Leading New York state politicians on trial for corruption

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Two leading New York state politicians, Democrat Sheldon Silver and Republican Dean Skelos, go on trial this month on charges of corruption. Silver's trial is already under way; the trial of Skelos is scheduled to begin later in the month.

Until their respective indictments, each man led one of the houses of the state legislature, Silver as speaker of the Assembly and Skelos as the Senate majority leader. Together with the governor, Democrat Andrew Cuomo, they formed the troika, colloquially known as "three men in a room," which had de facto power to make major policy decisions that were then pushed through the legislature. Collectively, they were key representatives of the business and financial elite in the state.

The investigations of Silver and Skelos, and an unknown number of other politicians, are being conducted by federal prosecutors led by Preet Bharara, the United States attorney for the Southern District of New York.

It is alleged that both Silver and Skelos used their positions to sell political influence in return for cash or other considerations. The specific accusations against Silver include having committed "honest services" fraud and extortion under the color of official right, as well as money-laundering. Skelos faces similar allegations of fraud and extortion, plus solicitation of bribes.

Silver's defense claims that he complied with all legal disclosure requirements and that none of his actions were outside the range of normal practice. His lawyer stated, "It's impossible, absolutely impossible for a member of the Assembly to do his or her job and to go out, make laws, deal with people, do the job that a person in the Assembly does and not have some sort of conflict of interest." He added, "That may make you uncomfortable, but that is the system New York has chosen, and it is not a crime."

Silver and Skelos had close ties to New York's powerful real estate industry. In particular, both men are alleged to have had dealings with Glenwood Management, a major New York developer. Glenwood, and the industry as a whole, derive great benefit from government tax breaks and financial assistance. In return, these businesses provide millions of dollars in campaign contributions to both the Democrats and Republicans.

Among the allegations against Skelos is that he arranged with Glenwood to provide money and a "no show" job for his son, who will be tried along with his father.

Silver is accused of directing Glenwood to take its legal business to the law firm of one of his associates, who in turn gave Silver hundreds of thousands of dollars in kickbacks.

These allegations illustrate the deeply entrenched and longstanding collusion between politicians of both major parties and the real estate billionaires. They highlight the mutual interest of these parties in maintaining the status quo, which is highly profitable to both sides, but has led to an acute shortage of affordable housing and record levels of homelessness. Furthermore, they emphasize the utter futility of expecting the government to undertake any meaningful steps to address this crisis.

Another source of income for state legislators, including both Silver and Skelos, is work for private law firms. New York's legislature is considered to be "part time," and legislators are permitted to have outside employment. Although annual financial disclosures of external income are required, the resulting information is limited and frequently falsified.

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In effect, outside legal work provides politicians with the virtually unfettered ability to direct businesses and individuals who come before them to law firms from which the politicians earn income. The opportunity for barely concealed bribery is limitless.

Silver is alleged to have received $3.4 million from one law firm where he was employed, and $700,000 from another, for which he did no work. He claims the latter was a legitimate "referral fee." Similarly, Skelos was reportedly paid $2.6 million in referral fees from another law firm where he did not work.

Another accusation against Silver involves a Columbia University cancer researcher who testified that he referred patients suffering from asbestos-related cancer to the assemblyman's law firm, channeling millions of dollars in legal fees, in exchange for Silver's support in obtaining a half million dollars in state funding for his research.

It is entirely possible that the third "man in the room," Governor Cuomo, may also face federal corruption charges. Last year, Cuomo shut down the Moreland Commission, a state body he had convened in 2013 to investigate corruption in state government and as a weapon against his political opponents. There is strong suspicion that he ended its work before its completion because the investigation was coming close to uncovering questionable activities on the part of the governor himself, or by close associates.

The federal prosecutor is now conducting an investigation of the Moreland Commission and its abrupt termination. There are also allegations of ties between Cuomo and Glenwood Management. Cuomo receives large campaign contributions from business interests, the real estate industry prominent among them.

The trials of Silver and Skelos coincide with the beginning of a seven-year prison sentence for Malcolm Smith, a former state senator and briefly the senate's majority leader, who was convicted earlier on corruption charges. In a move that underscores the lack of any real difference between the two parties, Smith, a Democrat, was convicted of bribing Republican Party officials in an attempt to obtain that party's nomination to run for New York City mayor.

These examples represent only the latest instance of episodic "housecleaning," the last one having taken place in 2013. These involve the sacrifice of a few of the most openly corrupt politicians, to create the illusion that "reform" is taking place. All the while the basic structure of what is euphemistically referred to as "transactional" politics, also known as "pay to play," remains untouched.

It has long been acknowledged that New York has among the most corrupt state government in the country. A 2012 study by the Center for Public Integrity found that it ranked 37th out of the 50 states in public integrity. Over more than a century, four previous State Senate majority leaders and three Assembly speakers have faced criminal indictments. Since 2000 alone, 31 elected state politicians have been convicted of crimes or have left office due to allegations of ethical misconduct. The indictments of Silver and Skelos expose only a tiny fraction of the "business" that goes on every day.

Sheldon Silver's claim that his practices are simply the way things are done in state government is undoubtedly true, and represents an unabashed acknowledgement by one at the center of power that capitalist government is nothing but political bazaar in which political representatives of the ruling class buy and sell their services to enrich themselves, while mounting ever greater attacks on the working class.

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