

NYC Elections Are Clean, Fraudsters Get Caught

Eric Adams Bust Shows NYC Campaign Finance System Is Working

Our groups are issuing this statement in response to numerous questions we have received about the New York City public matching program and the Campaign Finance Board since Mayor Eric Adams was indicted by the U.S. Attorney for the Southern District. According to the U.S. Attorney, foreign nationals used straw donors to make illegal campaign contributions to Eric Adams.

Despite this latest test, we believe the 35-year-old New York City public matching program is a massive success: Small donors are the biggest share of contributors to most candidates, the current City Council is the most demographically representative in history and the public match remains hugely popular with voters. Institutionally, the program is strong and we applaud the Campaign Finance Board's professionalism and culture of continuous improvement. We thank the CFB for striving to overcome the disruption and audit delays caused by COVID-19 to the 2021 election cycle.

Why are we confident? The campaign finance system is working the way it is supposed to. The CFB detected and publicly flagged the straw donors early and the scheme was investigated by law enforcement. The bad guys got caught because public matching funds are among the most thoroughly watched and accounted-for tax dollars that exist.

Importantly, the NYC public matching program is no more vulnerable to straw donor schemes than elections elsewhere – probably less so given the level of CFB enforcement. Straw donor violations <u>are one of the most common</u> campaign finance charges brought by the Justice Department in federal elections, which do not offer a public match.

Recommendations

- State legislators do no harm: You've got plenty of work to do cleaning up the State – let New York City continue to manage its own successful campaign finance system.
- 2. **City Council, let the CFB's successful post-election review and recommendation process work** and be mindful that the 2025 cycle is underway. It's confusing to change the rules after the game has started. That said, the Council should move forward with reform legislation that has already been vetted through public hearings and discussions, or reviewed by CFB.
- 3. **CFB should adopt its <u>proposed rules</u>** regarding when matching funds may be withheld, and evaluate whether expenditures are truly independent to take effect after the 2025 cycle.
- 4. **CFB should give contributors stronger notice** that straw donations are illegal.
- 5. **CFB must get candidate audits done faster** or risk losing public confidence and political support.