

Skelos latest veteran New York State politician indicted for corruption

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The leader of New York state's Senate Republicans, Dean Skelos, was arrested on May 4, along with his son Adam Skelos. Both men are facing federal corruption charges of extortion, fraud and solicitation of bribes, and if convicted they face prison sentences of 20 years or more. The charges were announced by the US Attorney for the Southern District of New York, Preet Bharara.

The indictment of the 67-year-old Skelos, a veteran politician representing a district in the Long Island suburbs of New York City, comes only a few months after the arrest of Sheldon Silver, his Democratic Party opposite number in the New York State Assembly. Silver resigned his post as State Assembly Speaker under pressure last January, although Skelos defiantly declared after his arrest this week that he would not do the same.

In recent years, the cesspool of corruption in the state capital of Albany has been presided over by what is sometimes called divided government, the Republicans controlling the Senate and the Democrats the Assembly. In fact, there is precious little dividing the scoundrels of both parties. They all do the bidding of Wall Street, the giant real estate developers and other sections of the business and corporate establishment.

Silver, 71 years old, has represented an assembly district on the Lower East Side of Manhattan for decades. He was the legislature's leading Democrat for more than 20 years. He and Skelos were two of the proverbial "three men in a room," the phrase used to convey the role of these political hacks, through their control of the two branches of the state legislature, in the secret deal-making with Governor Andrew Cuomo on key policy and legislative decisions for the state.

Silver was accused of receiving \$4 million in bribes and kickbacks from two law firms to which he is

supposed to have steered official business. In the case of Skelos, the charges deal with alleged pressure on his part to have several firms steer work or income to his 32-year-old son in exchange for official favors he was able to provide.

One of the firms, Glenwood Management, is a prominent real estate developer in New York City, owning 26 buildings with a total of 8,700 apartments. Glenwood had financial ties to a small environmental company, AbTech, headquartered in Arizona. The elder Skelos is charged with pressuring Glenwood to arrange for the environmental firm to steer commissions to Adam Skelos amounting to some \$200,000 over a period of several years, even though, as the younger man admitted in recorded conversations, he knew nothing about the environmental work involved. As the *New York Times* reported, Skelos said he "literally knew nothing about water, you know, any of that stuff."

In exchange, Dean Skelos is alleged to have helped AbTech get a government contract amounting to \$12 million for environmental work following Hurricane Sandy. At the same time the Republican leader pushed legislation that would assist Glenwood, while the real estate firm is supposed to have arranged for \$20,000 to be paid to Adam Skelos, supposedly as a commission for title insurance work, although the younger Skelos did nothing to earn this fee.

Recordings and wiretaps revealed that Skelos and his son took steps in recent months to try to avoid detection, apparently fearing that several of their big business friends had become cooperating witnesses. These witnesses are not identified by name in the federal indictment, but they reportedly include Charles Dorego, the senior vice president of Glenwood Management.

Glenwood was also involved in the case against Silver, although it was not named in that complaint. It was reported to have hired a small law firm to handle some of its work, and this became the mechanism by which Silver “earned” far more than his government salary.

Glenwood is one of the most prominent members of the Real Estate Board of New York, and one of its most politically connected, having donated more than \$10 million to various political candidates in the past decade.

It is highly significant, if not surprising, that both Skelos and Silver have actively assisted the real estate industry in recent years. The use of what is called the 421a tax abatement program—has enabled big developers like Glenwood to reap huge profits in the construction and rental of luxury buildings. During this same period the Albany politicians of both parties have smoothed the way for the removal of hundreds of thousands of apartments from rent control and rent stabilization requirements.

In the wake of the Skelos indictments and the revelations concerning cooperating industry witnesses this week, there were fears expressed of future indictments. “If Dorego is involved,” one lobbyist is reported to have told the Capitalnewyork website, “then you can bet more trees are going to fall.”

There also remains the question of the third of the “three men in a room,” the governor himself, who just won reelection last fall. Cuomo is one of the main recipients of donations from real estate interests, which have flowed to both Democrats and Republicans alike. The governor came under fire last year when he abruptly disbanded the commission that had been set up only months before to probe corruption in Albany. Glenwood is the largest contributor to other leading Democrats, including New York State Attorney General Eric Schneiderman and Controller Tom DiNapoli.

The corruption in Albany and in state capitals, and above all in Washington DC, reveals the way the US plutocracy functions today. Candidates are bought and sold, packaged and marketed, for the primary purpose of representing and defending the interests of American capitalism as a whole. At the same time, this necessarily takes the form of the more immediate, petty and parochial interests of different branches of industry

and corporate America.

New York State Senators and Assemblymen are paid about \$79,000 annually, and “leaders” like Silver and Skelos get paid a bit more. In addition, there have been relatively few restrictions on outside income, and few disclosure requirements. Time and again in recent years the capitalist politicians have been caught in the act of grabbing for more.

Every decade or so, a prosecutor comes along who declares it his or her mission to clean up the mess in Albany or elsewhere. Ringing declarations are made about protecting the public purse, punishing wrongdoers and finally putting an end to business as usual. Then, within a few short years or even sooner, the next corruption case emerges. It is no exaggeration to say that the US Attorney and the capitalist judiciary as a whole are also playing its assigned role. It may be trying to discourage particularly egregious examples of misconduct, but more fundamentally it is seeking to refurbish the image of bourgeois legality itself, as masses of working people see for themselves the rot that permeates the whole economic, social and political setup.



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