

OPINION: IN BATTLE WITH NORCROSS, MURPHY SEIZES MORAL HIGH GROUND

CARL GOLDEN | JUNE 28, 2019

Rookie governor has positioned himself in faceoff with powerbroker as the champion of a fair and open government, guided by integrity



Carl Golden

In his 19 months as governor, Phil Murphy has suffered some notable failures: legalization of recreational marijuana, tax increases on incomes in excess of \$1 million, disclosure of donors to so-called “dark money” organizations, free tuition at county colleges, among others.

However, in the burgeoning scandal involving billions of dollars in tax incentives awarded by the Economic Development Authority, Murphy has clearly seized and held the moral high ground.

With each revelation of corner-cutting, ignoring regulations and caving to political influence in approving the incentives, Murphy is solidly on the side of the angels, using the findings of a task force he appointed to portray an agency operating with little or no oversight and accountability while favoring private and politically-connected interests.

Murphy has taken on the brothers Norcross – George, the undisputed South Jersey political leader, and Phil, the high-profile lawyer – kicking off a public confrontation unprecedented in its ferocity and personal animosity.

It is a bitter power struggle that has fractured the Democratic Party, destroyed any semblance of a working relationship between the administration and the Legislature, and threatens to paralyze government for the foreseeable future.

Murphy holds the stronger hand as the crusader determined to bring an out-of-control agency to heel while rooting out improper – if not corrupt – acts carried out at significant cost to taxpayers.

Camden awards at center of findings

While the task-force findings are far-ranging, the focus has been almost entirely on the more than \$1 billion in tax incentives awarded to projects in Camden City involving firms with business or personal ties to Norcross.

With each new disclosure of incomplete or less-than-truthful applications, the brothers Norcross come across publicly as behind-the-scenes string pullers, using their influence to secure favorable decisions from the EDA.

The agency, clearly responding to the heightened scrutiny, has asked six grant recipients for additional information, raising the prospect of potentially reducing the awards if discrepancies are found.

George Norcross has denied any misbehavior, arguing that the tax incentives were granted in accordance with existing law and that Camden – arguably the most financially distressed city in the state – has experienced a desperately-needed economic resurgence as a result of his efforts to bring businesses and jobs to the community.

The success-story narrative was undermined, however, by evidence that applications for some awards lacked required documentation or omitted historical data.

It was further harmed by the disclosure that an attorney in the firm headed by Phil Norcross had played a key role in drafting the legislation authorizing the incentive program and that he had inserted language favorable to their business allies.

Titans locked in bruising battle

Norcross, the political power, unleashed stunningly harsh attacks on the governor, culminating in a threat to support a primary election challenge to Murphy in 2021.

Murphy, while not responding directly, continually pointed to the task-force findings as an example of the old-school style of politics in which a favored few received benefits by virtue of their clout and their ability to deliver campaign support, both financial and organizational.

Those days and those practices are things of the past, according to Murphy, and will be tolerated no longer.

He has skillfully positioned himself on the side of a fair, open and transparent government in which integrity is the guiding principle. Implicit in his argument is that Norcross and his allies represent the bossism principle in which government is utilized as a tool to reward private interests.

Despite the questions raised by the task-force findings, the Legislature approved an extension of the program without changes, providing Murphy another opportunity to reiterate his political-favoritism argument and threaten to veto the legislation, an act that – unless overridden – would end the grant programs altogether. The EDA would remain intact as an agency.

Rift with Sweeney is another factor

The conflict puts Murphy at odds yet again with Senate President Steve Sweeney (D-Gloucester), a long-time friend of George Norcross. The relationship between the governor and the senator, while never particularly warm, has fallen into subzero territory, driven there by highly public clashes over budget issues and public-employee pension and benefits reforms in particular.

The EDA scandal is another issue which will deepen the divide between the two, suggesting that the next two years will be ones in which intra-party conflict will crowd out legislative accomplishment.

The task force remains active and is likely to uncover additional instances of questionable conduct by the EDA, keeping Norcross at the center of the controversy and providing the governor with additional reinforcement for ending the incentive system as currently constituted and replacing it with one with a high degree of oversight and accountability.

Should Murphy make good on his threat to veto extending the awards programs, Sweeney will face a politically fraught decision of whether to attempt an override whose outcome is by no means certain.

Sweeney may be reluctant to open the way for a full-throated debate over the task-force findings, not to mention a public airing of the involvement of the Norcross brothers.

While Murphy has endured some high-profile setbacks and scathing criticism of his political inexperience and naivete, he is breathing the refreshing air that floats above the high moral ground, a place he's finding is comfortable, indeed.

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