

Prepared Remarks Concerning United States v. Bernard Kerik

by

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GOOD MORNING.

TODAY WE ANNOUNCE THE UNSEALING OF AN INDICTMENT CHARGING FORMER NEW YORK CITY POLICE COMMISSIONER BERNARD KERIK WITH CONSPIRING TO RECEIVE OVER A QUARTER OF A MILLION DOLLARS IN FREE RENOVATIONS FROM A CONTRACTOR DOING BUSINESS WITH THE CITY OF NEW YORK, WITH TAX CRIMES, AND WITH LYING TO THE FEDERAL GOVERNMENT.

[THE HONEST SERVICES FRAUD]

KERIK IS CHARGED WITH ENGAGING IN A SCHEME TO DEPRIVE THE CITY OF NEW YORK OF HIS HONEST SERVICES WHILE HE WAS THE COMMISSIONER OF THE NEW YORK CITY DEPARTMENT OF CORRECTIONS AND THE NEW YORK CITY POLICE DEPARTMENT. A

COMPANY THAT WAS SEEKING TO DO BUSINESS WITH THE CITY PAID MORE THAN \$250,000 FOR RENOVATIONS ON AN APARTMENT OWNED BY KERIK. DURING THE TIME KERIK SECRETLY ACCEPTED THESE PAYMENTS HE LOBBIED CITY OFFICIALS ON BEHALF OF HIS BENEFACTORS – IN EFFECT SELLING HIS OFFICE, IN VIOLATION OF HIS DUTY TO THE PEOPLE OF THE CITY. SEVERAL OF THE PAYMENTS WERE MADE ON HIS BEHALF AFTER HE HAD TAKEN AN OATH AS THE NEW YORK CITY POLICE COMMISSIONER, BREAKING THE LAWS HE HAD SWORN TO UPHOLD.

THE INDICTMENT CHARGES THAT KERIK WENT TO GREAT LENGTHS TO CONCEAL THE SCHEME. HE DID SO: (1) BY FILING FOUR SEPARATE FALSE FINANCIAL DISCLOSURE REPORTS WITH CITY OFFICIALS WHICH CONCEALED THE PAYMENTS, (2) BY MISLEADING CITY OFFICIALS ABOUT HIS RELATIONSHIPS WITH THOSE WHO WERE PAYING HIM, AND (3) BY OBSTRUCTING THE CITY'S INVESTIGATION BY CAUSING MULTIPLE WITNESSES TO LIE TO THE INVESTIGATORS.

[THE TAX OFFENSES]

KERIK IS ALSO CHARGED WITH OBSTRUCTING THE IRS AND FILING FALSE TAX RETURNS. HE REPEATEDLY FAILED TO DISCLOSE TO THE IRS AND HIS OWN ACCOUNTANTS THE FULL EXTENT OF HIS INCOME, AND IN SOME CASES, PROVIDED FALSE INFORMATION ABOUT DEDUCTIONS. INCOME ITEMS THAT KERIK IS ALLEGED TO HAVE FAILED TO REPORT INCLUDE:

- THE \$255,000 PAID ON HIS BEHALF FOR THE APARTMENT RENOVATIONS;
- OVER \$236,000 IN RENTAL PAYMENTS MADE ON HIS BEHALF BY A MANHATTAN DEVELOPER; AND
- ALMOST \$100,000 IN INCOME HE RECEIVED FROM SOFTWARE COMPANY AND A BOOK PUBLISHER;

KERIK ALSO FAILED TO REPORT HIS EMPLOYMENT OF AN OFF-THE - BOOKS NANNY AND TO PAY THE APPLICABLE PAYROLL TAXES.

[FALSE STATEMENTS TO THE FEDERAL GOVERNMENT]

THE INDICTMENT ALSO CHARGES THAT KERIK MADE A NUMBER OF FALSE STATEMENTS TO THE FEDERAL GOVERNMENT IN CONNECTION WITH HIS VETTING FOR IMPORTANT FEDERAL POSITIONS INVOLVING NATIONAL SECURITY. TIME AND AGAIN KERIK WAS ASKED SPECIFIC QUESTIONS ABOUT HIS FINANCIAL

DEALINGS AND TIME AND AGAIN HE LIED ABOUT THINGS LIKE HIS RECEIPT OF THE ILLEGAL APARTMENT RENOVATIONS, HIS RECEIPT OF A LOAN FINANCED BY AN ISRAELI BUSINESSMAN WHO DID BUSINESS WITH THE FEDERAL GOVERNMENT AND HIS EMPLOYMENT OF AN OFF-THE-BOOKS NANNY.

MR. KERIK IS SCHEDULED TO APPEAR BEFORE MAGISTRATE JUDGE GEORGE YANTHIS AT NOON TODAY FOR AN INITIAL APPEARANCE ON THESE CHARGES AND THE SETTING OF BAIL.

IT IS A SAD DAY WHEN THIS OFFICE RETURNS AN INDICTMENT AGAINST A FORMER LAW ENFORCEMENT OFFICER, PARTICULARLY ONE WHO SERVED IN POSITIONS AS HIGH AS THOSE HELD BY BERNARD KERIK. BUT WE WILL NOT HESITATE TO PURSUE ANY PUBLIC OFFICIAL WHO VIOLATES HIS OATH AND BETRAYS THE PUBLIC TRUST AS MR. KERIK IS ALLEGED TO HAVE DONE. NOR CAN WE TOLERATE LIES TO THOSE WHO ARE GIVEN THE CRITICAL TASK OF VETTING INDIVIDUALS FOR IMPORTANT PUBLIC POSTS. PUBLIC SERVICE IS A PRIVILEGE. THE VETTING PROCESS IS DESIGNED TO

ENSURE THAT THOSE WHO ASSUME THE AWESOME RESPONSIBILITY OF SERVING THE PUBLIC ARE WORTHY OF THAT PRIVILEGE AND OF THE TRUST THE PUBLIC PLACES IN THEM.

I WOULD LIKE TO COMMEND THE WORK OF THE IRS AND FBI AGENTS WHO WORKED ON THIS CASE. I ALSO WANT TO THANK THE BRONX DISTRICT ATTORNEY'S OFFICE, THE WESTCHESTER DISTRICT ATTORNEY'S OFFICE, AND THE NEW YORK CITY DEPARTMENT OF INVESTIGATION FOR THEIR ASSISTANCE IN THE INVESTIGATION.

THANK YOU.