



Newark, New Jersey: New York Billionaires Flood a New Jersey Mayoral Election with Cash

In 2014, [two candidates ran for mayor of Newark, New Jersey](#) seeking to fill a special election vacancy created when the prior mayor, Cory Booker, took the place of deceased New Jersey Senator, Frank Lautenberg. The candidates were Ras Baraka and Shavar Jeffries. [Baraka](#) was the six-year principal of Newark's Central High School and a South Ward Councilman. Jeffries was the founding Board President of Newark's Team Academy Charter School – part of the KIPP Network of charters and a former Assistant Attorney General. [Early in the race](#) it became clear that the future of public education in Newark would be a pivotal issue in the campaign.

At the time, the Newark School District was under the leadership of the often volatile school superintendent, Cami Anderson, who had been appointed by Cory Booker and Governor Chris Christie. In December of 2013, Anderson [unveiled One Newark, her universal enrollment plan](#). [The plan](#), which would force the closure of several public schools and the expansion of school choice in the city, was immediately controversial, and Anderson and her One Newark plan would become key issues in the election.

Ras Baraka was vocal in his opposition to both Anderson and the One Newark plan and rallied the Newark community to fight against the proposed public school closings. Jeffries, in contrast, was a supporter of corporate reform and charter schools. During the campaign Jeffries came out [strongly in favor of school choice](#), and while he was critical of the development and roll-out of Anderson's One Newark plan, he supported expanding Newark's charter school sector.

Democrats for Education Reform (DFER) Executive Director, Joe Williams, took note of Jeffries "reform cred" and made a plea for donations for Jeffries on the DFER website. He also warned that Baraka was being supported by the Newark Teacher's Union and was set to "undo progress made during Cory Booker's tenure." [DFER Board member Whitney Tilson](#) made a similar plea, calling Jeffries "a courageous reformer."

Williams' and Tilson's pleas not only helped to raise enormous donations outside the Garden State but also resulted in the creation of an Independent Expenditure Committee (IEC) that was funded almost exclusively by a DFER associated non-profit known as Education Reform Now (ERN). ERN would be the biggest spender in the Newark mayoral election of 2014.

Education Reform Now (ERN), which is based in New York City, describes itself on its website as "progressives leading a non-partisan 501(c)(3) organization that cultivates and supports leaders who champion America's public schoolchildren." Education Reform Now (ERN) is the "sister organization" to Democrats for Education Reform (DFER).

Most consider the organization, however, to be more neo-liberal than progressive due to its strong allegiance to the corporate reform movement and charter schools. Both ERN and DFER support school choice, school funding portability, mayoral control of urban school districts, and "clearly-articulated national standards and expectations for core subject areas."

(continued on page 12)



(continued from page 11)

According to its 2014 990 tax form, ERN is a 501(c)(3) nonprofit with a related 501(c)(4) lobbying nonprofit, ERN Advocacy (ERNA). Both share the same address: 928 Broadway, New York, New York. As non-profit organizations, neither ERN nor ERN Advocacy are required to disclose their donors. Listed at the same 928 Broadway address was [Newark First](#), an independent expenditure committee (IEC) that would spend millions on the election. According to its 20-day post-election filing, Newark First raised a total

of \$4.237 million dollars, with \$3.581 million dollars (85 percent) coming from out-of-state contributors (Table 1).

Out-of-state donors to Newark First included New York billionaire and former mayor Michael Bloomberg, and investment executives [Lee Ainslee](#), [Carl Kuehner](#), and [John Mack](#). In 2013, Mack was also appointed as an advisor to New York Governor Andrew Cuomo.

Table 1: Out-of-State Contributors to the Independent Expenditure Committee, Newark First, in 2014

CONTRIBUTOR	DATE	AMOUNT
Lee Ainslee III	04/01/2014	\$26,000.00
Michael Bloomberg	05/09/2014	\$400,000.00
Education Reform Now (ERN)	04/11/2014	\$850,000.00
	04/28/2014	\$300,000.00
	04/30/2014	\$750,000.00
	05/01/2014	\$200,000.00
	05/06/2014	\$400,000.00
	05/07/2014	\$300,000.00
	05/09/2014	\$250,000.00
Carl Kuehner	03/28/2014	\$50,000.00
John Mack	04/03/2014	\$126,000.00

Source: New Jersey Campaign Financing and Lobbying Disclosure

Table 2: In-State Contributors to the Independent Expenditure Committee, Newark First, in 2014

CONTRIBUTOR	DATE	AMOUNT
Samuel Cole	05/08/2014	\$25,000.00

Source: New Jersey Campaign Financing and Lobbying Disclosure

(continued on page 13)



(continued from page 12)

Especially disturbing in the table above are the repeated large donations made by Education Reform Now (ERN)—donations that totaled over \$3 million dollars. ERN is a 501(c)(3) organization, which is forbidden by law from making political donations. Education Reform Now has, however, a related 501(c)(4) organization, Education Reform Now Advocacy (ERNA), which can participate, on a limited basis, in partisan politics. On its 2014 990, ERNA lists its \$3,050,000 million dollar donation to Newark First, along with an additional donation of \$300,000 to Newark First Action Fund.

Beginning in April of 2014 shortly before the special election, Newark First began running ads that slammed Jeffries' opponent, Baraka. [Baraka returned fire](#) by claiming that Education Reform Now (ERN) was using its organization to hide the identity of donors to Newark First by funneling the money because it (ERNA) was not under obligation to divulge its donors, a charge that ERNA indignantly disavowed.

Baraka, of course, was right. In 2014, ERNA received nearly \$7 millions dollars in contributions. ERNA funneled over \$5.7 million dollars of its total \$7.4 million dollar expenditures to political races via Independent Expenditure Committees and PACs without having to disclose the names of contributors. In 2014, those political contributions well exceeded the 50% limit for political spending for a non-profit 501 (c) (4), which the organization acknowledged on its required 990 return, with a promise to better monitor spending in the future.

Jeffries also enjoyed the support of Jeffries Team for Newark, a joint candidates' committee that collected contributions for Jeffries and the slate of candidates on his ticket. The committee brought in total receipts of almost \$2.5 million dollars as per its 20-day post-election filing. Again, over \$1.5 million dollars in contributions of \$5,000 or more came from out-of-state donors (Table 3), with only \$200,000 in contributions of \$2,600 or more coming from in-state donors – and none of those donors lived in the city of Newark.

Table 3: Out-of-State Contributors of \$5,000 or More to the Jeffries Team for Newark (2014 Election Filings)

CONTRIBUTOR	DATE	AMOUNT
Karen Ackman (Pershing Square Capital)	03/21/2014	\$26,000.00
William Ackman (Pershing Square Capital)	03/21/2014	\$26,000.00
Elizabeth Ainslee (wife of Lee Ainslee)	05/05/2014	\$26,000.00
Philip Anschutz	04/29/2014	\$5,000.00
Anthony Asnes	03/21/2014	\$26,000.00
Daniel Benton (Andor Capital)	03/21/2014	\$5,000.00

(continued on page 14)



(continued from page 13)

Table 3 continued: Out-of-State Contributors of \$5,000 or More to the Jeffries Team for Newark (2014 Election Filings)

CONTRIBUTOR	DATE	AMOUNT
Michael Bloomberg	02/19/2014	\$15,000.00
Geoffrey Boisi	05/05/2014	\$5,000.00
Francisco Borges	04/21/2014	\$26,000.00
Andrew Boaszhardt (Great Oaks Management Company)	04/11/2014	\$20,000.00
Campbell Brown	03/12/2014	\$7,800.00
Patricia Callan Crafts	03/18/2014	\$26,000.00
Peter Chernin	04/29/2014	\$10,000.00
Adam Cioth (Rolling Hills Capital)	03/13/2013	\$26,000.00
Ravenel Curry III (Eagle Capital Management)	12/27/2013 05/06/2014	\$26,000.00 \$26,000.00
Elizabeth Curry (Wife of Ravenel)	05/06/2014	\$26,000.00
Mark Dalton	05/09/2014	\$10,000.00
DFER	03/31/2014	\$14,000.00
Millard Drexler	05/07/2014	\$5,000.00
Doris Fisher	04/10/2014 04/25/2014	\$20,000.00 \$6,000.00
John Fisher	04/25/2014	\$26,000.00
John Fitzgibbons	04/28/2014	\$10,000.00
Kiernan Goodwin (Panning Capital Management)	04/15/2013 03/26/2014	\$2,600.00 \$23,400.00
Catherine Goodwin Rocco (Panning Capital Management)	03/26/2014	\$26,000.00
Amy Griffin	03/15/2014	\$5,000.00
John Griffin	04/26/2014	\$26,000.00

(continued on page 15)



(continued from page 14)

Table 3 continued: Out-of-State Contributors of \$5,000 or More to the Jeffries Team for Newark (2014 Election Filings)

CONTRIBUTOR	DATE	AMOUNT
Kenneth Hirsch	03/18/2014	\$5,000.00
Lorna Brett Howard	04/10/2014	\$26,000.00
Ryan Israel (Pershing Square Capital)	03/18/2014	\$26,000.00
Marta Jaramillo	04/24/2014	\$26,000.00
Laurene Powell Jobs (Steve Jobs' widow and Emerson Collective founder)	03/18/2014 05/07/2014	\$5,000.00 \$20,000.00
Paul Jones II	04/29/2014	\$26,000.00
Sonia Jones	04/29/2014	\$26,000.00
Lewis Katz (Gabriel Investments)	04/10/2014	\$26,000.00
Stephanie Katzovich	04/21/2014	\$11,000.00
Willem Kooyker	04/29/2014	\$26,000.00
Harlen Korenvaes	04/25/2014	\$5,000.00
Joseph Kusnan (JCK Partners)	02/23/2013	\$10,000.00
Sheila Labrecque	04/26/2014	\$26,000.00
Kenneth Langone	05/06/2014	\$26,000.00
Mark Lerner (CP Management)	12/09/2013	\$13,000.00
Traci Lerner	12/10/2013	\$13,000.00
Dan Lufkin (Allen & Company, Inc.)	04/08/2014	\$10,000.00
Christy Mack (Wife of John Mack)	10/21/2013	\$26,000.00
Jenna Mack (Daughter of John Mack)	05/07/2014	\$5,000.00

(continued on page 16)



(continued from page 15)

Table 3 continued: Out-of-State Contributors of \$5,000 or More to the Jeffries Team for Newark (2014 Election Filings)

CONTRIBUTOR	DATE	AMOUNT
John Mack (Morgan Stanley/Cuomo advisor)	11/20/2012 05/07/2014	\$26,000.00 \$26,000.00
Stephen Mack (Son of John Mack)	05/07/2014	\$5,000.00
Puradyn Filter Technologies	05/05/2014	\$5,000.00
Perry Rahbar (Former JP Morgan)	01/16/2014	\$5,000.00
John Regan, Jr.	05/06/2014	\$26,000.00
Frank Richardson (F.E. Richardson & Co.)	04/11/2014	\$26,000.00
Julian Robertson (Tiger Management)	04/10/2014	\$26,000.00
E. Burke Ross, Jr.	04/18/2014	\$25,000.00
Susan Ross	04/29/2014	\$25,000.00
Rothstein Kass Family Office Grp.	05/12/2014	\$10,000.00
Herbert Siegel	05/06/2014	\$26,000.00
Whitney Tilson (T2 Partners)	03/11/2014	\$5,520.00
Andrew Tisch	04/18/2014	\$5,000.00
Henrik Vanderlip	04/24/2014	\$20,000.00
Joseph Vittoria	04/30/2014	\$5,000.00
Jeffrey Walker (Former JP Morgan)	04/10/2014	\$22,600.00
Frank E. Walsh, Jr., Trust	04/26/2014	\$25,500.00
Mary D. Walsh, Trust	04/26/2014	\$25,500.00
Elaine Wynn	05/07/2014	\$5,000.00

Source: New Jersey Campaign Financing and Lobbying Disclosure

(continued on page 17)



(continued from page 16)

Table 4: In-State Contributors of \$2,600 or More to the Jeffries Team for Newark (2014 Election Filings)

CONTRIBUTOR	DATE	AMOUNT
Raymond Chambers (Wesray Capital Corporation)	12/13/2013	\$15,000.00
	03/31/2014	\$19,000.00
Patricia Chambers (wife of Raymond)	12/13/2013	\$15,000.00
Christine Chambers Gilfillan (daughter of Raymond/MCJ Foundation)	04/10/2014	\$26,000.00
Jennifer Chambers-Myers	04/22/2014	\$26,000.00
Sam Cole (State Street Corporation)	11/15/2012	\$10,000.00
	03/28/2013	\$20,000.00
	02/03/2014	\$26,000.00
John Cozzi	12/31/2012	\$2,600.00
Wendy Cozzi	12/31/2012	\$2,600.00
Thomas Dunn (New Holland Capital)	11/26/2012	\$12,500.00
Susan Dunn (Wife of Thomas)	11/26/2012	\$12,500.00
Neil Gagnon (Gagnon Securities)	01/30/2014	\$26,000.00
Lois Gagnon (Gagnon Securities)	01/30/2014	\$26,000.00
Thom Jackson (Edison Learning CEO)	04/02/2014	\$2,600.00
Lewis Katz (Gabriel Investments)	04/10/2014	\$26,000.00
Stewart Massey (Massey, Quick & Co., LLC)	03/19/2014	\$2,600.00
Leslie Quick III (Massey, Quick & Co., LLC)	03/22/2014	\$10,020.00
Arthur Samberg (Hawkes Financial, LLC)	03/08/2014	\$26,000.00
Josh Weston (Former CEO of ADP)	02/11/2014	\$16,100.00

Source: New Jersey Campaign Financing and Lobbying Disclosure

(continued on page 18)



(continued from page 17)

Combing through the list of in- and out-of-state contributors is a veritable Who's Who of education reform and Wall Street billionaires. The Mack family added to the \$126,000 contribution it made to Newark First with direct donations to Jeffries' campaign. Another \$26,000 apiece came from John Mack and his wife Christy, and \$5,000 each from two of their three children, Jenna and Stephen.

Contributions from former Newark Mayor Cory Booker supporter and hedge fund manager Bill Ackman, his wife, and others from his Pershing Square Capital Management, totaled over \$100,000.

Doris Fisher, the California founder of The Gap and the Chambers family of New Jersey also made generous contributions. Both Fischer and the MCJ Amelior Foundation, run by Raymond Chambers' daughter Christine, were both [early donors to the Newark Charter School Fund](#).

Additional donors hailed from San Francisco and Palo Alto, California; Baltimore, Maryland; Rye, New York; and New York City. There were donations from those who live in Montclair and Morristown New Jersey, but not a single one of the big money donors lives or works in Newark.

Jeffries' opponent and critic of charter school expansion, Ras Baraka, filed campaign finance reports including 382 contribution entries totaling \$1,266,048 dollars, mostly of \$500 (42 contributions) or \$1,000 (111 contributions). Nearly all came from individuals, businesses, and organizations in New Jersey. Contributions of \$5,000 or more comprised only \$53,254, or 4% of Baraka's total as noted on his 2014 campaign filings.

Despite the fact that Baraka's financial support was about 20% of the money that supported Jeffries' candidacy, on May 13, 2014, Baraka won the election for mayor of Newark. The dark money that flowed through ERNA was not enough.

In September 2015, Jeffries became CEO of ERN's "sister organization," DFER. On its web site, DFER lauds its president, Jeffries, for pulling almost 46 percent of the vote in the 2014 Newark mayor's race "despite being a first-time municipal candidate" without informing readers as to DFER-related ERN's multi-million role in supporting Jeffries' campaign. ■

(continued on page 19)



(continued from page 18)

Table 5: Top 5 Out-of-State Contributions to Newark First and Jeffries Team for Newark

TOP FIVE OUT-OF-STATE CONTRIBUTORS	AMOUNT
Education Reform Now (ERN)	\$3,050,000.00
Michael Bloomberg	\$415,000.00
John Mack and Family	\$214,000.00
Ravenel and Elizabeth Curry	\$78,000.00
Ackman, Ainslee, Fisher, Goodwin, and Jones Families (each contributed)	\$52,000.00

Table 6: Top 5 In-State Contributions to Newark First and Jeffries Team for Newark

TOP FIVE IN-STATE CONTRIBUTORS	AMOUNT
Chambers Family	\$101,000.00
Sam Cole	\$81,000.00
Gagnon Family	\$52,000.00
Lewis Katz	\$26,000.00
Arthur Samberg	\$26,000.00