

Adams Campaign Repeatedly Ignored Regulators' Demands to Identify Supporters Behind \$300,000 in Contributions

The Campaign Finance Board flagged 600 donations suspected of having been gathered by undisclosed bundlers in potential violation of campaign finance rules. Several of the contributions figure in a recent indictment by the Manhattan DA.

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SEPT. 22, 2023, 5:00 A.M.



Brooklyn Borough President Eric Adams answers media questions after a mayoral campaign event at Cadman Plaza was disrupted by protesters, June 16, 2021. Credit: Ben Fractenberg/THE CITY



Eric Adams' 2021 mayoral campaign repeatedly ignored city regulators' requests to identify political supporters who they suspected of having raised hundreds of thousands of dollars in donations without disclosing their role, according to New York City Campaign Finance Board records obtained by THE CITY.

The flagged donations totaled more than \$300,000 from more than 500 donors. Thanks to the city program that provides matching funds of up to eight-to-one for eligible contributions, the donations secured an additional \$522,000 in public funds for the Adams campaign.

The disclosures pressed for by the board are required under longtime campaign finance laws, which aim to provide transparency to voters about the identity of bundlers, officially known as "intermediaries," who often seek to gain clout with elected officials by collecting contributions that mushroom with public matching dollars.

Since the inception of the city's campaign finance matching funds system more than 30 years ago, regulators have sought to publish this information for voters before they go to the polls. "The whole point of disclosure is that the public should know in a timely manner that the information is accurate during an election," said Nicole Gordon, founding executive director of the Campaign Finance Board and a public affairs professor at Baruch College.

Over more than two and a half years from early 2019 through the November 2021 election — the campaign board asked the Adams team to identify intermediaries it suspected were behind clusters of donations made on the same date from people who worked for the same employer.

Auditors inquired about clusters of donations linked to 50 businesses, ranging from real estate giant SL Green to Midwood, Brooklyn's, "Gyro King."

Donations from one business that regulators had unanswered questions about became a centerpiece in a sprawling election-related conspiracy indictment this July served up by Manhattan District Attorney Alvin Bragg's office. Prosecutors allege that brothers Yahya and Shahid Mushtaq, owners of EcoSafety Consultants, Inc., made straw donations to Adams in the names of six of their employees without the workers' knowledge. The action was part of a larger alleged conspiracy described as using falsified contributions to trigger matching funds in an effort to "[gain an advantage](#)" with Adams.

The campaign finance records analyzed by THE CITY show that two years before the indictment, auditors had asked the Adams campaign repeatedly about donations listed as having come from a cluster of EcoSafety employees, including the Mushtaq brothers. Two of the board's requests specifically inquired about four contributions, which prosecutors now say used the employees' names on falsified money orders.

But in each instance, the Adams campaign ignored their requests to disclose who, if anyone, had collected these contributions for the campaign.

Regulators also raised questions about a cluster of donations that were listed as having come from mostly low-wage workers employed by the JMart Supermarket Company and the New World Mall in Flushing, Queens, where JMart is an anchor tenant. An [investigation](#) published by THE CITY last month into the donations uncovered evidence of more straw donors there. One person said she was repaid for the contribution she was asked to make and another said her name had been used on a check without her knowledge.

The documents reveal that two years before THE CITY's reporting, auditors repeatedly asked Adams's team without success about different clusters of donations from J-Mart and New World Mall employees. The contributions flagged by the board from 77 employees generated \$19,174 in Adams contributions and more than \$112,384 in public matching funds. Similarly, the documents show regulators also had asked the Adams team about \$1,500 in donations linked to a local appliance chain highlighted in THE CITY's investigation. The Campaign Finance Board specifically asked about a donation from a man, who had worked for the chain. He later told THE CITY that his signature had been forged on a money order donation sent to the campaign without his knowledge.

While the Adams campaign raised \$8.9 million in private contributions, it reported only four intermediaries accounting for \$37,520 in contributions from associated individuals. By contrast, his top Democratic campaign rival Kathryn Garcia brought in \$2.1 million and reported 40 bundlers, responsible for \$270,628.

"The problem isn't the four you see there, the problem is that's all you see," said Sarah Steiner, Garcia's election attorney. "There may have been some omissions, whether they have been deliberate or not I don't know, but four is an extremely low number of intermediaries for a mayoral campaign. It's very unusual."

Campaign finance experts say that the Adams campaign's lack of response limited the ability of the public, other campaigns, and the press to look into donations during election season.

"If you don't report and there's no repercussions, there's no major fines, or even potentially criminal referrals, then it means the system can't work and that people can cheat it," said John Kaehny, executive director of Reinvent Albany, a good government group.

The ramifications go beyond depriving voters of information during an election. "It's simple," said Steiner. "A person fundraises thousands of dollars for a company, the candidate gets elected, the company gets a contract from the mayor, but that person doesn't appear as an intermediary. The public would never know and nobody can investigate if that was a potential quid pro quo."

The Campaign Finance Board's guidelines state that notifications sent to campaigns, including those flagging compliance issues such as suspected intermediaries require "a timely response."

In a statement, Adams campaign counsel Vito Pitta said that the campaign had complied with all regulations. “The campaign has responded to every notice from CFB as appropriate — while also investigating concerns as appropriate — and will continue to follow all rules and best practices as mandated by the CFB.”

But Pitta said, “It is not always immediately apparent when individuals are acting as intermediaries because campaigns largely rely on contributors to identify themselves as intermediaries after informing them of the rules.”

He noted that in two instances the campaign had amended its reports adding two previously unreported intermediaries who had bundled a total of \$25,380. “Whenever our campaign discovered an individual acted as an intermediary without identifying themselves, the campaign amended its statement to report the activity — as it did in these cases,” Pitta said.

Timothy Hunter, a spokesman for the Campaign Finance Board, declined to specifically address the Adams campaign’s failure to respond to repeated requests for information about suspected intermediaries. “CFB auditors review each candidate’s disclosure filing closely and send every campaign a report called a statement review detailing potential violations. Committees are given a deadline to respond to each statement review,” he said. “Failure to respond to the findings in these reviews may result in penalties.”

Bundles of Trouble?

Giving voters a window into the business of how political candidates raise funds was one of the key goals of the public campaign finance reforms approved in a referendum back in 1988 for New York City’s local elections. Reporting the use of intermediaries was key to maintaining the system’s transparency and integrity.

Enacted in the wake of major municipal corruption scandals, the new rules aimed to curb the influence of big money in city politics and spur grassroots participation in elections. The law capped the amount of individual campaign gifts, and for the first time provided public matching funds for smaller donations to mitigate the influence of large ones. It also created the Campaign Finance Board as an independent, nonpartisan regulator of the system.

For the first time, as well, candidates participating in the new system were required to disclose the names and addresses of bundlers, along with a list of contributions they’d solicited, on each campaign disclosure filing.

Today, as part of the auditing process that takes place before an election, the board analyzes financial records disclosed by the campaigns and requests information about suspected unreported intermediaries and other potential issues. The campaigns are expected to provide timely responses so that the information is before voters as they make their decisions.

In a 1996 report entitled “[Bundles of Trouble?](#)” the Campaign Finance Board laid out many of the reasons for transparency: “Bundled contributions can be a means for buying access, influence and political power,” it stated. In addition, unscrupulous individuals might also “pressure employees or partners to contribute to particular candidates.”

Disclosure during campaigns was preferable to banning the activity, the report advised, because it “allows the voting public, rather than regulators and lawmakers, to reach its own conclusions about the relevance of the activity,” officials wrote. But this is only so when the facts are “accurate, complete, and timely.

“Insufficient detail and reports filed after the election do not give voters an opportunity to make an evaluation that could inform their choice on election day.”

Wiretaps in the Shadows

Several of the contributions flagged by the board’s suspected intermediary reports were gathered on August 25, 2021, at the Tangra Masala, a glitzy Elmhurst banquet hall acclaimed for its Chinese-Indian fusion cuisine. The feast, hosted by a group of Adams supporters, drew \$67,650 in private and public funds.

Six of the donations were linked to EcoSafety Consultants, the Queens-based construction company whose co-owners Yahya and Shahid Mushtaq would go on to be indicted two years later.

Both of the Mushtaq brothers chipped in \$150 for Adams that day, and four other donations came in from the Mushtaq’s employees, all in the same amount, \$400, and all via money orders, a payment method often flagged by regulators for extra scrutiny.

No intermediaries were reported for the event by the campaign. And that could have been the end of the story had it not been for wiretaps that led to the Manhattan District Attorney’s indictment of the Mushtaq brothers and their associates two years later.

What the DA’s wiretaps recorded were the conversations of middlemen — including the Mushtaq — raising money for Adams and, Manhattan prosecutors allege, doing it in illegal ways. According to the indictment, prosecutors captured more than two dozen calls between July and September 2021.

One of the calls Manhattan prosecutors intercepted from August 24, 2021, captured Yahya Mushtaq speaking with another businessman, Shamsuddin Riza, about the Tangra Masala fundraiser the next day. During the conversation, Riza encouraged Yahya to pass through donations to Adams using the names of their employees at EcoSafety, [according](#) to the indictment.

“What you want to do, alright, because we’re sponsoring the event, we’re going to do just like the white boys,” said Riza, who went into the intricacies of campaign finance rules. “You could use a straw man.”

The next day, the indictment alleges, Yahya Mushtaq texted Riza asking if he could “do money orders” from a post office. The older businessman allegedly responded via text: “Yes, but not consecutive. Go to different windows.”

That day, the Mushtaq brothers purchased six \$400 money orders from six different post offices across Queens using the names of EcoSafety employees, according to a Manhattan DA court filing. They were submitted to the Campaign Finance Board that day, and listed as part of the fundraising event that afternoon at the Chinese-Indian fusion restaurant.

In addition to the contributions from the alleged straw donors and the Mushtaq, the fundraiser also drew contributions from another defendant and three people named as unindicted co-conspirators in the Manhattan DA’s indictment.

Reached by phone, Riza and Shahid Mushtaq declined to comment. Yahya Mushtaq did not respond to a request for comment left with EcoSafety Consultants. Attorneys for the Mushtaq and Riza did not respond to requests for comment.

Less than two months after these contributions came in, the campaign board asked Adams’s team to document who had cobbled together four of the six alleged straw donations from EcoSafety employees. The campaign did not do so.

On Oct. 26, just a week before the Democratic nominee would go on to win the general election, the Campaign Finance Board asked again for paperwork on the four alleged straw donations. Again, they didn’t provide the board the information it was seeking.

Two years later, the indictment came down, hitting the Mushtaq and Riza with conspiracy and attempted grand larceny among other charges. Their next court date is slated for Oct. 10.

“Whenever there has been evidence that a contributor to the campaign broke the law, the campaign moved immediately to work with the CFB to investigate and resolve the issue,” said Pitta, Adam campaign counsel.

Also charged in the alleged conspiracy was Dwayne Montgomery, a former deputy NYPD inspector who has been described by 2021 Adams campaign spokesperson Evan Thies in press reports as someone Adams “knew socially and worked on criminal justice issues with.”

But campaign finance records show that Montgomery was also a long-time Adams fundraiser.

During his 2013 campaign for Brooklyn borough president, Adams reported far more intermediaries — 26 — than the four he reported for his mayoral campaign eight years later, which raised more than ten times more in private contributions.

One of his 2013 intermediaries was Montgomery, and among those he bundled money from was a man identified by Manhattan prosecutors as an unindicted co-conspirator in the ongoing straw donor case.

Montgomery and his attorney did not respond to requests for comment.

Since Mayor Adams took office, his campaign staff has launched aggressive fundraising efforts for his reelection bid, raising more than \$2.5 million dollars in contributions.

He has reported no intermediaries.