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.