Selling Out New York’s Immigrants

How Cuomo’s Top Donors and Top Associates Profit from ICE

Special Report
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Introduction

New York Governor Andrew Cuomo has been trying to position himself as a leader in protecting immigrants from the vicious policies of the Trump administration. “I’m undocumented. You want to deport an undocumented person, start with me, because I’m an undocumented person,” he controversially declared in April 2018.¹ In a *New York Times* op-ed, the governor called President Donald Trump’s policy of separating immigrant children from their parents and imprisoning them “a moral outrage we must not tolerate.”²

Yet, as momentum has grown around the country to abolish the Immigration and Customs Enforcement (ICE) agency, Governor Cuomo has refused to take this position, saying that ICE should continue to exist and “follow and enforce the laws.”³

He has also failed to vigorously support policies that would curb ICE’s activities in New York State. Despite having the executive authority to unilaterally restore access to driver’s licenses to all New Yorkers,⁴ regardless of immigration status, Cuomo has failed to take action, leaving myriad immigrant drivers at risk of being ensnared in the deportation machine because of a minor traffic violation. He has also failed to actively support legislation on the issue, using none of his political capital to get a bill passed. The governor has also failed to support the New York State Liberty Act, which would draw a bright line between immigration enforcement and local and state law enforcement in New York.

While Cuomo’s actions pale in comparison to his rhetoric, his donors, political appointees, and campaign officials profit from leases to ICE and its sister agency Customs and Border Protection (CBP). These two agencies deport and imprison hundreds of thousands of immigrants in New York and throughout the United States.

Cuomo’s former top aide and current campaign chairman William Mulrow is a senior advisor to a private equity firm that owns a building with a $12.3 million per year lease with ICE. Cuomo’s economic development czar, Howard Zemsky, has a lease with CBP worth more than $1.4 million per year.

In all, Cuomo has taken at least $804,000 from landlords to ICE and their families. Cuomo also attended a private fundraiser in April 2018 thrown by a lobbying firm that represents, among other clients, the private prison and immigrant detention company GEO Group.

This report examines Cuomo’s relationships with New York State immigrant detention profiteers among his donors, high-level administration officials, and campaign associates.
Key findings

- **Cuomo-tied companies RXR Realty and Blackstone Group earn more than $12.3 million per year from a lease to ICE.**
  RXR Realty CEO Scott Rechler, his family, and LLCs controlled by the company have donated at least $631,000 to Cuomo, and the governor has appointed CEO Scott Rechler to prominent public boards. Blackstone Group senior advisor William Mulrow is the chairman of Cuomo’s re-election campaign and was previously his top aide.

- **Howard Zemsky, Cuomo’s economic development czar, earns $1.4 million per year from his lease with CBP.**
  Zemsky’s LCo Building, LLC rents office space for the Customs and Border Protection Buffalo Port of Entry at a rate of $1,415,937 per year. Zemsky is executive director of Empire State Development, the public agency managing Cuomo’s economic development initiatives. LCo Building LLC, which leases to CBP, benefits from over $2 million in subsidy from New York State.

- **Other Buffalo-area landlords to ICE and CBP have given Cuomo at least $50,500.**
  Buffalo developer Uniland Development and the Montante family that owns the company donated at least $39,500 to Cuomo and $15,500 to Lieutenant Governor Kathy Hochul. Uniland receives $1,949,414 per year from ICE for the Buffalo Enforcement and Removal Operations office in downtown Buffalo’s Delaware North Building and $562,756 per year from a lease for a CBP field office.

- **The Cuomo campaign held a $5,000 per-person fundraiser hosted by a lobbying firm that represents private prison operator GEO Group.**
  Constantinople & Vallone hosted a fundraiser for Cuomo in April 2018 in a private box at a New York Mets game. Since 2015, the firm has brought in at least $165,000 from GEO Group, a private company whose prisons and immigrant detention facilities are notorious for their horrific conditions.

**Cuomo and ICE landlords RXR Realty & Blackstone Group**

Offices for ICE’s Homeland Security Investigations division in New York City are located in the Starrett-Lehigh Building at 601 West 26th Street in Manhattan. The ICE lease brings in $12,368,512 per year for RXR Realty, a major real estate investment and development firm, and Blackstone Group, one of the biggest private equity firms in the world, who co-own the building.

RXR and Blackstone both have close ties to Andrew Cuomo.
RXR, its top managers, and the family of Chairman and CEO Scott Rechler have given at least $631,000 to Cuomo’s political campaigns – including two $25,000 contributions via wire transfer from Rechler’s children in December 2015 when they were 18 and 21 years old, respectively. Cuomo appointed Rechler to the New York Metropolitan Transportation Authority (MTA) in 2017, where he is currently a board member, and to the Port Authority of New York and New Jersey in 2011, from which Rechler stepped down in 2016. Rechler is also a member of the board of governors of the Real Estate Board of New York (REBNY), a powerful trade group and a critical locus of support for the governor.

From 2015 until April 2017, Blackstone Group senior advisor William Mulrow was the secretary to Governor Cuomo, a position considered to be the governor’s top aide. He stepped aside to return to Blackstone and chair Cuomo’s re-election campaign. The year before he took his public position in the governor’s office, Mulrow reported earning between $1.15 million and $1.25 million from Blackstone, and in 2015 Mulrow disclosed between $1.75 million and $2 million in investments with the firm.

Blackstone CEO Stephen Schwarzman is a key supporter and advisor to President Donald Trump. Schwarzman was chairman of the Trump’s now-defunct Strategic and Policy Forum, a council of corporate executives that advised the president on the economy and has become a significant Trump donor and fundraiser. In December, Schwarzman both gave $344,400 to Trump Victory, a joint fundraising committee, and hosted a $100,000 per plate fundraiser for Trump in his New York home.

**Cuomo economic development czar Howard Zemsky leases to CBP**

According to the General Services Administration external lease database, Customs and Border Protection (CBP) – a law enforcement agency that patrols the US border and faces numerous allegations of abuse against immigrants – pays $1,415,937 per year in rent to LCo Building, LLC for the CBP Buffalo Port of Entry at 726 Exchange Street. LCo Building, LLC is a shell company for Larkin Development Group, the real estate development firm owned by Howard Zemsky, the executive director of Empire State Development.

Larkin Development Group benefits from significant tax subsidies from the Erie County Industrial Development Agency, one of Governor Cuomo’s regional economic development agencies. The Erie County Industrial Development Agency has awarded LCo Building LLC over $2 million in annually property, tax, and mortgage recording subsidies.

Howard Zemsky, his wife Leslie, and their companies have given at least $122,500 to Andrew Cuomo and $64,700 to Kathy Hochul. In 2017, Zemsky paid more than $1,000 to fly Cuomo in a private jet to Buffalo to officiate at Zemsky’s daughter’s wedding.
Other landlords to ICE and CBP donate to Cuomo

Cuomo has taken at least $50,500 from other Buffalo-area landlords to ICE and CBP.

Uniland Development, owned by Buffalo’s prominent Montante family, leases space in its publicly-subsidized Delaware North Building for ICE’s Enforcement and Removal Operations office at 250 Delaware Avenue in Buffalo at a rate of $1,949,414 per year, according to the Government Services Administration. Uniland also has a lease worth $562,756 for the Customs and Border Protection Buffalo Field Office at 300 Airborne Parkway in Cheektowaga. Uniland and the Montante family have collectively donated at least $39,500 to Andrew Cuomo.

The anchor tenant in Uniland’s Delaware North Building is Delaware North Companies, a multinational concessions company owned by the billionaire Jeremy Jacobs. The ICE office in the building is sandwiched between a Delaware North-owned hotel and its corporate headquarters.

Delaware North and its various businesses control at least 70% of the space in the building. The company aggressively sought public subsidies for the project when it was first planned. In the face of strenuous public opposition, Delaware North threatened to move its headquarters to another city if the tax breaks were not awarded, prompting Governor Cuomo to step in and assure the Jacobs family that he would help. In the end, the project was awarded more than $10.8 million in subsidies, with $807,000 in sales tax savings for Delaware North and $10,017,000 in real estate tax abatement, sales tax savings, and mortgage tax savings for Uniland.

As the building’s biggest tenant and a core partner, with Uniland, in the conception and execution of the project, the company has clearly signed off on and benefited from ICE’s tenancy.

Delaware North and the Jacobs family are major donors to both Andrew Cuomo and Donald Trump. Members of the Jacobs family have donated at least $167,700 to Trump’s presidential campaign, his joint fundraising committee, and his inauguration committee. The family also hosted a fundraiser with Kellyanne Conway as a special guest that was estimated to have raised $1 million for Trump’s inauguration committee.

The Jacobs family has donated at least $112,500 to Andrew Cuomo’s political campaigns, which includes a $5,000 in-kind contribution from Delaware North subsidiary Management Services Inc for a flight Cuomo took on a corporate jet. Further, Delaware North currently employs William Hochul, the husband of Lieutenant Governor Kathy Hochul, where he earned $585,357 in 2017.

Williamsville-based developer Acquest Development has two leases with Customs and Border Protection Border Stations in Erie, Pennsylvania and Grand Forks, North Dakota worth
$855,701 and $1,408,593 per year respectively. Acquest owner William Huntress has given $500 to Cuomo.26

Ciminelli Real Estate Corporation has one lease for the Customs and Border Protection Buffalo Border Station at 600 Colvin Woods Parkway that brings in $582,752 per year in rent. The firm and its owner Paul Ciminelli have given at least $10,500 to Cuomo and $8,500 to Kathy Hochul.

Paul Ciminelli is a former member of the board of directors of Empire State Development, and his firm was intimately involved with the allegedly-rigged bid to build the SolarCity Buffalo Billion project in Buffalo that was won by LPCiminelli, the construction firm owned by his brother. Paul Ciminelli sat on the board of Empire State Development when the agency voted to fund the project, Ciminelli Real Estate was part of the team that assembled the allegedly-rigged bid, and then-vice president of Ciminelli Real Estate Dennis Penman was vice chair of the Buffalo Urban Development Corporation, the public entity that owned the land for the SolarCity project.27

Cuomo attended $5,000 per person fundraiser thrown by lobbying firm that represents private prison operator GEO Group

On April 18, 2018, the lobbying firm Constantinople & Vallone threw a $5,000 per person fundraiser for Andrew Cuomo in a private box at Citi Field during a New York Mets game.

Among Constantinople & Vallone’s clients is GEO Group, a private prison operator that also contracts with the federal government to run immigrant detention facilities.28 Since 2015, GEO Group has paid Constantinople & Vallone at least $165,000 to advocate with local and statewide governmental bodies, including Governor Cuomo’s office, according to lobbying disclosures with the Joint Commission on Public Ethics.

GEO Group’s facilities are notorious for their horrific conditions. A federal judge described GEO’s Walnut Grove Youth Correctional Facility in Mississippi as “a picture of such horror as should be unrealized anywhere in the civilized world.”29 The company is currently facing a class action lawsuit over alleged forced labor in an immigrant detention center it operates in Colorado.30

GEO Group operates two facilities in New York: the Bronx Community Reentry Center, a halfway house, and the Queens Detention Facility, a federal prison.
Conclusion: Cuomo’s Failure to Stand up for New York’s Immigrant Communities

While the nation stands in horror at the Trump administration’s attacks on immigrant communities, Cuomo has claimed to be their champion. But he has refused to join calls to abolish ICE while continuing to accept large donations from individuals and corporations directly benefiting from ICE and CBP’s presence in New York State.

Cuomo’s refusal to call to #AbolishICE fits a clear pattern of political behavior. For years, he has not taken meaningful action to protect and empower New York’s immigrant communities. Here are three of the most important pieces of pro-immigrant legislation Cuomo has failed to pass:

1) Green Light New York, which would permit the Department of Motor Vehicles to issue driver licenses to New Yorkers regardless of their immigration status; 2) New York State Liberty Act, which would draw a bright line between state and local law enforcement and federal immigration enforcement; and 3) the DREAM Act, which would allow undocumented college students who qualify for in-state tuition at public colleges to access some state financial aid.

A true progressive champion for immigrants would have used his power as Governor to pass these legislative measures long ago and would have been on the forefront of the movement to #AbolishICE.

3 Joyce, A.P. “Andrew Cuomo Won’t Call for Abolishing ICE. But His Opponent Cynthia Nixon Just Did.” June 20, 2018. Mic. Available at: https://mic.com/articles/189921/andrew-cuomo-wont-call-for-abolishing-ice-but-his-opponent-cynthia-nixon-just-did#BJ1WFqZDV
5 General Services Administration, May 2018 Lease Inventory. Accessed July 6, 2018 and available at: https://www.gsa.gov/real-estate/real-estate-services/leasing-policy-procedures/lease-inventory
16 General Services Administration, May 2018 Lease Inventory. Accessed July 6, 2018 and available at: https://www.gsa.gov/real-estate/real-estate-services/leasing-policy-procedures/lease-inventory
22 Erie County Industrial Development Agency. "Delaware North Companies." November 18, 2013. Available at: https://www.ecidany.com/app/project/120


