

Kerik indictment could wreak havoc for Giuliani

The GOP front-runner's former police commissioner faces charges of criminal conspiracy and lying to White House officials.

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WASHINGTON — Being a top aide to New York Mayor Rudolph W. Giuliani allegedly brought a lot of perks to Bernard Kerik -- a new Jacuzzi, a "marble entrance rotunda" installed in a Bronx apartment, \$9,000 a month in rent payments for a flat on the Upper East Side -- many of them paid for by people who had business with the city.

Those and other favors were laid out Friday in a corruption indictment against Kerik, New York's former police commissioner. The charges open a window on Republican presidential candidate Giuliani's inner circle, detailing how Kerik lived the high life during Giuliani's law-and-order administration.

The indictment, with details that would fit an episode of "The Sopranos," could create problems for the GOP front-runner, who has built his candidacy on his image as an efficient manager and dogged crime fighter.

Kerik was a police detective and onetime driver for Giuliani who the then-mayor elevated first to corrections commissioner and then in 2000 to police commissioner. Kerik faces 14 charges, including criminal conspiracy, tax evasion and making false statements to White House officials considering him for Homeland Security secretary.

President Bush nominated Kerik to the cabinet post in 2004 on Giuliani's recommendation. The nomination was withdrawn after a torrent of revelations about Kerik's finances, including some of the allegations in the indictment.

At a news conference Friday, the U.S. attorney for the southern district of New York, a post Giuliani held during the 1980s, accused the former mayor's protege of "in effect selling his office, in violation of his duty to the people of the city."

Sensing an opening, Giuliani's presidential opponents pounced.

Former Massachusetts Gov. Mitt Romney picked Friday morning to release a statement pledging "strong ethics and accountability in government."

Arizona Sen. John McCain's campaign suggested that Giuliani's support of Kerik was an ethical failing. "Rudy Giuliani's history with Bernie Kerik is a story of poor judgment," the campaign said. "A president's judgment matters, and Rudy Giuliani has repeatedly placed personal loyalty over regard for the facts."

Randy Mastro, a former deputy mayor to Giuliani and now an advisor to his campaign,

fired back by mentioning the main scandal of McCain's public life: his role as one of the "Keating Five," senators who were tied to the collapse of Lincoln Savings and Loan Assn. and its chairman, Charles H. Keating Jr.

"It's not fair to judge Rudy Giuliani by this one issue in the same way that it is to judge John McCain on the basis of the Keating Five scandal," Mastro said. "Rudy would never do that to John McCain. John McCain shouldn't be so unfair as to do this to Rudy Giuliani."

And Democratic National Committee Chairman Howard Dean said: "The fact that Rudy Giuliani shepherded the career of Bernard Kerik despite his ethical problems speaks volumes about the Republican Party and its candidates."

Giuliani is not mentioned in the 29-page Kerik indictment, and it is unlikely he will be called as a witness, according to an attorney familiar with the case. But it could prove difficult for Giuliani to distance himself from Kerik's travails.

Although Giuliani said last week that the two men had not talked recently, they were professionally and personally close. The former mayor is godfather to Kerik's daughter, and Kerik wrote in his autobiography that Giuliani had "made" him.

Press reports have indicated that before Kerik's appointment as police commissioner, a New York City official briefed Giuliani about Kerik's ties to a New Jersey waste disposal company that is at the heart of the federal indictment. Giuliani has not disputed those reports, but maintains he doesn't remember the briefings.

An official for the company, Interstate Industrial Corp., referred questions Friday to a lawyer, who did not return a phone call requesting comment. Kerik's indictment had been anticipated, and Giuliani has sought to blunt its political impact by admitting that he failed to properly vet Kerik before recommending him for the Homeland Security post.

"I think that voters should look at it, and what they should say is, in that particular case, I pointed out that I made a mistake," the former mayor said Thursday in Iowa. "I made a mistake of not clearing him effectively enough. I take the responsibility for that."

But Giuliani has continued to defend the crime-fighting record that he and Kerik compiled.

Kerik turned himself in to the FBI on Friday morning and pleaded not guilty in U.S. district court in White Plains, N.Y. He remained free on \$500,000 bail. If convicted on all the charges against him, Kerik could face a sentence of up to 142 years in prison and \$4.7 million in fines.

According to the indictment, Kerik and seven co-conspirators sought to profit from his political position. While he was corrections commissioner and police commissioner, it asserted, Kerik met with New York and New Jersey regulators on behalf of Interstate Industrial Corp., which was seeking government contracts. City and state agencies at the time were investigating whether the company had purged itself of earlier ties to organized crime.

In return for Kerik's support, the indictment said, the New Jersey company paid for more

than \$250,000 in improvements to his apartment in the Bronx. Among the renovations were new bathrooms with a Jacuzzi, the marble entrance and a new kitchen.

The indictment said Kerik concealed this income -- as well as rent payments a New York real estate developer made on an Upper East Side apartment -- from the IRS.

Kerik's fame led to a contract to write a book and, according to the indictment, he failed to report more than \$75,000 in income from that project.

The indictment also said he accepted a personal loan from a Brooklyn businessman, with the knowledge that the money came from a wealthy Israeli industrialist whose companies did business with the federal government. The indictment did not identify either loan source by name.

Before his nomination as Homeland Security chief, Kerik held a position as senior policy advisor to the Coalition Provisional Authority, which governed Iraq after the 2003 American invasion. There, he led the effort to establish a police force in Iraq.

The indictment accused Kerik of making false statements in applying for each of those positions. He lied to three different White House officials about his tax and financial histories, according to the indictment, which does not identify the officials.

"Time and again Kerik was asked specific questions about his financial dealings, and time and again he lied," U.S. Atty. Michael J. Garcia told reporters Friday.

Kerik already has resolved charges against him in state court. He pleaded guilty to misdemeanors related to the Bronx apartment renovations last year.

But Kerik's stated determination to contest the federal charges ensures that the matter will remain a campaign issue. A trial could come sometime next year -- during the heart of the general election campaign.

Paul D'Emilia, a Kerik friend who administers a legal defense fund to pay the former police chief's bills, said Friday: "He's definitely going to fight."

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