

Realty Data Systems LLC  
129 Apple Street  
Tinton Falls, NJ 07724  
Tel: 732.276.1057  
Fax: 732.276.1056  
[www.rdsnj.com](http://www.rdsnj.com)



Serving New Jersey Municipalities

FOR RELEASE:  
October 13, 2015

CONTACT:  
Michael Panter  
(732) 276-1057  
mpanter@rdsnj.com

**RDS RESPONDS TO FALSE AND DEFAMATORY STATEMENTS  
DISTRIBUTED BY COUNTY POLITICAL CANDIDATE**

*John Curley Misuses Public Resources for Campaign; Subjects Taxpayers to Liability*

(TINTON FALLS, NJ) – Realty Data Systems (RDS), a private company engaged in municipal property inspections and software licensing, issued a statement today regarding a series of false and defamatory statements distributed by Monmouth County Freeholder candidate John Curley.

RDS has been awarded contracts for property inspections under the NJ Assessment Demonstration Program (the ADP), all pursuant to publicly-advertised and competitively bid “requests for proposals” at the municipal level.

“We have been the lowest bidder in every contract we’ve earned and are proud of the taxpayer savings that have resulted” said Michael Panter, a managing partner of RDS, adding that RDS has lost each bid process in which a competitor’s bid was lower. “In comes cases, we were more than 50% below the next highest bid.”

The ADP is one of the first programs in New Jersey’s history to result in widespread property tax decreases, with one-third of Monmouth County taxpayers lowering their tax bills. On a county-wide basis, the average annual tax increase was only \$124, which is 30% below the statewide average for 2014. In reality, Monmouth’s tax increase was even lower, since the \$124 average increase included 1000s of temporary Hurricane Sandy abatements being eliminated.

“Several weeks ago, John Curley claimed to receive an anonymous, mud-slinging letter critical of the ADP” said Panter. “This letter contained numerous false and defamatory statements about our company and private individuals, including wholly inaccurate statements regarding the ADP.”

The statements made in the letter are patently false as a matter of public record, and have subjected its author and those distributing it to liability under New Jersey law. Further, certain of those “anonymous” parties have been uncovered as public officials - at least

one of whom has confirmed that he destroyed public records disclosing their actions, in violation of the NJ Open Public Record Act.

“Rather than performing any research on the ADP or our company, John Curley sought immediate publicity” said Panter. “While we’re always happy to answer any questions, he instead contacted the media, and ordered his campaign to generate a campaign mailing.” Curly is running for re-election on November 3, 2015.

“This is reckless behavior for an elected official, and subjects Monmouth taxpayers to liability for his acts if he used his public office” said Panter. “New Jersey law is clear that distributing false information of this type creates personally liability for defamation” said Panter. “It is equally irresponsible for a public official to ask the taxpayer-funded prosecutor’s office to help him gain campaign attention.”

Curley asked the Monmouth County Prosecutor’s office to investigate the letter, and within days had his campaign issue a political mailing touting his actions.

“RDS has fully cooperated with the prosecutor’s office in complete transparency, but we never got a call from Mr. Curley” said Panter.

“Had John Curley spent just minutes reading the public records, he would see these facts are plain as day” said Panter. “Instead he chose publicity by promoting a conspiracy theory lacking any evidence, which is clearly refuted by the facts.”

The statements promoted by Curley include the claim that RDS’ success is because they have a partner who previously worked for Monmouth County. “This lacks all credibility, and shows that Curley has no understanding of his own County’s program” said Panter, adding that “the County plays no role whatsoever in the award of ADP contracts”.

“Those opposed to the ADP include tax appeal attorneys and revaluation firms which stand to lose millions in taxpayer funds” said Panter. “Sadly, an elected official is now promoting those efforts for publicity, against the taxpayers he’s sworn to represent.”

RDS has not reached a decision on whether legal action will be taken against Curley for defamation, but he has been served with a cease and desist demand clarifying his liability.

“We have full faith in the professionalism of the Monmouth County Prosecutor’s office, and look forward to a swift conclusion to this matter” said Panter. “We are calling on Mr. Curley to personally reimburse Monmouth’s taxpayers for the time and expense his politically-motivated call for an investigation has required.”

“Our firm is completely non-political, and one of the few that makes no campaign contributions” said Panter. “Having a politician drag a private company and its employees into his campaign sandbox, just before an election, is unacceptable.”

**The following pages present the facts concerning the media coverage that followed Curley’s distribution of false information.**

Statements in bold are taken directly from an APP article dated October 12, 2015, followed by the facts pertaining to each.

**The article states that the average Monmouth County taxpayer experienced a \$124 annual tax increase.**

FACT: The average statewide tax increase in New Jersey was \$176 in 2014. In reality, Monmouth's tax increase was even lower, since the \$124 average increase included 1000s of temporary Hurricane Sandy abatements being eliminated.

**Citing individual homeowner tax increases:**

**(1) A Manalapan resident who experienced a tax increase.**

FACT: The homeowner cited had his assessment increase to \$170k. While RDS plays no role in setting assessments, the identical unit attached to this resident's home sold for \$172k in 2014.

**(2) A Middletown resident who experienced a tax increase.**

FACT: The homeowner cited had his assessment increase to \$473k. While RDS plays no role in setting assessments, this property is assessed only 26% higher than the value paid for the neighboring home in 2014 (also built in the same year). However, his/her home is 67% larger than that property.

**RDS is "run by a now-former county tax commissioner who helped create the program."**

**"At the forefront of (the) ADP's collective birth was county board commissioner Daniel M. Kelly."**

FACT: Dan Kelly is a former tax commissioner who was one of 14 personnel hired by RDS in the year following his departure from the Tax Board. All of these personnel have roughly equal salaries. While we value the work of all employees, Dan is a minority partner in a firm run by Neil Rubenstein and Michael Panter. Any claim to the contrary is simply false. If Dan was promoted to the head of the company, nobody informed the company of this fact.

FACT: Dan Kelly was one of approximately 163 elected and appointed officials at all levels of government who voted unanimously to implement the ADP, and was no more at the "forefront" of its adoption than any of its many supporters. Further, when Dan voted in favor of the ADP, he had already interviewed for a permanent position in Monmouth County. He only began work in the field months after the Governor did not re-appoint him to the Board, and the position he sought was filled.

**RDS "won contracts ... through a complex web of personal and business relationships, and clauses in bid requirements that stymied competition."**

FACT: This statement fails to mention the most important fact concerning the ADP: every contract is subject to public advertisement and competitive bids at the municipal level of government. RDS has not been awarded a single contract in which it was not the

lowest bidder. Alternatively, it has lost every contract in which it was not the lowest bidder. There is no factor in which some undefined “personal relationships” have any bearing on the public bid process.

**“Taxpayers .. are now paying millions of dollars to implement the program across 48 towns.”**

FACT: due to the competitive nature of the public bid process, taxpayers are paying an average of \$21 per property inspection under the ADP. Prior to the ADP, taxpayers paid an average of \$70 per property inspection under the traditional model. For that reason, revaluation companies are opposed to the ADP and many have focused their bids in more lucrative areas of NJ that have not yet implemented the program.

**RDS is “the company receiving much of the revaluation business related to the ADP” and “has won the majority of the inspection contracts under the ADP.”**

FACT: While RDS has the largest market share under the ADP, as mentioned above, it has been the lowest bidder in every contract it has been awarded. In some cases, RDS’ bids have been less than half that of competing bids – savings taxpayers millions of dollars vs our competitors, and traditional pricing under the old assessment model. **Realty Appraisal Company “has won all but two of the revaluation contracts required under (the) ADP” and “In Monmouth County, just one company has 17 of the 19 revaluation contracts now in force – Realty Appraisal Co., of West New York.”**

FACT: Realty Appraisal is an affiliate of RDS in that two of its partners are also partners in RDS. The revaluation business is highly regionalized, and Realty’s business has been focused on Monmouth County since the 1950s. All of its contracts are also subject to publicly-advertised, competitive bid processes at the municipal level. There is a similar market presence by other revaluation vendors in their respective counties of focus.

Because the ADP permanently eliminates revaluations following the final project in each municipality, its implementation in Monmouth County strikes at the heart of Realty’s longstanding business.

**“Because of the ADP, taxpayers have to appeal every year if they want to fight back against unfair assessments.”**

FACT: Prior to the ADP, homeowners were forced to file appeals when their assessments were not consistent with market value. This created an enormous taxpayer expense and resulted in millions of dollars in legal fees – including a cottage industry for appeal attorneys who are now fighting against the ADP. The ADP gives towns the ability to adjust property assessments annually to reflect changes in the market for the first time, so that fewer appeals and taxpayer legal fees will be necessary in the future.

**“(RDS) won jobs from 21 Monmouth municipalities undergoing ADP reassessments, totaling \$2.5 million from February 2013 to March 2014.”**

FACT: The first public bid process was not opened until Sept/Oct of 2013. While RDS was successful as the lowest bidder in each case of a successful award, the dollar value above is not only inflated by approximately 40%, but it includes multiple years of future inspection work. RDS' gross revenues in 2014 were approximately 17% of the dollar value stated.

**“If (Kelly) had influence in creating the program, it could raise questions about his company’s role in the ADP” according to a Seton Hall professor**

FACT: Dan Kelly is in full compliance with all ethics provisions regarding his position at RDS. He joined RDS after his part-time county service had concluded, and his hiring has been disclosed in all public records since his first day of employment.

The NJ Ethics Commission’s published guidance, as well as their decisions, make it clear that a prohibition applies to former officials working in the private sector on specific cases, proceedings and pending matters which they also worked on during their government service.

If there was a specific appeal case or application before the Tax Board which Dan was involved with, he could not join a private firm to work on the same matter. Similarly, he could not work on a public bid contract that he also worked on during his government service.

RDS does no work on any case, proceeding or bid process that Dan was involved with in government service. In addition, all of RDS’ work is on the municipal level, via public/competitive bid processes, and none of it is awarded by the county government in which Dan served.

**“How did (RDS) gain business? Two clauses in the boilerplate contracts drafted by the county tax office ... prompted allegations of favoritism by competitors: The winning contractor must have an office within Monmouth County, and that only one type of software, MicroSystems, must be used.”**

**“Monmouth County’s bid specifications for MicroSystems (software) made Vital ineligible to bid on any work” said Vital Communications**

FACT: ADP requirements are based on long-standing state regulations governing revaluations, which require bidders to have offices in the same municipalities in which they seek to work. This was not a requirement devised by Monmouth County.

By relaxing this standard to only require an office in the same county, the ADP provides an easier requirement (not a harder one) on all bidders – ultimately allowing them to have a single office, and to bid more competitively as a result.

FACT: Every county in New Jersey requires vendors to use the same software as is being currently used by the municipalities in which they seek to work. Monmouth County has been using Microsystems software for organizing municipal property data for nearly 20 years. Other counties use Vital software, and every vendor must use the same software as those which towns already have in place.

The critique in the article is by Vital itself, who not only does inspections, but also sells the software used by municipalities – meaning that they can effectively hamper competitors from bidding for inspection work who do not use their own system.

**Manasquan eliminated the requirement that a company have a local office “to increase the competitiveness of the contract.”**

FACT: By doing so, Manasquan lowered the long-standing state standard to require that vendors operate from a local office. The only bidder who did not have an office in Monmouth County was subsequently awarded Manasquan’s contract, and offered free office space paid for by Manasquan taxpayers.

Public records also suggest that Manasquan was seeking to hire this vendor even before their “competitive” bid process, since internal emails make repeated derogatory remarks regarding Realty Appraisal, while promoting the work of their competitor who benefitted from Manasquan’s offer of free office space.

RDS funds its own local office, without any taxpayer funding.

**“(the ADP) raised the property tax payments for two-thirds of homeowners, for an average of \$506 per home.”**

FACT: One-third of Monmouth County homeowners experienced tax decreases – an accomplishment never achieved in the history of New Jersey. As stated above, the average county-wide tax increase was also well below the state average.

**The article cites a town that expressed concern with a low interior inspection rate following RDS’ work.**

FACT: Freehold Township was the first to implement the ADP, and RDS achieved a 100% exterior inspection rate (from which much of the data is collected), and achieved just under 50% for interior inspections. A large number of properties in Freehold which refused interior inspections were owned by a single corporation.

RDS has consistently achieved a higher interior inspection rate in 2015 as homeowners have become more aware of the ADP.

All homeowners are offered personalized appointments for interior inspections and left detailed instructions for making appointments, but RDS has no control over homeowner authorization for an interior inspection.