

## **George Zoffinger Interview** (October 13, 2016)

*Edited by: Kristoffer Shields*

**Rick Sinding:** Hello, I'm Rick Sinding. It's Thursday, October 13, 2016, here at the Eagleton Institute of Politics on the campus of Rutgers University. With me today for the Center on the American Governor is George Zoffinger who served as the commissioner of the department of commerce and economic development in the administration of Governor Jim Florio and later as the president and CEO of the Sports and Exposition Authority in the administrations of Jim McGreevey and Jon Corzine. George, welcome to Eagleton.

**George Zoffinger:** Thanks for having me.

**Rick Sinding:** Let's start with your background. I know that you grew up in Long Island?

**George Zoffinger:** I did.

**Rick Sinding:** You went to Penn State, which we at Rutgers won't hold against you, and went into the banking field. So tell us a little bit about how you wound up as an international banker.

**George Zoffinger:** Yes, from Penn State I went into the training program at Irving Trust Company in New York and spent a couple of years there and then got an opportunity to come out to the National State Bank which was in—the First National State Bank actually—which was in Newark, in the international department. I had been doing a lot of international trade financing in New York with Irving. After about five years I had an opportunity to go into the Asian division of the First National State Bank, which was in its infancy in terms of international finance. So I traveled Asia for six or seven years, did a couple of very interesting things in Asia including the liquidation of the Allied Bank International which is a consortium bank owned in part by Fidelity Bank which was by this time acquired by First National State and then of course you know, with all the machinations of the banking business, that eventually became First Fidelity. And I was asked after a number of years in the Asian division to go over and head the London branch. There were a lot of difficulties in the banking business during that period and I got the opportunity to head all of International out of London for First Fidelity, but that was after some real turmoil with the financial crisis back in the 1988 to, really, 1991 era.

**Rick Sinding:** Now, this is not exactly the kind of resume that usually precedes someone who comes into New Jersey State government and politics. How did you wind up as the commissioner of commerce and economic development in Jim Florio's administration?

**George Zoffinger:** Well, Jim was very much involved with a committee in Congress when he was a congressman that had to do with competitiveness of U.S. industries, particularly as they related to competitiveness overseas. So I had had an opportunity on a number of occasions to work with him through Jersey companies and with the banking business to try to promote New Jersey trade and promote businesses in their endeavors to finance things internationally. So I was in London at the time that Jim got elected. I had been coming back and forth a couple of times to help with some outreach to businesspeople that I knew in the state during the campaign.

**Rick Sinding:** And you did this because you and he had formed a friendship?

**George Zoffinger:** A relationship, yes. I mean, I consider Jim one of my closest friends now having worked with him for those years and afterward actually. So I would say that we at the time, we knew each other pretty well. He knew what I was doing and what my background was and at the time, as I said, I was in London, he got elected and I got a call one day and he said, "Would you consider...." And I forgot he even called me. Somebody on the staff called me.

**Rick Sinding:** It must have been during the transition?

**George Zoffinger:** Yes, during the transition. "Would you consider being banking commissioner?" I said, "You have no idea who you're asking to do that. I am not a regulator type guy. I'm strictly a capitalist," and—anyway, we'll leave it at that.

**Rick Sinding:** So you turned down the banking job?

**George Zoffinger:** I said, "No," but I said, "You know, one thing I would be interested in is commerce," because I knew the previous commerce commissioner. He was a decent man.

**Rick Sinding:** Was that Gil Medina?

**George Zoffinger:** No, he came after me [ed: Borden Putnam served as commerce commissioner before George Zoffinger]. So, then I got a call from, of all people, Alvin Rockoff who you know is a former chairman at Rutgers. Alvin was the head of a group called the New Jersey Israel Foundation, which was trying to promote trade with Israel and it so happened that I was doing quite a bit of financing. This was during our embargo and we got around that when we were shipping oranges from Tel Aviv to the Arab countries and we were doing a lot of different types of financing and he said that he was very interested in getting my help with regard to that. I found out later it was because somebody had told him that they were going to offer me the commerce job, which at the time I didn't know. But anyway Alvin and I had hit it off extremely well and it kind of circled back

later in life actually. So I got a call, I guess when I was in London, "Could you come back and meet with the governor?"

**Rick Sinding:** The governor elect?

**George Zoffinger:** The governor elect as it was, I'm sorry, the governor elect. He said, "Would you like to head the commerce department," and I said, "That'd be great." And so I actually moved back—my family stayed in London. I had a very good relationship with the new head at First Fidelity, a fellow by the name of Terracciano, Tony Terracciano, and he said to me, "Yes, definitely go and do that and you know, in a couple years if you want to come back, you can come back." So it was a very amicable thing and I did it basically because I thought it would be good for my career because I was very young at the time. I was 40 years old. I consider that very young today, right. And you know, I figured I'd meet a lot of business people, which I did, and it turned up to have good opportunities later on.

**Rick Sinding:** I did see you quoted in one story as saying, "If something isn't fun, I don't want to do it."

**George Zoffinger:** Exactly.

**Rick Sinding:** Did you look at this as something that would be fun?

**George Zoffinger:** Yes, you know, when Jim was first—obviously everybody had all this great feeling of being able to accomplish things and being able to do things that were good for the state. Jim always made that a priority in terms of what was best for the state and for the people of the state. So it was—I was enthusiastic about it. It was a great opportunity and it changed me and my wife's life, frankly.

**Rick Sinding:** Had you been involved at all in any party politics before this?

**George Zoffinger:** Oh yes, I was the mayor of a small town in Sussex County called Byram Township, home of Wild West City, which goes back a long time ago. I was very young. I got involved in that completely by accident.

**Rick Sinding:** That's a very Republican area, isn't it?

**George Zoffinger:** And I was a Democrat and got elected as a Democrat, and the only reason I ran was because when my wife and I were—I don't know if this will all be interesting to you, but when my wife and I were first married, we had no money. We borrowed everything we could to buy our house in Sussex County, which is way out there, and I was commuting to New York with the Irving Trust Company, and we moved into our house. The building inspector shows up the next day and says, "Well you have to do this, this and this." One of the things was railings on a stoop that we had, and I said, "Well why didn't you make the builder do that before we

got here?" We found out later that it was a pretty ongoing thing in the town, that the builders were in cahoots with the town. So I ran as an anti-establishment candidate, which would probably work well today, and got elected as mayor.

**Rick Sinding:** And much to your dismay, you ended up getting elected?

**George Zoffinger:** Exactly and so then I had to answer all the questions about, you know, the drainage down my road, I have all these things, right, and I did that for two terms.

**Rick Sinding:** And how long was the term, is it two years, three years?

**George Zoffinger:** Three-year terms. Yes, two three-year terms.

**Rick Sinding:** So six years altogether you served as the mayor?

**George Zoffinger:** Yes.

**Rick Sinding:** Well then you had some experience, clearly, dealing with local politics. Did you get involved in anything beyond the local level?

**George Zoffinger:** You know what, I worked—I was the Democratic county chair in Sussex County for a couple of years. That was when Bob Roe was running for governor back in... '70-something, right?

**Rick Sinding:** He ran a couple of times. Well, actually he and Florio both ran, I guess in the '81 primary, but I don't think Roe ran again in '85 or '89.

**George Zoffinger:** So I was involved during that and during that period I also met and established a good friendship with both Jim and with Bill Bradley, too. I ended up for a couple of weeks going out to Iowa for Bradley when he ran for president. So I've been involved in politics on and off but my love has always been in the capitalist system and business.

**Rick Sinding:** Okay, so you bring this background. We have to find out a little bit more about your political background, which I had not known before, that you come to Trenton after living in London for five years. That must've been quite an interesting transition. Tell me about the Department of Commerce and you can tell us about the Department of Commerce and Economic Development. One of the questions that I guess a lot of people have always had is that there seems to be this sort of amorphousness in Trenton about who's in charge of economic development. There's the Department of Commerce and Economic Development, there's the Economic Development Authority. I know during the Florio administration there were all kinds of economic development initiatives coming out of the department of the treasury. Other ones coming out of the department of

labor, then there are a whole bunch of different administrations or authorities that give money to various kinds of programs. How does this all fit together and how did you approach this in your commissionership?

**George Zoffinger:** Well, it was a tough transition for a businessperson to go into the government, frankly, and try to run it as a business. I mean, I was—I had worldwide responsibility at First Fidelity. I was living in London. I had a huge operation there and it was an eye opener to go in because I—I'll never forget it, the first week I was there, I get to the office at seven o'clock in the morning and nobody else is there, obviously, and I would go around with sticky notes and put them on people's desks, "Come and see me when you come in." Some people didn't get in until ten o'clock. I mean, it was, you know.

**Rick Sinding:** Well, it's not a large department. It never has been a particularly large department.

**George Zoffinger:** Well, back in those days you had the Small Business Administration, you had the EDA—you had a lot of people there—the International Trade Commission. You had a lot of different things.

**Rick Sinding:** Were these people on staff at Commerce and Economic Development or were they separate entities?

**George Zoffinger:** No they were—well, they were separate entities that reported up to the commissioner of commerce, right. So I immediately, obviously, took a big interest in the EDA, the Economic Development Authority, because, you know, it was—I won't say languishing, I would say that it was...fraught with good opportunity. If you could find a way to introduce some creative financing to help businesses in the state expand or stay and I really made it my—the major part of my initiative was to concentrate on that. I hired somebody that had a good background in international trade to do the International Trade Commission portion and I had a wonderful, wonderful woman who was part of the previous administration who stayed on for a while with me by the name of Debbie Aguilera-Velez who headed the Small Business Administration part of it. So we had a good mix of some new people as well as some people that were there for a long time that I think were motivated by the change in administration and the enthusiasm that was brought to that. So we did pretty well in terms of at least organizing the place and then reorganizing the EDA. I brought in Tony Coscia to be head of the EDA and even those things—it was kind of funny because I knew Tony for a couple of years. He was a very young guy at the time. I knew him for a couple of years from my banking business. He was a lawyer, I was a banker and I remember going through the process of trying to get Tony hired. You know, there's bureaucracy as well as an enthusiasm and a desire to do well, so it was fun. It was a lot of fun actually.

**Rick Sinding:** Give us some examples of projects that you worked on during the early days of the administration.

**George Zoffinger:** In the early days, we completely restructured how the EDA financed projects, what kind of incentives they gave and what kind of reward the state got in terms of employment and economic investment from the money that we were spending. So we worked on a number of things around the state. Camden—we had some initiatives in Camden, which was close to Jim's heart because he was from that part of the state, and I think we did a good job of basically making people feel as if the state could help them when it came to commerce. Now that entailed a lot of things, including a constant fight with the Environmental Protection Department, which was kind of interesting and was not something that I was used to at all, because we would have projects that we thought were good projects that maybe they thought had issues and it ended up at times being something where you really had to work hard at the cooperation and that was the key thing.

**Rick Sinding:** Can you think of any particular projects off the top of your head that fell into that category?

**George Zoffinger:** Well the biggest one was the Ford plant in Edison. That was the biggest one and we were very successful in getting them to retool and to build trucks, because it was during that era when the small pickup truck became a lot more popular than even the family car in many instances. So they retooled and that was probably one of the biggest things that we worked on. There were probably a whole load of others that I don't remember, frankly, but we did a lot of good work I thought.

**Rick Sinding:** One of the—I don't want to call it a necessarily a complaint—one of the controversies about economic development programs is the question of whether the competition between the states is what drives states to provide tax incentives and tax relief and other enticements to businesses, or whether businesses effectively extort the states by playing them off against each other. From your experience, how much is it state versus state and how much of it is corporate?

**George Zoffinger:** Look, that was one of the biggest rubs that I always had. You know, we had some advantages in New Jersey but we still really depended upon New York and Philadelphia as the main metropolises and we had to recognize that. So I tried to have good relationships with the economic development officer in the city and as well as the people in Pennsylvania and I always thought that that was important. But at the same time, if we could get a good business by giving an incentive, we did it.

**Rick Sinding:** But you're often competing from the other side with South Carolina looking to take a business from New Jersey?

**George Zoffinger:** No question. That's become more prevalent today, I think, frankly, than it was back in the late '80s, early '90s. Because don't forget, we get into that period of—we're just coming out of recession and there were people that were just trying to make their businesses profitable. So if you look at it, I always thought that it was foolish of us to go head to head with other states just on the basis of the money that we had to give to businesses because they were smart, the businesses. They knew that they could play one off against the other and by doing that they could get more incentives. And I see today, although I'm not particularly involved because I try to not look back on things, but I see today where we're giving incentives and I'm not sure we're getting the benefit that we could get. But that's somebody else's issue today.

**Rick Sinding:** Now is this the same philosophy that you employed when you were there?

**George Zoffinger:** We tried. Yes, we tried, but at the same time I don't want to kid you, we did try to attract businesses here and the fact that the waterfront was developing so quickly was a good thing for New Jersey. A lot of financial institutions were moving their back office facilities over to Jersey City and that area.

**Rick Sinding:** The Gold Coast as it's now referred to?

**George Zoffinger:** Exactly, and at that time that was something that we did provide incentives for and we did try to—but it almost sold itself because New York—it's great, but it's expensive. And over on the Jersey City side you could bring your back office for far less cost than New York, so.

**Rick Sinding:** Now the first six months of the Florio administration were full of actions but very controversial: the auto insurance reform which wasn't especially controversial, the assault weapons ban, which was. Then the Quality Education Act, tax increases, both in the sales tax and in the income tax, and there was a significant tax revolt that took place after those six months. What was it like in commerce? What was the response? We know the sort of the grassroots response that played out in the streets of Trenton with protests and so forth, but what was the response like in the business community? What kind of feedback were you getting from businesses?

**George Zoffinger:** It was incredible. I mean, I look back on that time—I always said that I really built a lot of character telling businesspeople how good taxes were for them. <laughs> But you know, I'm being a little facetious but at the end of the day, you know, I can remember going to the business roundtable with the 25

largest CEOs in the state, and thinking that—well, you know, of course at the time we actually reduced the business tax and increased the income tax. I heard a real earful from each one of those CEOs saying, "You're increasing my taxes. Forget about my company, you're increasing my taxes," so that was an eye opener for me. But you know, having said that, if you look back on it now so many years later, I think Jim is the last governor to actually do the right thing. To actually pay the bills when they're due, and no businessperson would ever object to paying your bills when they were due. So I think he took a lot of—there was a lot of angst, you know; 101.5 was the radio station that had the best economic incentive, I think, to keep up the battle but you know I made a good friend there. Jim Gearhart, who was on in the morning there, became a good friend of mine for many years. I know he's retired now but Jim Gearhart was a very reasonable guy if you went and talked to him and I always—in hindsight I look back on those years and I said, you know, if only people had been more engaging with explaining what the position was, I think that the backlash would not have been as great as it turned out to be.

**Rick Sinding:** Well my recollection is that you actually went on the air rather frequently?

**George Zoffinger:** I did. And you know, we became good friends because I didn't go in and say—I didn't apologize for anything. I said, "Look, if this is the reason that we're doing it, you may not agree with it, but people—government should pay their bills the same way that every family has to pay their bills, by keeping them current." In New Jersey, the answer since Jim's administration has been to not make pension payments, to borrow money, and you take a look at the condition of the state today economically—you mentioned South Carolina and businesses leaving. You have a lot more of that today I think than we did back then. In those days, I think businesses were coming to New Jersey, whereas today I think the high cost and the uncertainty of the economic situation would be inhibitors to that frankly.

**Rick Sinding:** Going out and defending the administration, did you feel as though you were defending something that you staunchly believed in? Did you feel as though there were things that if you had been in the governor's office as opposed to down the street at an agency, that you would've advised the governor to do differently in terms of how this whole package was rolled out?

**George Zoffinger:** The answer is, I think, yes. I mean, you never know what you would do if you're right in the heat of the battle of that. I mean, I was on the periphery. I was trying to justify the tax increases. I was trying to justify the fact that we have to pay bills as we go, whereas if you're in the heat of the battle, maybe you don't. I think the biggest mistake was on the communication side. I think that it could've been communicated more. I'll give you a good example. I was from Sussex County—I told you I was the mayor. We weren't living there anymore

because when we moved back from London we moved to Lawrenceville, but we used to go back to see friends a lot. And I remember going to a picnic one time and having a whole load of my friends basically lambaste me. You know, saying, "What are you doing," and all this stuff. I can say pretty categorically that the impact of the income tax increase that was put through at that time had very little impact on them individually. I mean, it didn't kick in until after you had 75,000 dollars in income and—I mean, people like to think that they were making 75,000 dollars up there but they weren't.

**Rick Sinding:** But it was the seven percent that they were paying on toilet paper?

**George Zoffinger:** Yes, the toilet paper was—it's just silly, you know what I mean? You know, when you're trying to—in any crisis, and I've done a lot of crisis management because I'm in the turnaround business today. In any crisis you have to make sure that you don't give people a point that you can't defend that becomes a rallying point, right? You have to manage that. And I think it's very difficult to say that this was mismanaged, but I think it was undermanaged for sure. You could have been a little bit more—do a little bit more outreach because human nature being what it is, if somebody meets you face to face and you explain what you're thinking of doing and they think you're a reasonable person with a reasonable argument, they're not going to go out and say, "Oh, you're a scoundrel for raising my toilet paper tax." They're not going to do that.

...

**Rick Sinding:** But it sounds as though it was pretty tough sledding with the business community in the aftermath?

**George Zoffinger:** No, I'm looking at data and by the way—you know, the one thing that I didn't enjoy about it was that I thought that Jim was doing what was right. It was hard to explain it because of the constant noise that—the toilet paper tax and you know, that kind of thing. I thought he was doing what was right and it really—I won't say hurt me, but it made me feel bad that he was getting abused when I think that he really was doing what he thought was the right thing to do. And I think that's his character. I think he is a policy guy. I think that he really believed that what he was doing was the right thing to do and I think in hindsight—people might not agree with this—but in hindsight, I think he's the last governor that has paid his bills when they were due, and I admire that, frankly. I admire it a lot.

**Rick Sinding:** Going back to your quote that "I don't want to do something if it isn't fun." Was the reason that you left the administration at the end of the first two years because it wasn't fun anymore?

**George Zoffinger:** You know what, I wouldn't say it wasn't fun. We'll go a complete circle here with Alvin Rockoff. Alvin Rockoff was on the board of the New Brunswick Savings Bank and the New Brunswick Savings Bank had been taken over by the National State Bank of Elizabeth. And the turmoil hit the fan where banks were really in trouble and Alvin told me his investment in the New Brunswick Savings Bank since the merger was the worst investment he's ever made and he said, "But we're looking for a new CEO, would you be interested?" And I said, "Well, that's a real opportunity."

**Rick Sinding:** And he didn't just actually happen to catch you just at the right time, is that the—

**George Zoffinger:** Exactly right.

**Rick Sinding:** Had you intended to stay on for more years?

**George Zoffinger:** Yes, I would've stayed on. I definitely would've stayed on but you know, it was right at the period—if you look at it in '89, '91—I guess it was '91, where banks were getting closed. Howard Savings Bank was getting closed, Constellation was on the closure list, and they needed somebody with a background in turnarounds, which I had because I did a lot of loan collecting activity and restructurings when I was at First Fidelity. So they—a couple of banks in New Jersey were looking for new CEOs and Alvin convinced me that this could be right. It was the Kean Family Bank. It was the Republican administration, in Washington. Nick Brady, I think was the treasury secretary and I said, "They're never going to close the Kean Family Bank." Well, they almost did. <laughs> They almost did. But we got lucky, you know. We got very lucky because the OCC closed. The FDIC closed the Howard Savings Bank and couldn't take on anymore for a couple of months and in that couple of months we were fortunate enough to raise some capital and where I met another very good friend of mine, Michael Price, who was a big investor out of Short Hills and helped me do the investment and we turned the bank around and sold it to CoreStates three years later.

**Rick Sinding:** And at that point you became rather deeply involved in New Brunswick?

**George Zoffinger:** Yes, Ralph Larsen, the former Chairman of J&J said to me, "Would you kind of take over this Devco [New Brunswick Development Corporation] and try to get it revitalized," because it was in a hiatus. Chris Foglio ran it for a number of years and she had left, was at HFMA under—

**Rick Sinding:** Housing and Mortgage Financing Agency.

**George Zoffinger:** Yes, right. So she had left and there was like a two or three year hiatus in there when not much was going on. Ralph Larsen from J&J said we needed to revitalize it, asked me if I would do it, and I said, "Sure, if you give me the continuing support of J&J, I'd be pleased to do that." I hired Chris Paladino.

**Rick Sinding:** And he's still there.

**George Zoffinger:** He's still there. Tony Coscia was our lawyer, so it was our team together. A matter of fact, it's kind of interesting because when Jim first got out of Drumthwacket—

**Rick Sinding:** Two years later.

**George Zoffinger:** —he actually set up an office in our building with us. And so we were all kind of like it was Democrats in exile at the time, but it was back to really being fun, we had a good time. The bank was doing well, New Brunswick was doing well, so everything was kind of good during that period and we did the World Cup, which—

**Rick Sinding:** We'll get to that in a minute.

**George Zoffinger:** Yes, that was the best thing I ever did—not me—but the most fun I ever had.

**Rick Sinding:** I understand. The second two years of the Florio administration, when he and the folks in Trenton were dealing with a veto proof Republican majority—there was a real change in the atmosphere in Trenton. Interestingly, a number of the people that we've spoken to for this archive have said that in some respects that was among the more productive eras in Trenton, particularly in terms of economic development, that the Atlantic City Convention Center, a number of projects in Camden and elsewhere came about because of the fact that there was now a combination of a Republican legislature and a Democratic governor who found a way to work together to that end. What were you doing—I mean you were here in New Brunswick running this bank and getting Devco off the ground and so forth. Were you part of any kind of a sort of an outside kitchen cabinet to Florio? Did you still have a relationship with the front office? What did you do for those two years?

**George Zoffinger:** Well, they all knew me. I was friends with all of them, but I was working 70 hours a week at the bank, so I didn't have a lot of time to do much else frankly. But it was a productive period, you're absolutely right, and I think again, things settled down a little bit, so you didn't have the constant battles publicly.

**Rick Sinding:** The economy also got better.

**George Zoffinger:** That's the reason that the bank was doing better. The economy got better. People that had what were bad loans all of a sudden were mediocre loans and you had something that you could put your hands on to help the bank, in essence.

**Rick Sinding:** Okay, now, you and Jim Florio went out to dinner at a Portuguese restaurant in Newark.

**George Zoffinger:** We did.

**Rick Sinding:** You tell the story.

**George Zoffinger:** It's a great story. It's really a great story. Because you know Jim, the Portuguese Day parade, right? When I lived in London, my kids who were NFL and Major League Baseball fans immediately became Premier League fans, so they knew the game of soccer. And I took them to the World Cup before. In 1990 before I came back, I took them to the World Cup in Italy and so they really were fanatics about it. And I saw firsthand in Italy this World Cup thing, it's crazy—the whole city stops when the teams are playing.

**Rick Sinding:** Even if it's not in the World Cup.

**George Zoffinger:** Right. So we're at the Portuguese Day Parade, Jim and I and Frank Lautenberg—Frank Lautenberg was with us—and we stopped in at Tony Seabra's place down in the Ironbound and the game was on. I don't even think it was an important game. I think it was probably one of the lesser teams.

**Rick Sinding:** A friendly or something like that?

**George Zoffinger:** No, it was a World Cup game.

**Rick Sinding:** Oh, it was a World Cup game.

**George Zoffinger:** It was a World Cup game, but I don't think it was one of the big ones. So Jim says, "Well, you know, what's that?" I said, "That's what we should have in our state." And at the time, if you remember, there was a lot of controversy about British fans going and rioting and the British louts I think they used to call them, or something like that. So I said, "We got to get this." So I said, "You all right with that?" And he gave me one of these, <inaudible gesture>.

**Rick Sinding:** Now, he's still governor?

**George Zoffinger:** Yes, he was still governor.

**Rick Sinding:** Okay.

**George Zoffinger:** He said, "Yes, go ahead, do it." So we put it together.

**Rick Sinding:** Now what's the timing on this?

**George Zoffinger:** So this was—I was still at commerce.

**Rick Sinding:** This is 1990, okay.

**George Zoffinger:** Yes, I was still at commerce. So we worked for two years and at the time, as I said, the sports authority didn't want to have them in the stadium because they had all these things about riots and everything else. I said, "Don't worry." As it turned out, England didn't even make the World Cup that year, right?

**Rick Sinding:** Well even if they had, I mean you could—

**George Zoffinger:** It's much different, much different.

**Rick Sinding:** But you could still end up saying, "Listen, we want the Ireland-Italy game," which is what you ended up getting.

**George Zoffinger:** Which is what we got.

**Rick Sinding:** So I mean wouldn't the host country be able to say, "Listen, we want this game to be here, that game to be there?"

**George Zoffinger:** No, that's not the way it works, it was all done by a draw.

**Rick Sinding:** Oh, I see.

**George Zoffinger:** FIFA was—it still is probably, even though they've got their problems lately. But anyway, so Jim said, "Okay." And we ended up putting a bid together. We ended up getting seven games and I'll tell you, it was the most fun I think I've had in any public or private life.

**Rick Sinding:** Now, you stayed involved in this after you left the government.

**George Zoffinger:** Yes, I was a chairman, I was chairman.

**Rick Sinding:** Of the New Jersey—

**George Zoffinger:** Host Committee.

**Rick Sinding:** I see, Host Committee. And there were seven games—

**George Zoffinger:** Seven games, yes, seven games.

**Rick Sinding:** —played in the Meadowlands?

**George Zoffinger:** Yes.

**Rick Sinding:** Oh I hadn't realized that there were that many.

**George Zoffinger:** Yes, it was great. Started with Italy-Ireland, which everybody remembers.

**Rick Sinding:** The two largest ethnic groups in New Jersey.

**George Zoffinger:** And I was just in Belfast recently. I was talking to some friends and we were talking about World Cup, you know.

**Rick Sinding:** Ah, now that's Northern Ireland.

**George Zoffinger:** I know. But we were talking about—because there are still Irish soccer fans, although they do like Gaelic football, but we were talking about those days and I was telling him that the biggest problem we had after that game was to get the Irish team to go home. <laughs> They were having so much fun.

**Rick Sinding:** Because they had won, actually. They upset Italy as I recall.

**George Zoffinger:** Yes, 1-0, yes. It was great, it was really great.

**Rick Sinding:** What did that involve? I mean, was it a matter of hustling up money, hustling up sponsors?

**George Zoffinger:** Yes, we did a couple of things. The biggest thing was that we had to make sure that FIFA understood the venue and that we could price the venue at the right thing and everything, so we worked with the Sports Authority at the time to do that. Then we also worked with FIFA with regard to events. We had a number of events. We wanted to introduce soccer to the inner cities, so we had a program to do that and we got very decent support among New Jersey companies—again, who I knew because of my commerce connection—to help us by sponsoring different events. We also had to do the logistics for the teams. We had—Pingry, I think, had the Italians. At Scanticon, we had the Bulgarians. So we had these teams that stayed here for almost a month if they didn't lose, which the Italians went onto the final as you know. And so we had to do the logistics for that and it was fun.

**Rick Sinding:** It does sound like fun.

**George Zoffinger:** Oh, it was a lot of fun. It was a lot of fun.

**Rick Sinding:** Now, in the meantime you're running a bank.

**George Zoffinger:** In the meantime we're running a bank, right.

**Rick Sinding:** And you're running Devco.

**George Zoffinger:** Right.

**Rick Sinding:** And as I looked at your resume, there are a whole bunch of other boards and commissions and agencies and whatnot that you're getting yourself involved in.

**George Zoffinger:** Right. I was young at the time. <laughs>

**Rick Sinding:** Okay. Well you're still involved in an awful lot of boards and commissions and nonprofits and whatnot. But this is a period of time during which—well, I guess the World Cup you wouldn't exactly say you were out of public life, but I mean it wasn't an appointed political position.

**George Zoffinger:** No, but I was really in the private sector.

**Rick Sinding:** So you're in the private sector all the way up through the rest of the '90s and then—well tell us how you wound up at the Sports Authority.

**George Zoffinger:** Well it's funny how different things come up but at the time I had this investor Michael Price who invested in the bank. We sold the bank, he made a lot of money and at the same time he had moved on to do big deals like the Chemical Chase merger and things like that so he was a big time guy now.

**Rick Sinding:** So you're a small fish.

**George Zoffinger:** There was this little real estate company in Philadelphia which was a REIT [Real Estate Investment Trust] trader on the New York Stock Exchange that they had an investment in and they asked me to go and run that. So I did that for three or four years and sold that to Wells for again a pretty good profit. And then I was basically doing that, considering running for governor at the time but decided make money—be a capitalist or run for governor, I decided on the capitalist money part.

**Rick Sinding:** Why?

**George Zoffinger:** You know what, it's a good question. I think I would have loved to do it, but it just was not the right time. It just wasn't the right time. I mean I had this business that Michael had asked me to run that he had an investment in and I didn't want to leave them out and so it just wasn't the right time. Had it been two or three years later when the Sports Authority thing came along—so how that happened was interesting. The Ford plant, to get back to Edison, is going to close. So McGreevey knew that I had worked in the Florio Administration at the retooling and the truck thing so he and I and [Robert Torricelli](#),

who was a U.S. Senator at the time, took a trip out to Ford in Detroit to try to convince them that we would help them if they would retool that plant and continue to make cars here, or small trucks. It was not successful. But on the trip McGreevey said to me, "You know, the Sports Authority is kind of screwed up. We need somebody that's got some business background to go up there. Would you mind doing that?" I said, "Well, the timing's all right, yes, I would do that. I would have fun. I'll do it for a year or two," and I agreed to do that. It turned out to be eight years. But we did really well there, we did really well, so I was happy with it.

**Rick Sinding:** What were the conditions when you got there? What needed to be changed or fixed up?

**George Zoffinger:** It needed a restructuring because it was losing money. You had a lot of overhead, which was not being covered by the revenue. I'm no genius. I can tell you exactly what the success is attributable to: Bruce Springsteen, ten concerts in the stadium. And we made the decision at the time—we made two decisions there that I think were instrumental in turning the place around. One, we made the decision to not deal with middlemen when it came to the Springsteen concerts. We knew we could sell them out, so we dealt directly with them and made a lot of money. We made the money that the promoter would have made and that middleman. And the other thing was that I got into a battle and fought for soccer. At the time I think there was a team that was there that was not producing the kind of revenue that we needed. They weren't drawing crowds and I said that we were going to put on games between international teams. They objected to that, said that they had an exclusive right. We fought them, we won.

**Rick Sinding:** That who had an exclusive right?

**George Zoffinger:** I guess it's the predecessor to the Red Bulls today.

**Rick Sinding:** The team, was it the Cosmos?

**George Zoffinger:** It wasn't the Cosmos at that time. It was the predecessor to the Red Bulls. I forget who it was. [ed: The Red Bulls were the MetroStars from 1996-2006.]

**Rick Sinding:** But that they had an exclusive right to the use of Giants Stadium?

**George Zoffinger:** For soccer, yes, for soccer. We said no, we fought them, we won and we ended up having great games: Manchester United, Roma versus Real Madrid where I kicked the ball with Pelé. So it gets back to the whole thing of having fun. We had fun.

**Rick Sinding:** My recollection is that the game that Pelé played was the largest crowd ever at Giants Stadium.

**George Zoffinger:** Ever, yes it was 80,000 people. Those two things—Springsteen and soccer—helped us increase the revenue above what we already had with the Giants and the Jets. And then of course we had the whole period when we were fighting with the Jets, who wanted to build a stadium in New York City.

**Rick Sinding:** You also had the Arena, which at that time hosted the Nets for a while.

**George Zoffinger:** Nets and the Devils.

**Rick Sinding:** And the Devils. But then along came the Prudential Center.

**George Zoffinger:** Right.

**Rick Sinding:** That was during that same period, right?

**George Zoffinger:** It was during the period that I was there. Again, something that I was not in favor of but being down on the food chain, I guess it didn't matter what I thought. But it is what it is. Now they're both gone there.

**Rick Sinding:** To the Prudential Center.

**George Zoffinger:** Well, the Nets are in Brooklyn.

**Rick Sinding:** That's right, they're completely out of state. You know you're getting old when you remember when a stadium was built and then you're there when they tear that one down and build another one. Met Life Stadium came along as the successor to Giants Stadium. Was that during your time there or was that much later?

**George Zoffinger:** No, I opposed that. I opposed that. Look, it's my feeling that billionaires that own football teams do not need state subsidies in order to survive.

**Rick Sinding:** Did you oppose rebuilding the stadium or did you—

**George Zoffinger:** Yes.

**Rick Sinding:** —oppose the state paying to rebuild the stadium?

**George Zoffinger:** I'll tell you the story. Toward the end of McGreevey and the beginning of Codey and then Corzine, we had a deal to sell the racetracks, pay off the debt on the racetracks. At the time there was a company owned by Stronach that was doing a rollup of these tracks around the country as more of a media play than as a regular one. And we had a plan to redo Giants Stadium. I wanted to take the proceeds from the racetrack sale, put a dome on the existing stadium and do a

renovation. We already had hired the architect that did Lambeau Field. I thought that I had a deal with Wellington Mara and Bob Tisch with regard to that. Lehman Brothers came along and told them that they could get financing and they went and did their own stadium on our land and got one of the most sweetheart deals I think will ever be done in real estate. They now have 675 acres in the Meadowlands for six million dollars a year. You think about that, it's just absurd. It's just absurd. But as my wife says to me all the time, "George, get over it." And that's a good thing because I'm not looking back.

**Rick Sinding:** Well let's look back for just a second at the fact that you now, by the time you had left the Sports Authority, you had served under Governor Florio, Governor McGreevey, and Governor Corzine, recognizing that with Florio you were in the Cabinet, with the other two you were sort of one step removed up at the Meadowlands. But you must have had some sense of the differences in their management styles, in their focus, in the way in which they ran government. Give us some of your impressions about how different governors deal with different issues.

**George Zoffinger:** Right. Jim [Florio] was very much, as you said before, a policy driven person. He was very intellectual. He was thoughtful in terms of any decision, even minor decisions. He was very thoughtful with regard to that. Jim McGreevey was more of a people person. Jim Florio didn't necessarily like to go out and shake people's hands and pat them on the back and all that stuff, although he forced himself to do it. Jim McGreevey was natural at it. He did it all the time. And Corzine was somewhere in the middle. He wanted to be a good governor—he wanted to be liked by people but didn't have—

**Rick Sinding:** Sometimes those two are mutually exclusive, aren't they?

**George Zoffinger:** Exactly, exactly. You took the words out of my mouth. And so you can't be, you know. I admire all three of them for doing the job. It's not an easy job, so you have to admire them for that, but totally different management styles, totally different.

**Rick Sinding:** From your own reflections, thinking back on this long period of time we're talking about now, from the time you came back from London and walked into Trenton for the first time in a state position through all the other experiences that you've had, what are your overall impressions of New Jersey State Government? Is it a well-run government? Is it a—actually, let's go back. Let's go back for a minute to your fights with the Department of Environmental Protection. There have always been these tensions between the Commerce Department and the Environment Department but it's also a matter of commissioner dealing with commissioner. You dealt with two of them.

**George Zoffinger:** Judy Yaskin and—

**Rick Sinding:** Judy Yaskin and [Scott Weiner](#).

**George Zoffinger:** Scott, I just saw Scott recently. He's a good friend.

**Rick Sinding:** Okay, well so you're still friends.

**George Zoffinger:** Oh no, we're definitely good friends, yes. Scott understood. Scott definitely understood.

**Rick Sinding:** When you dealt with the DEP, were issues that really rose to the level of requiring some intervention on your part—were they resolved generally to your satisfaction?

**George Zoffinger:** Yes. Well, it was always mutual. I mean, I understood his position, and he understood my position. We all at the time—don't forget that we had basically a tough economy at that time, too, so people needed jobs and we were looking at high unemployment and nobody wanted to be part of that. We wanted people to have jobs. So we always had a good relationship no matter what and it goes back to what I said before—if you explain your position to somebody, they might not agree with your position but at least they think about things. I want to tell you that—you asked me what it's like in the government today. I think it's really changed. I mean, when I was at commerce, I would go down to the Republican leaders' office, sit down and just shoot the breeze about stuff, right? You don't seem to have that kind of camaraderie today. I remember [Joe Doria](#), who was, I think, Speaker of the Assembly at the time, used to have a lunch and it would be a good Italian lunch in his office and there would be Republicans and Democrats there. We'd go down to Lorenzo's after work sometimes and you would be with people and even though they were adversaries in the political sense, you didn't have the acrimony that you seem to have today and I think that's a really big problem. And I think in New Jersey if you take it from a management standpoint, I'm probably the wrong person to ask but I think that we're coming to a day of reckoning because you can't have these huge cost overhangs and not deal with them. So even though at one time I considered that it would be a good thing to try to run for governor, today I wouldn't touch it with a ten foot pole because I don't know what you do with, I don't know, 80 billion dollars on a 32 billion dollar budget or so. And what happens when interest rates go up? So I don't mean to be pessimistic because I'm not a pessimistic person but I think that people have to deal with it the way Jim Florio dealt with it: pay as you go, not let somebody else worry about it in the future. I think that's our biggest problem.

**Rick Sinding:** Something that you just mentioned jogged my memory, when you were talking about camaraderie and developing relationships with legislators from

the other party. A recent interview that I did elicited the observation that one of the early things that the Florio administration did that rubbed people of the other party the wrong way was having the State Treasurer, Doug Berman, represent all of the departments going before the legislature's appropriations committees on the first budget so that instead of having commissioners as you were—

**George Zoffinger:** Yes, I think that's right. I don't think I did.

**Rick Sinding:** —going and making an argument for your department, it was the State Treasurer who was making the argument for how money would be spent. And from this person's perspective, that meant that the opportunity for the commissioners, the Cabinet, to develop their own relationships with legislators was foreclosed. Would you agree with that?

**George Zoffinger:** Yes. Well, in hindsight—I do agree with that. I don't remember—I think a couple of times I went there. I don't think I really did talk about my budget.

**Rick Sinding:** Well you certainly didn't in the first year.

**George Zoffinger:** It comes back to more about the relationships, right? I mean, I think in hindsight—and this is clearly hindsight—better communications would have gone a long way toward reducing the amount of impact that it had on Jim. I mean Jim should have been elected to a second term because in my opinion the communication gap that existed during that period—I think what he was doing was right and could have convinced people that it was right. Today, I think people recognize—smart people anyway—I don't know, I shouldn't say things like that—but I think they do recognize it.

**Rick Sinding:** From your vantage point today as more of an elder statesman at this point—

**George Zoffinger:** I don't know about that.

**Rick Sinding:** Again, going back to the question I was going to finish up with which is your own observations of state government in New Jersey, how it functions, how it's structured aside from as you've pointed out, the great financial difficulties that are confronting the state, do you think that it's a well-run state? Do you think that the folks who work in state government are good people? Do you think that there are ways in which structurally the state should function differently?

**George Zoffinger:** Look, I think the people that go into government by and large want to do a good job and their heart is in the right place. I think structurally however, the way that it's evolved over time is not good. I'll say that there's so much focus today on control out of the Governor's Office that I don't think it's good.

You should let people go and do their job. And going back over the years, I think previous governors have done that, let people go and do their job, and I think a lot of it has to do with what we talked about with the acrimony that is prevalent today in politics generally. So look, I'm never going to be pessimistic about our state. I love the state, but I think it's structurally got some issues. So is that as diplomatic as I can be?

**Rick Sinding:** Absolutely.

**George Zoffinger:** I'm sorry.

**Rick Sinding:** No, and still optimistic. Tell us what you're doing today? I mean you're doing a zillion things.

**George Zoffinger:** I'm doing a zillion things.

**Rick Sinding:** But if you could focus it in on a handful?

**George Zoffinger:** Well one of the most interesting things I did was about 12 years ago I got involved with Virgin Group in London, Richard Branson's company. At the time that I got involved, Richard Branson was not involved. As I said, I was in the stress debt business meaning that I buy debt that is either close to bankruptcy or going toward bankruptcy, restructure, and try to make money at it. And a number of projects that I've done—but the most interesting one was the Virgin project. We bought a company called NTL—it was in bankruptcy—and restructured it with a number of hedge funds, including Michael Price's company, and we sold it to John Malone's company about two years ago. We did extremely well. I chaired the Audit Committee for ten years there, which was a very interesting thing because it's multinational, it's got a lot of different businesses and was a lot of work, but very rewarding from a personal standpoint. I met a lot of very good people. I just got back—I mentioned that I was in Belfast—I just got back from playing five days of golf with my friends from Virgin in Belfast in Northern Ireland.

**Rick Sinding:** I wish I'd interviewed you before this.

**George Zoffinger:** <laughs> Yes, right. You could come.

**Rick Sinding:** There you go.

**George Zoffinger:** So I did that. I'm on the Board of New Jersey Resources. I'm the longest serving board member, I think. I've been on there—I was a very young guy when I went on there—I think 20 years. And Larry Downes was the President and was absolutely one of the best managers I've ever seen in business, just a great guy and has a very successful track record. And then I've been on a number

of other boards including a bank board in Omaha, a music company in Ohio, I could tell you, a railroad company in Southern Florida—the Florida East Coast Railway—I was on that board. So I'm doing a lot of things like that and meanwhile I've still got a private equity company that does investments in medium-sized companies that—

**Rick Sinding:** Are you still on the Board of Governors here at Rutgers?

**George Zoffinger:** No, I did six years I think, six years of that.

**Rick Sinding:** And they realized you were from Penn State and kicked you off, is that—

**George Zoffinger:** And then Penn State awarded me the Distinguished Alumni Award about three years ago.

**Rick Sinding:** For leaving the Rutgers Board of Governors.

**George Zoffinger:** About three years ago. And I'm very much involved now with Penn State, the new President who really had a task in front of him.

**Rick Sinding:** Oh, indeed.

**George Zoffinger:** You talk about crisis management. Eric Barron is a friend and he's a very, very capable, good guy that has I think tremendous ideas and I think the school is hopefully turning the corner. Most people judge that about their football team, which I'm dead set against. You know, I would say when I used to be on the Board of Governors at Rutgers and they talked a lot about this expansion of all this athletic stuff and everything else, I said, one thing I've never asked a person in an interview for a good job is what the record of their football team was. And I really believe that. I think we spend far too little attention on the academic side. And even at big schools like Penn State and Michigan and Ohio State, far too much emphasis on—

**Rick Sinding:** There was a very interesting article in the sports pages of the New York Times this week by a sports columnist basically saying after Rutgers got one of the worst defeats it's ever had at the hands of the University of Michigan that people who are looking at the scoreboard as an indicator of Rutgers' decision to join the Big Ten are looking at the wrong score.

**George Zoffinger:** Yes.

**Rick Sinding:** And I thought that was a very interesting way of putting it.

**George Zoffinger:** You are so right about that. My wife has a master's degree and an undergraduate degree from Rutgers. My daughter has a master's degree and an undergraduate degree from Rutgers and is the Cheerleading Coach.

**Rick Sinding:** And as I recall she ran the—I was going to say, she ran the cheerleading.

**George Zoffinger:** She does.

**Rick Sinding:** Does she still do that?

**George Zoffinger:** For 20 years.

**Rick Sinding:** Oh my gosh.

**George Zoffinger:** For 20 years and she is very enthusiastic about the new management at athletics and she was so despondent and now hates Jim Harbaugh because he went for two. She doesn't even know. She didn't even know.

<laughter>

**George Zoffinger:** I'll tell you, Christine does not even know him, but he went for two.

**Rick Sinding:** And I wonder how many people who are going to watch this or read the transcript of it are going to understand what that reference is all about. I do, because I was at the game. All right, final question, what should I have asked you that I didn't or what observation would you want to make to sort of finish this all off?

**George Zoffinger:** Let me just say what Jim Florio's legacy should be. I really believe that he's truly one of the most thoughtful, most competent governors that we've had. His legacy should be that he did what was right at the time but also with an understanding that maybe today we put far too much emphasis on the personality and the outreach ability and the marketing of our governors than we should. That it should be more on the basis of, did they go in, did they work hard, did they care and did they only care about the State of New Jersey. And Jim did and I think that's his legacy.