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The Conviction of Former New York State Assembly Speaker Sheldon Silver

What Comes Next?

December 2, 2015



Who is Sheldon Silver?

Sheldon Silver is the former Democratic Speaker of the New York State Assembly, a post he held from 1994 until January 2015. He represented Manhattan's Lower East Side from 1976 until November 30, 2015, [when he was convicted](#) on four counts of honest-services fraud, two counts of extortion and one count of money laundering.

Why is his case so important?

Until he stepped down as speaker following [news of his indictment](#), Silver was one of the three most influential politicians in New York. Referred to as the "[three men in a room](#)," the group of Silver, Governor Cuomo and then-State Senate Majority Leader Dean Skelos ([currently on trial for corruption](#)) dictated the state's policy agenda and held [outsized sway over budget negotiations](#).

What did Silver do?

The court found that, over the last 15 years, Silver orchestrated [two fraudulent schemes](#) wherein he traded official acts for \$6 million in private payouts. In the first, Silver directed more than \$500,000 from the State Health Department to Doctor Richard Taub at Columbia University's Mesothelioma Center who, in return, referred patients with potentially lucrative cases to the law firm Weitz & Luxenberg P.C.. This firm paid Silver \$1.4 million in salary for legal work never performed and \$3.9 million in referral fees because of the patients Taub sent. In the second scheme, Silver used his influence in Albany to convince two major real estate developers, Glenwood Management and the Witkoff Group, to hire a former aid's law firm, Goldberg & Iryami, for which he was paid \$700,000 in referral fees. In return, Silver lent his considerable political clout to rent legislation backed by Glenwood Management.

Additionally, Silver was convicted of money laundering for his investment in JoRon Management and Counsel Financial, which netted him over \$750,000. Silver's initial investment was found to have been made with illicit earnings from his fraudulent schemes. Moreover, the information leading to his investment was "[not available to the general public](#)"; the firm is [chaired by the partners in Weitz & Luxenberg](#).

What happens next?

Following his conviction, Silver automatically forfeited his seat in the State Assembly, which will remain vacant until either a special election is held or the next general election in November 2016. Governor Cuomo has suggested that a [special election to replace Silver will be held on April 19](#), to coincide with New York's presidential primary. Silver's replacement would serve out the remainder of his original term, ending in late 2016.

Under the New York State constitution, Silver is [still entitled to his pension](#) of approximately \$90,000 per year. However, United States Attorney for the Southern District of New York Preet Bharara [has indicated](#) that his office may target Silver's pension should his physical assets not be sufficient to cover any financial penalties imposed by the court.

The statutory penalties for the four counts of honest-services fraud and two counts of extortion each carry a maximum of 20 years and 10 years for the one count money laundering, for a maximum total of 130 years; however Sentencing Guidelines are merely advisory and the actual sentence will likely be far shorter. A sentencing date has not yet been set.

Violations:

- Title 18, United States Code, §§ [1346](#), [1341](#), [1343](#) - Theft of Honest Services, charging a scheme to deprive another of the intangible right of honest services through the use of the mails and wires.
- Title 18, United States Code, § [1951](#) - Interference with commerce through extortion by obtaining property to which Silver was not entitled under color of official right.
- Title 18, United States Code, § [1957](#) - Engaging in monetary transactions in property derived from specified unlawful activity (money laundering).