

Prosecutors expected to file charges against Bernard Kerik

BY GREG B. SMITH
 DAILY NEWS STAFF WRITER

Friday, October 12, 2007, 4:00 AM

Bernard Kerik's legal nightmare is about to get worse, with federal prosecutors expected to file charges against the former police commissioner that will likely include allegations of bribery, tax fraud and obstruction of justice, the Daily News has learned.

The indictment, expected next month, could prove to be an embarrassing obstacle for Kerik's former mentor Rudy Giuliani, who is cruising at the top of the polls heading into the presidential primary gauntlet.

The bribery allegations against Kerik stem from a secret meeting at a bar in Tribeca, according to two sources familiar with the federal probe.

Kerik's lawyers recently agreed to waive the statute of limitations on the tax charges until Nov. 17, which will allow them to make one last plea to try to ease the pain.

Kerik will go to the Justice Department in Washington in the coming weeks to try to get expected criminal tax charges reduced to civil fines.

Meanwhile, witnesses have been appearing before a grand jury in White Plains, several sources said.

Last spring, Kerik turned down a deal to plead guilty to tax charges. Since then, the probe has expanded to include other charges, the sources said.

The indictment will have direct implications for Giuliani, the sources said.

For one, another Giuliani commissioner and a top inspector general during Giuliani's years as mayor will be called as witnesses to describe the secret meeting in Tribeca.

The Giuliani officials are Raymond Casey, former head of the Trade Waste Commission, a city agency set up to keep the mob out of the carting industry, and Michael Caruso, former inspector general with the city Department of Investigation.

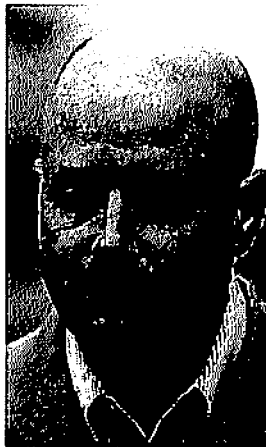
In July 1999, Casey and Caruso met with Kerik, then the city Correction Department commissioner, at Walker's bar on North Moore St., court papers reveal.

At the time, Casey was investigating Interstate Industrial Corp., a company that employed Kerik's brother Donald and the best man at Kerik's wedding, Larry Ray.

An Interstate affiliate had applied to operate a waste transfer station in Staten Island, and Casey was looking into allegations that the firm had ties to the Gambino crime family.

During the meeting, both Interstate and Ray were discussed, according to an affidavit filed in a civil suit by Caruso's lawyer, Mark Freyberg.

Kerik has admitted that at the time Interstate was secretly paying to renovate his Bronx apartment. Prosecutors are now expected to allege that the free renovations amounted to Kerik accepting bribes, the sources said.



Ex-Police Commissioner Bernard Kerik will likely face now federal charges, sources say, some linked to meeting at Walker's, a bar in Tribeca allegedly attended by Kerik and two then-city officials.



Walker's

In return for the renovations, the feds will allege, Kerik used his city position to try to influence the city's probe of Interstate, the sources said.

During the Walker's meeting, Kerik allegedly told Casey that he did not see the allegations concerning Interstate's ties to the mob as credible, according to a source familiar with the case.

Kerik noted that his brother worked for the company, and said, "If I thought Interstate was mobbed up, do you think I'd let my brother work there?" according to the source.

Kerik also urged Casey to complete his probe and either reject or accept the application - but either way, to do it expeditiously, the source said. Years later, the agency recommended denying Interstate the license.

Kerik's lawyer Kenneth Breen did not return a call seeking comment. Casey's lawyer and Perry Carbone, the prosecutor handling the case for Manhattan U.S. Attorney Michael Garcia, also did not return calls.

Last year, Kerik pleaded guilty to two misdemeanor charges brought by the Bronx district attorney in connection with receiving payments totaling \$165,000 from Interstate, but he was not charged with bribery.

The expected obstruction of justice charges from the feds are related to Kerik's statements to Bronx prosecutors, the sources said.

The expected federal tax fraud charges are linked to Kerik's failure to pay taxes on the income he received from Interstate, the sources added.

Giuliani has extensive ties to Kerik, promoting him to correction commissioner, then to police commissioner. Giuliani later also hired him at his firm, Giuliani Partners, and recommended him to President Bush for the job of Homeland Security secretary.

The relationship soured in December 2004 when Kerik withdrew from consideration for the Homeland Security job and a torrent of accusations of wrongdoing poured forth.

Giuliani has since admitted he had erred in pushing Kerik for the Homeland Security job.

"It was a mistake," Giuliani told CNN's Larry King in February. "I think the answer is I made a mistake and I took responsibility for it."

gsmith@nydailynews.com

From NYDailyNews.com

10-year-old circus performer dies in freak accident

California couple enlists churchmember to beat their teen for ...

It's Brooklyn's \$10 million street. Brooklyn Heights strip boasts ...

Out of towners flock to Coney Island's new amusement parks

Super Bowl 2012: Gisele Bundchen defends husband Tom Brady, slams

From Around the Web

Amanda Knox's Return to Italy Shows She Has Serious Integrity (The Stir By CafeMom)

She Dialed 911: The Cop Who Came to Help Raped Her. (The Daily Beast)

Powell case: Boys killed had "chop" marks (Allvoices)

Door-To-Door Salesman Accused of Shocking Sales Pitch (AOL Jobs)

Heather Locklear & Jack Wagner Facing Battery Charges After Big Fight (iVillage)

[?]