid $65,232 in fees; the New Jersey Council of County Colleges, based in Trenton, New Jersey, which paid $65,000; and CNA Financial, based in Latham, New York, which paid $60,399.

"We've maintained a solid core of clients," said Porzio's key lobbyist, Lynn Nowak. "But in the past couple of years we've really been hitting our stride."

Moving up from seventh to fifth was Archer & Greiner and Archer Public Affairs, despite a small drop in revenue. It had 2014 revenues of $849,000, compared to $890,251 in 2013.

The firm lost its top lobbyist, Richard Mroz, last year when he was tapped by Gov. Chris Christie to become president of the New Jersey Board of Public Utilities.

Its major clients were Prudential Financial in Newark, which paid $90,000 in fees; Amtrak, which paid $55,406 to the firm; and Harris Corp., a Lynchburg, Virginia company that makes public safety communications equipment, which paid $55,109 in fees.

Dropping two spots to sixth was Wolff & Samson and Wolff & Samson Public Affairs. Its revenues fell from $1,067,029 in 2013 to $753,198 last year. The firm is headed by former Attorney General David Samson, who resigned last year as chairman of the troubled Port Authority of New York and New Jersey.

Samson, according to media reports, is being investigated by the federal government for connections between his firm and clients and the Port Authority.

The firm's biggest clients were Morristown-based Honeywell International, which paid $240,000 in fees; GTech, the Providence, Rhode Island-based gaming company, which paid $100,000 in fees; and Wal-Mart Stores, which paid the firm $72,000.

Also falling was Impact NJ, which finished in seventh place with $706,000 in revenues in 2014. The firm had revenues of $1,001,000 the year before. Impact NJ is headed by former Democratic Morris County Prosecutor W. Michael Murphy Jr. and former Republican Assemblyman Guy Gregg.

Its major clients were Liberty Health System in Jersey City, New Jersey, which paid the firm $120,000; Walgreens, the Deerfield, Illinois-based pharmacy chain, which paid $108,000 in fees; and Garden State Dispensary of Woodbridge, New Jersey, an alternative-care company that paid $90,000 in fees.

New to the top 10 in 2014 was Brach Eichler Government Affairs, the lobbying arm of Brach Eichler in Roseland New Jersey. It finished in eighth place and had revenues of $563,400 last year. The firm bought an established lobbying firm, State Street Partners, late in 2013.

Its biggest clients were the New Jersey Spine Society, which paid the firm $108,500 in fees; the Association of Dental Support Groups, which paid $105,462 in fees; and Phillips 66, the Washington, D.C.-based energy company that paid $60,000 in fees.

Coming in at ninth was Pittsburgh's Eckert Seamans Cherin & Mellott and Van Wagner Government Affairs, which had revenues of $534,620. Eckert Seamans purchased an old-line law firm, Trenton's Sterns & Weinroth, in 2012.

Its biggest clients were Citigroup Management, based in Washington, D.C., which paid the firm $80,000; the American Insurance Association, which paid $62,500 in fees; and Philadelphia-based CSX Transportation, which paid the firm $61,235.

Rounding out the top 10 was Florio, Perrucci, Steinhardt & Fader of Rochelle Park, New Jersey. The firm is headed by former Democratic Gov. James Florio. It had revenues of $501,483 last year, compared to revenues of $545,842 the year before.

Its major clients were United Water of Harrington Park, New Jersey, which paid the firm $120,000 in fees; Thomas Jefferson University Hospital in Philadelphia, which paid $84,149; and Greenman-Pedersen Inc. of Lebanon, New Jersey, an engineering firm that paid $78,000 in fees.

Dropping out of the top 10 altogether was Issues Management, the lobbying arm of Roseland's Lowenstein Sandler. It had revenues of $407,959 last year, compared to revenues of $577,691 in 2013, when it finished in eighth position.

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