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Subject: NEWS CLIPS

Date: Wed, 26 Feb 2020 23:06:20 +0000

Inline-Images: image001.png

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Wednesday, February 26, 2020

EFTA00067620

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Public Corruption

Avenatti

Michael Avenatti is out of solitary confinement, his lawyer says

CNN

By Kara Scannell and Erica Orden

2/25/2020

New York (CNN) — Celebrity attorney Michael Avenatti, who was convicted of attempting to extort millions of dollars from Nike, is out of solitary confinement, his lawyer said Tuesday.

Tom Warren said his client was moved out of the special housing unit at the Metropolitan Correctional Center on Thursday and into the general population where he is housed with other convicted defendants.

The transfer came up on Tuesday when Avenatti was back in Manhattan federal court for a scheduling conference in a separate criminal case in which he is charged with stealing hundreds of thousands of dollars from Stormy Daniels. Avenatti has pleaded not guilty to the charges. His trial is set for April 21.

He entered the courtroom wearing a blue dress shirt and navy pants with his hands and ankles shackled. His ankles remained shackled throughout the hearing. He is accused of stealing \$300,000 that Daniels received from a book advance.

Avenatti rose to fame representing Daniels, an adult-film actress who alleged she had an affair with President Donald Trump. Trump has denied the affair.

Daniels, whose real name is Stephanie Clifford, was a key figure in the hush-money scandal that led to federal charges against Michael Cohen, the former Trump personal attorney who's serving jail time for campaign-finance violations for payments he made to silence women, including Daniels.

Earlier this month Avenatti was convicted of attempting to extort over \$25 million from Nike. He faces a third set of federal charges of bank fraud in California. Prior to his first trial, Avenatti was out on bail until last month when a judge in California remanded him into custody after finding he engaged in multiple questionable financial transfers. He was then transferred to the MCC in Manhattan while he was on trial for the Nike case. At the time he was placed in the special housing unit, which the government said was for his own protection.

After the hearing Warren told reporters that the time in solitary had taken a "toll" on Avenatti who had lost weight and become gaunt. He said Avenatti lived in a cell side by side with accused terrorists and an ISIS fighter.

Warren said Avenatti's new surroundings are "no walk in the park" but are "profoundly different." He said he appreciates the warden moving his client.

For now Warren added that he is prepared to take the case to trial telling reporters the case will come down to the credibility of Daniels, who is expected to be the government's star witness.

"I wouldn't pass up the opportunity to cross examine Stormy Daniels in a million years," he said.

[Epstein](#)

Embarrassing reality of Andrew's birthday

The Chronicle

By Stephanie Nolasco

2/26/2020

Prince Andrew celebrated the big 6-0 this month - without any of his royal siblings by his side.

A low-key private dinner held for the Duke of York drew around 50 guests last week, but none of the senior royals were in attendance, according to the Daily Mail.

The outlet reports that Prince Charles, Princess Anne and Prince Edward were nowhere to be seen.

"Neither of Andrew's brothers were there, nor was Anne, but it was a wonderful party," one guest told the outlet, adding there was still a "really good range of people".

Those in attendance included former Formula 1 boss Bernie Ecclestone, actor Sir John Standing and racing heir Guy Sangster, said the reported.

Liu Xiaoming, China's UK ambassador, reportedly attended the party at Royal Lodge, the Windsor residence Andrew shares with his ex-wife, Sarah Ferguson, the outlet claimed.

Andrew's birthday celebration was plagued with problems following his alleged ties to the late financier and convicted sex offender Jeffrey Epstein. Andrew's mother, Queen Elizabeth II, reported scrapped plans for a more lavish affair and last-minute invites were sent out after numerous friends refused to show.

UK-based broadcaster Neil Sean previously told Fox News that Meghan Markle and her husband Prince Harry weren't expected to attend the royal get-together. Andrew is Harry's uncle.

"A mole (told) me, 'It's an open secret they declined the invite but it's not very nice for the Queen as, whatever people say and think, he is (still) her son and she wanted her close family around her,'" Sean said. "The reason given is that they already have commitments on the day but also plan to send a gift/card and a video message to be played at the party."

And while Andrew is laying low following the ongoing scandal and nuclear interview, Sean said he will make an appearance for his daughter Princess Beatrice's wedding in May.

Andrew didn't attend Beatrice's engagement party in London, which was held in December, People magazine previously reported.

However, the outlet said Andrew has remained incredibly close to his family, including his ex-wife. In addition, he has continued to spend time with his mother. They were seen together exchanging smiles during a church outing last month and then spotted horseback riding around the Windsor Castle estate.

In January, authorities announced Andrew has refused to co-operate with federal investigators as they continue their probe into Epstein.

According to the New York Post, Manhattan US lawyer Geoffrey Berman told reporters at a news conference outside Epstein's former Upper East Side residence that federal prosecutors have been struggling to get the Prince to agree to sit down with them.

Mr Berman told the press outside the mansion: "The Southern District of New York and the FBI have contacted Prince Andrew's attorneys and requested to interview Prince Andrew, and to date, Prince Andrew has provided zero co-operation."

Andrew is accused of having sex with at least one of the women Epstein allegedly trafficked. He has vehemently denied any claims of wrongdoing at the hands of his relationship with Epstein.

The 66-year-old Epstein was found unresponsive in his cell at the Metropolitan Correctional Centre in New York City in August. Despite the fact the financier died behind bars awaiting trial for sex trafficking, the top prosecutor said the feds' investigation into his sex abuse network will continue.

"Jeffrey Epstein couldn't have done what he did without the assistance of others," Mr Berman said. "And I can assure you that the investigation is moving forward."

Violent and Organized Crime

Ray

What Happened to the Stolen Kids of Sarah Lawrence? As Lawrence Ray faces trial, two parents wonder if they'll finally reunite with their children.

NY Magazine

By James D. Walsh and Ezra Marcus

2/26/2020

On a cloudy afternoon last May, Cindy Pollok waited anxiously in the lobby of the Courtyard by Marriott at Newark Liberty International Airport. Four days earlier, New York Magazine had detailed the exploits of Lawrence Ray, the ex-felon who had moved into a dorm at Sarah Lawrence College in 2010 and drawn Cindy's daughter Isabella and her friends into his dark web. Soon after publication, Cindy received a tip with the address in suburban New Jersey where Isabella was living with Ray. Cindy and her sister, Liz Jeffrey, flew to Newark from San Antonio with a plan to rescue Isabella. Now, the women waited for Maritza, the mother of one of Isabella's roommates, who hoped to pry her own daughter, Felicia, from Ray's grip. Cindy and Maritza had never met, but their pain was indistinguishable.

"It was very sobering to watch both of the mothers there in the same room," said Jeffrey. "They were introduced and they just looked at each other. It was just sadness."

Though the women didn't know it, their hotel was 1,000 feet from Northern State Prison, where, nine years earlier, Ray had emerged after finishing a three year sentence for child custody violations. Days after his release, he moved into his daughter Talia's dorm at Sarah Lawrence, where he met her friends, including Isabella and Felicia's brother, Santos. Santos, Felicia, their sister Yalitza, Isabella, and several Sarah Lawrence students would end up living with Ray on and off for the next several years, during which time Ray psychologically and sexually manipulated them, extorting them and their families for hundreds of thousands of dollars while drawing them away from their loved ones. A few found a way out of his circle, but Isabella and Felicia had not. Neither Cindy nor Maritza had spoken to, or heard from, their daughters in years.

Cindy and Maritza had attempted, unsuccessfully, to stage interventions before. But the magazine story seemed to afford them a new window of opportunity. Maybe an accounting of Ray's long history of psychological manipulation had shaken something loose in their daughters. Maybe, if they could tell Isabella and Felicia that they loved them in person, their daughters would listen.

By that April, Ray, Felicia, and Isabella had been living in the Piscataway home for about four years. The house was owned by Scott Muller. Ray met Muller in Somerset County Jail, where Muller served a short sentence for drunk driving in 2008 and Ray had been awaiting his trial. According to two longtime friends of Muller's, after his release, Muller often talked about Ray, whom he described as a former CIA agent. (Muller recently told the New York Post that he first met Ray while working as a bouncer at a club part-owned by Ray. Muller declined multiple requests for comment.)

Before moving in with Muller, Ray, Isabella, and Felicia had been living in an apartment on the Upper East Side owned by Lee Chen. In 2015, Chen successfully evicted Ray from the apartment. Not long after, Ray, Felicia, and Isabella showed up at Muller's house. They claimed they had been poisoned and needed somewhere to recover.

Ray promised Muller he would help him turn his life around. "[Muller] was drinking a half a gallon of vodka a day. He was 405 pounds," Ray told New York last April. "We got him to lose over 100 pounds. Got him back to work."

Muller's friends said that Ray did help Muller get over his drinking problem. "Scott drank to excess every single day to the point where he lost his job," said one of the longtime friends, who asked not to be identified, citing Ray's history of retaliation. "Larry helped him to recover. So there is this feeling of indebtedness about that."

In ways reminiscent of how Ray insinuated himself into the lives of his daughter's classmates, Ray used that indebtedness as a foothold into Muller's life. "Since they moved in, they've taken over his house, forcing out roommates and destroying his property and incurring massive property fines," said Muller's friend, who visited the home frequently, "while at the same time making my friend feel like it was his fault for not acting the way Larry wanted him to." At one point, Ray padlocked the doors in Muller's house.

Muller's new roommates made a big impression in the otherwise quiet neighborhood. "You'd show up and [Isabella] would be doing yard work naked," said the first friend. "So obviously you start attracting all the middle-aged single guys."

"They did whatever Larry wanted," said Muller's second friend about Isabella and Felicia. "He would say things like, 'Do you need anything? Can Isabella do anything for you?'"

The yard work was part of Ray's initial pitch to Muller: Let us stay here and we'll get you sober and clean up your property. Ray even showed Muller plans for a new pool. At first, Ray planted some trees and flowers. But it wasn't long before he began making larger alterations. "What started out as 20 trees, a year later there was like a 20-by-ten-foot deep hole in the backyard," said the first friend. "All of the trees are gone, all of the grass is torn up. Some of the trees were planted but not many of them, and Scott got commercial-grade equipment to do this. The running joke was that he must be burying bodies in the backyard."

Muller's yard began to look like a construction site, complete with industrial equipment, including a massive loader, an excavator, a dump truck, a backhoe, an external generator, and a concrete mixer. In satellite images,

the backyard sticks out on the residential street like a blast site in the middle of suburban New Jersey. The new pool never materialized. Both friends independently described a dispute between Muller and Ray around Halloween in 2018, when Ray dug a hole in the front yard and dropped Muller's boat into it. "Felicia and Isabella go out there and they spray-paint the fucking boat and put blow-up dinosaurs in it. They say, 'Oh, we made a funny thing for the kids for Halloween,'" said the second friend.

By the time New York interviewed Ray last April, he falsely suspected Muller of poisoning him. "We have been exposed out there, it's probably him," Ray said. "Now why would he do that? We were helping the guy with money, trying to help him with problems he had in his yard, things he wanted to do. It made no sense and still doesn't." According to Muller's friends, Ray dug a hole to connect the house to the city water supply, claiming that Muller's well had been contaminated. Inside the house, Ray ripped up Muller's carpeting looking for black mold, according to one friend.

Ray has long claimed to be the victim of poisoning. A childhood friend of Ray's daughter, Talia, recalled that "as early as second grade, Talia told me their house had poison in the walls or in the attic," something Talia had learned from her father. Later, when living in Chen's apartment with multiple Sarah Lawrence students, Ray would falsely accuse them of poisoning him and his daughter on behalf of his onetime friend, former NYPD commissioner Bernie Kerik.

Ray's yard work also fit a pattern. Chen said that Ray damaged his home with heavy machinery and unnecessary remodeling projects. "He had a 650-pound metal lathe in my living room," Chen recalled. "The condominium board wrote a complaint letter to me about the noises that were emanating from my apartment all hours of the day and night. He was using a lot of electricity, and he didn't pay a single bill — over \$7,000 in electricity bills in one year."

Later, around 2013, when Ray decamped with the young adults to Pinehurst, North Carolina, he instructed his daughter's friends to tear up his 86-year-old stepfather's property using industrial-grade equipment. In 2013, the Pinehurst Police Department received multiple complaints about machinery being used at the house after hours, according to police records obtained by a local newspaper, the Pilot. A 2014 photo of the property on Google Street View shows Larry and two other people standing in the front yard with shovels and a weed whacker.

Ray's home renovations and landscaping were key to his manipulation, ways to justify extorting those around him of hundreds of thousands of dollars. While living on the Upper East Side with Ray, Santos sent Ray an email with the subject line "Prices of Your Things I Damaged/Ruined With Preliminary Total." The total was \$47,726.79. In North Carolina, Ray blamed another friend of Talia's named Claudia, as well as Isabella and others, for damaging the property. Claudia's mother later found a contract that read, "This is an agreement between Claudia and Lawrence Ray to settle reparations occurring July/August 2013 for the amount of \$20,000."

Ray often threatened to report his victims to the police for their supposed wrongdoing. In September 2013, Ray called the Pinehurst Police Department to say that Isabella had "walked off" after doing damage to his stepfather's garage. Ray called back 40 minutes later to say that Isabella had returned. In October, Ray called the police again because Yalitzta had run away. Alarmed by the number of holes in the yard, the officer who responded to the call summoned cadaver dogs to search the property. While the dogs were searching, Yalitzta was found in a parking lot unconscious from a drug overdose and taken to a hospital.

In New Jersey, Ray's landscaping would also arouse police attention. According to public records, in 2017, Muller was cited by town officials a dozen times for thousands of dollars for infractions like soil erosion, noise complaints, and building permits.

At times, Muller seemed tired of the way his house guests were treating him and his property. One friend says Muller recently broke down crying, saying, "These people took over my house." Last year, Muller's friends encouraged him to take out a temporary restraining order against Ray. In his interview with New York last year, Ray confirmed that Muller filed a restraining order against him, but both of Muller's friends say that Muller let the order lapse, and it wasn't long before Ray moved back into the house.

On the day of their rescue attempt last April, the three women decided their approach would be simple: They'd go to the house and knock on the door. If no one answered, they would call the police.

The Piscataway house was a typical three-bedroom ranch-style home on a quiet residential street. The yard, though, still looked like a construction site. "There was a cherry-picker parked there. There was a hitch trailer. It looked like they had dug a moat," Jeffrey said. As they approached the house, they could see Ray and Felicia peering out a window before closing the shades. No one answered. They tried again and then returned to their car and called 911, asking the police to do a welfare check. About ten minutes later, more than a dozen officers showed up. While the women stayed in their car, the officers went to the door. This time Ray and Felicia answered.

"I could see the look on Maritza's face. She was so excited to see Felicia," said Jeffrey. "For the first time I saw her smile — that was a hopeful look. But it was so bittersweet because the cop came back and said, 'She doesn't want to see you.'"

Jeffrey insisted that police check on Isabella as well. The officers returned to the house. This time they entered. When they came back to the car, they delivered the same message: Isabella didn't want to see her mother or her aunt. The police told Jeffrey if she or Cindy or Maritza went on the property again, they would be arrested for trespassing.

"There was one officer sort of looking after us," Jeffrey said. "I won't forget him. He could feel. You could tell he had empathy for us. I was just about crying and I asked, 'Do you have children? Do you have daughters? Do you understand what we're feeling right now?' He said, 'Yes, I do.' You could tell his hands were tied." The mothers would not communicate again until two weeks ago, when Ray was indicted by the U.S. Attorney for the Southern District of New York. Prosecutors filed eight charges against Ray, including sex trafficking, extortion, and forced labor. The poisoning and yard work formed the basis of the extortion charge. "Ray ultimately extracted false confessions from at least seven victims that they had intentionally damaged Ray and his family members' and other associates' property and/or had poisoned Ray and his family members and other associates," read the indictment.

Ray's next court appearance is Wednesday, February 26. At his arraignment, Felicia and Isabella, who are still living in Muller's house, came to support him. According to one of his friends, when Muller got home from work on the day Ray was arrested, he had to break a window to get inside. He no longer had a key to his own house.

Isabella's family is once again hopeful. "We've now consulted experts," Jeffrey said about trying to get through to her niece. "We're going to give it some time, but at least the monster is behind bars."

Nygaard

Retail Tycoon Resigns After Manhattan Office Raid in Sex-Trafficking Probe

WSJ

By Ben Chapman
2/25/2020

Canadian retail tycoon Peter Nygaard stepped down as chairman of his company after federal and local authorities raided the firm's Manhattan offices as part of an investigation into sex-trafficking allegations against him.

A spokesman for Mr. Nygaard announced the resignation Tuesday evening. Earlier that morning, Federal Bureau of Investigation agents and New York Police Department officers went to the offices of Mr. Nygaard's fashion company, Nygard International, according to Nicholas Biase, a spokesman for the Manhattan U.S. Attorney's office.

He declined to say whether the raid resulted in any arrests or evidence being removed from Nygaard's offices.

Ken Frydman, the spokesman for Mr. Nygaard, said federal agents also executed a search and seizure on Nygard offices in California.

Following the raids, Mr. Frydman said that Mr. Nygaard decided to step down as chairman and divest his ownership of Nygard companies. "The wonderful Nygard employees who rely upon the companies for their livelihoods must now be the priority," Mr. Frydman said.

He said that Mr. Nygaard "welcomes the federal investigation and expects his name to be cleared. He has not been charged, is not in custody and is cooperating with the investigation."

Nygaard International didn't respond to a request for comment.

Earlier this month, 10 unnamed female plaintiffs filed a lawsuit in a federal court in Manhattan accusing Mr. Nygaard of raping women and underage girls at his Bahamas estate.

Mr. Nygaard "used his considerable influence in the fashion industry, his power through corruption of officials, and a network of company employees under his direction, to groom and entice underage girls and women" before sexually abusing them at his property, the lawsuit says.

Since the suit was filed, more alleged victims have come forth, said Greg Gutzler, an attorney for the plaintiffs.

"We have dozens of additional victims that have come forward from seven different countries, from as far back as 1977," Mr. Gutzler said.

In a Feb. 21 court filing, attorneys representing Mr. Nygaard denied the lawsuit's allegations, saying the complaint was funded by financier Louis Bacon "to inflict devastating harm on Mr. Nygaard and the Nygard businesses." Mr. Bacon and Mr. Nygaard have had a decade-long dispute involving neighboring vacation homes in the Bahamas, according to the filing.

The two men have a history of litigation, court documents show, and Mr. Nygaard has previously accused Mr. Bacon of paying to have women accuse Mr. Nygaard of abusing them. Mr. Bacon has denied Mr. Nygaard's allegations in previous litigation and has said the retail tycoon is trying to defame him.

Mr. Frydman said that a conspiracy planned by Mr. Bacon resulted in the raid. A spokesman for Mr. Bacon declined to comment.

Mr. Nygard is the son of Finnish immigrants who founded the privately held Nygard International in Canada in 1967. The company operates 170 of its own stores in North America and over 6,000 shops inside department stores world-wide, according to its website. The company operates at least six fashion brands including SLIMS, Tan Jay and a label named for Mr. Nygard, according to the site.

A spokesman for the NYPD declined to comment on the raid, and calls to the FBI weren't returned.

Prince Andrew's pal Peter Nygard 'may have hundreds of sex trafficking victims', as he agrees to cooperate with FBI

The Sun
By Mark Hodge
2/26/2020

Prince Andrew's playboy pal Peter Nygard may have hundreds of sex trafficking victims, lawyers say.

Millionaire fashion tycoon Nygard, 77, is "cooperating" with the FBI after being hit by numerous sexual assault and harassment allegations – claims he denies.

This month, ten women filed a class-action lawsuit accusing the alleged monster of using his Bahamas estate to operate a "sex trafficking ring".

Lisa Haba, whose company the Haba Law Firm is representing some of the accusers, believes there are more victims who should come forward.

She said: "Sadly, we understand from our exhaustive investigation that there may be hundreds of additional Nygard victims yet to come forward.

"We want these women to know that they are stronger, and their voices are more powerful, than the man who inflicted this horrible abuse.

'HUNDREDS OF VICTIMS'

"Peter Nygard's reign of terror has come to an end and we are committed to ensuring that he is brought to justice."

Peter Nygard strongly denies all allegations made against him.

Prince Andrew reportedly stayed with Nygard at his mansion in the Bahamas with ex-wife Sarah Ferguson in 2000.

The Finnish-born tycoon is the second of the Duke's former associates to be accused of sexual misconduct following his friendship with paedophile Jeffrey Epstein.

There is no suggestion Prince Andrew knew of Nygard's alleged criminality.

Nygard – who is alleged to have abused girls as young as 14 - stepped down as head of his womenswear brand Nygard International after the FBI raided his offices in New York yesterday.

Following the raid, his spokesman Ken Frydman announced that the multi-millionaire, who was raised in Canada, had quit as chairman of his firm.

He later added that Nygard was “cooperating” with investigators.

Mr Frydman told ABC: “Nygard welcomes the federal investigation and expects his name to be cleared.

“He has not been charged, is not in custody and is cooperating with the investigation.”

FBI RAID

Earlier this month, the fashion mogul's teenage accusers launched a class action lawsuit in Manhattan - claiming to have been a part of what was essentially a “sex trafficking ring”.

The suit alleges the girls would be entertained at so-called “pamper parties” where Nygard would have bartenders at his Mayan-themed vacation home spike their drinks with Rohypnol.

One of the victims, who was 15-years-old at the time, was allegedly taken to Lyford Cay, Nygard's estate, before being raped by the millionaire.

Another of complainants tells how her encounter with Nygard began with him showing her pornography before he sexually assaulted her “causing her extraordinary trauma and pain”.

Ten women in total, now aged between 18 to 36, have detailed their alleged encounters.

Nine of the women are from the Bahamas while one is from the US, although none have had their names revealed in the suit.

Three of the women were 14-years-old at the time of the alleged rapes which took place between 2008 and 2015, while three others were 15.

A spokesperson for Nygard told the New York Post that the lawsuit was “the latest in a 10-plus year string of attempts to try to destroy the reputation of a man through false statements”.

He added: “The allegations are completely false, without foundation and are vigorously denied.”

Terrorism and International Narcotics

Halkbank

Turkish Bank Agrees To Be Arraigned On Sanctions Charges

Law360

By Dean Seal

2/25/2020

Law360 (February 25, 2020, 9:25 PM EST) -- Counsel for Turkey's state-owned Halkbank said Tuesday that the bank, after months of avoiding a formal appearance, has agreed to be arraigned in a New York federal court on charges that it violated U.S. sanctions against Iran.

At a status conference, Halkbank's attorneys told U.S. District Judge Richard M. Berman that the bank would continue to challenge the court's personal jurisdiction over claims that it illegally allowed Iran to access \$20 billion in funds, but would do so after a formal arraignment rather than through a limited and special appearance it had sought last fall.

Judge Berman rejected the request for a special appearance in December, and last week, the Second Circuit affirmed the rejection, but assured the bank that it would not waive its right to challenge the district court's jurisdiction by entering a formal appearance in the case, according to a statement from Halkbank on Tuesday.

"Halkbank maintains that U.S. courts do not have jurisdiction over it," the bank said in its statement to Law360.

According to court records, Judge Berman ordered Halkbank's counsel to obtain written authorization from the bank before an arraignment can go forward. A hearing on the matter is scheduled for March 3.

Federal prosecutors brought an indictment against Halkbank, or Turkiye Halk Bankasi AS, in October, accusing it of doing an end-run around U.S. restrictions on business with Iran starting in 2012 via a scheme to use money service businesses, front companies and fraudulent transactions to allow Iran to access \$20 billion in oil money.

The charges build on a case that Judge Berman presided over against former Halkbank manager Mehmet Hakan Atilla, who was convicted at trial in January 2018 with the help of Reza Zarrab, a Turkish-Iranian businessman who pled guilty and turned state's witness.

Prosecutors claim Halkbank conspired with government officials in Turkey and Iran, Iranian banks, and Turkish businessmen to evade U.S. sanctions, and that the bank's executives helped Iran gain access to proceeds from oil and gas sales to Turkey via illicit gold transactions and bogus purchases of food and medicine in order to qualify for a humanitarian exception to U.S. sanctions.

Halkbank initially refused to respond to the October indictment before asking Judge Berman for permission to enter a "limited and special appearance" for the sole purpose of filing motions to dismiss for lack of personal jurisdiction and to have Judge Berman recused for allegedly making statements that "call into question the court's impartiality."

At a hearing in November, the judge struggled to understand Halkbank refusal to acknowledge being served with the indictment or to formally appear, and assured its attorney that an arraignment would not waive the bank's ability to challenge the charges on jurisdictional grounds.

In an order one month later, the judge said he found no instance where a special appearance was required to seek recusal and that Halkbank would need to formally answer the charges before seeking to dismiss them for lack of personal jurisdiction.

"Halkbank has two reasonable choices: It can either appear in a U.S. court to raise any legitimate defense or it can choose not to appear and face any attendant risks," Judge Berman said in December.

The Second Circuit upheld Judge Berman's ruling last week, but Halkbank said Tuesday that the appellate judges' order "concluded that the bank would not waive its right to a file motion to dismiss based on lack of personal jurisdiction after entering a general appearance."

As such, the bank now intends to take its motions for dismissal and recusal back to Judge Berman after officially being arraigned, though its statement Tuesday did not shed any new light on why it believes the judge's recusal is necessary for "fair and impartial consideration" of its dismissal motion.

“The court has made statements both in and out of the courtroom that call into question its impartiality regarding key factual and legal issues relevant to the indictment,” Halkbank said, echoing previous statements regarding the recusal motion. “Therefore, the court’s continued supervision over this matter would cause an objective observer to have reasonable questions regarding the appearance of bias.”

The bank’s statement also doubled down on its contention that the allegations in the indictment are unable to create jurisdiction over Halkbank, an Istanbul-based bank with no office or physical operations in the U.S.

“Halkbank also maintains that this is an administrative matter, not a criminal matter,” the bank said.

A spokesman for the Manhattan U.S. attorney's office did not immediately respond to a request for comment Tuesday.

The government is represented by Michael D. Lockard, Sidhardha Kamaraju, David W. Denton Jr., Jonathan Rebold and Kiersten Fletcher of the U.S. Attorney's Office for the Southern District of New York.

Halkbank is represented by Andrew Hruska, William Johnson and Jacob Gerber of King & Spalding LLP.

The case is U.S. v. Zarrab et al., case number 1:15-cr-00867, in the U.S. District Court for the Southern District of New York.

General Crimes

Civil

NYCHA

NYCHA tenants file new lawsuit over dangerous living conditions

NY Post

By Nolan Hicks

2/26/2020

Fed-up tenants filed a new lawsuit against the city’s embattled housing authority on Wednesday, challenging the agency over squalid and dangerous conditions in the Big Apple’s public housing complexes.

“NYCHA’s total abrogation of its responsibilities goes far beyond neglect,” residents claimed in the class-action tort, which was filed in Brooklyn Supreme Court. “NYCHA has engaged in a systematic abdication of its duties, accompanied by an organized system for disguising its dereliction.”

The lawsuit demands that tenants have their rents refunded, be compensated for other damages — and asks that tenants be allowed to hire their own contractors to fix their apartments.

“Hard-working, rent-paying New Yorkers should not be forced to endure neglect and indifference, broken promises, and outright deceit on the part of any landlord,” plaintiff attorney Jenny Kim said in a statement. “NYCHA has breached its contracts with its tenants and acted with an appalling lack of care, ethics, and empathy. It is well past time to hold the agency accountable.”

NYCHA tenants pay 30 percent of their annual income in rent.

The 71-page filing reiterates the laundry list of scandals that have plagued NYCHA for years, including lead exposure, mold and rodent infestations and failures to fix busted elevators or make repairs in a timely manner.

The raft of shortcomings exploded into view thanks to the publication of two bombshell probes — a 2017 Department of Investigation report that revealed NYCHA failed for years to inspect apartments for lead, and a

2018 lawsuit from Manhattan federal prosecutors that uncovered NYCHA's attempts to hide crumbling conditions from inspectors.

City Hall and the US Department of Housing and Urban Development struck a deal in January 2019 that effectively settled the lawsuit with a partial federal takeover of the agency, which included the installation of a federal watchdog to ensure reforms are made.

Those investigations and a slew of press exposés have revealed the toll that years of mismanagement — coupled with decades of underfunding — have taken on Big Apple's public housing stock, which once counted more than 400,000 New Yorkers as tenants. NYCHA faces a repair bill that now stands at a staggering \$40 billion over the next five years to get its apartments and buildings back in good condition.

That's forced the de Blasio administration to embrace a series of controversial proposals to pay for repairs — including partial privatization and allowing for-profit development on NYCHA land.

The conversions to public-private partnerships allow officials to take out loans to pay for upgrades and, sometimes, to tap more lucrative funding streams to better pay for operations.

NYCHA struck deals this month to put 8,533 apartments under private management — yielding nearly \$1.9 billion in repairs at complexes in Brooklyn and Manhattan.

One set of deals with five development teams aims to net \$1.5 billion in repairs for 5,900 apartments in Manhattan and Brooklyn. In a separate announcement, NYCHA said it closed on contracts with private developers to provide more than \$370 million in major repairs and renovations for 2,625 other Brooklyn units.

All told, officials hope to fund \$12.8 billion in repairs through the program.

However, other efforts to generate badly needed funds by allowing developers to lease land to build market-rate housing have run into stiff opposition from tenants and surrounding residents.

A September report from the Citizens Budget Commission went so far as to say the program has “stalled.”

City Hall and NYCHA representatives did not immediately return requests for comment on the suit.

NYCHA inks new deals with shady contractors

NY Daily News

By Michael Gartland

2/26/2020

The company that sank into notoriety for its mint-scented garbage bags and cozy ties to Mayor de Blasio appears to be back in City Hall's good graces — it just won approval for a \$7.6 million contract with NYCHA.

JAD Corp. of America, the Queens-based janitorial supply company run by Joseph Dussich, received NYCHA's okay Wednesday at its monthly board meeting right across the street from City Hall.

The company attracted the attention of federal and state investigators four years ago for securing a nearly \$6 million city Parks Department contract for rat-repellent trash bags after Dussich made a \$100,000 donation to de Blasio's now-defunct Campaign for One New York.

Those probes focused broadly on de Blasio's fundraising operation.

Prior to securing the contract with the Parks — and before his generous contribution to CONY — Dussich had lobbied in vain for the agency to use his company's Mint-X bags.

The current NYCHA contract is for “the purchase and delivery of compactor cartridge bags,” according to the authority’s meeting agenda. It was unclear whether those bags are mint-scented or not. NYCHA’s board unanimously approved that contract at its board meeting.

Federal and state investigators did not charge de Blasio or JAD, but both the U.S. Attorney’s Office and Manhattan DA Cyrus Vance admonished de Blasio at the time, with Vance writing that “the transactions appear contrary to the intent and spirit of the laws that impose candidate contribution limits, laws which are meant to prevent ‘corruption and the appearance of corruption.’”

JAD’s attorney Roland Riopelle said the company has a long-standing relationship with NYCHA and that the Parks Department controversy “was put to bed a long time ago,” but a review of the City Comptroller’s contract database did not show any contracts between JAD and NYCHA.

NYCHA spokesman Nekoro Gomes said JAD has been vetted.

“All vendors interested in doing business with NYCHA – including JAD – undergo a stringent vetting process,” he said.

NYCHA fails repeatedly and continuously

JAD was not the only controversial contractor on the agenda Wednesday.

NYCHA’s board also voted to authorize four funding increases — worth a total of \$2.55 million — to Simco Enterprises Corp., a company whose former part-owner Husam Ahmad pleaded guilty to first degree bribery last May in connection with a scheme to illegally direct cash to de Blasio’s 2013 mayoral campaign.

Ahmad was forced out of the company after the scheme came to light. Simco is now under the oversight of a state monitor and is paying off a \$1 million fine in connection with that case, according to its attorney John Martin.

“NYCHA has utilized the services of Simco Enterprises since 2015, and today’s board action is a funding increase to an already existing contract,” Gomes said.

Matters of Interest

Weinstein

Harvey Weinstein to get special treatment as officials fear an ‘Epstein incident’

NY Post

By Larry Celona, Tina Moore and Lee Brown

2/26/2020

Convicted rapist Harvey Weinstein will get special treatment in custody — because officials fear another “Epstein incident,” sources told The Post.

Still reeling from the uproar after pedophile Jeffrey Epstein managed to hang himself in his Manhattan lockup last year, jail officials are taking extraordinary steps to monitor their newest high-profile inmate.

Weinstein will always have his own cell, will constantly have a dedicated team of correction officers with him — and could even be shipped to a facility outside the city, sources said.

“The last thing you want is another Jeffrey Epstein incident,” a jail source told The Post.

“Harvey is going to be isolated as much as possible and will always have a detail with him throughout the prison. He’s never going to be like other prisoners, able to walk down the hallway or sit in the canteen alone.”

The special measures have already started within Bellevue Hospital, where Weinstein was taken for chest pains after his conviction Monday, Joe Russo, president of the Assistant Deputy Wardens / Deputy Wardens Association, told The City.

A jail captain escorts him on every move, and the team watching him includes several members of the department’s elite emergency response unit to ensure he doesn’t try to harm himself, Russo said.

The entire jail hospital unit is shut down to eliminate any chance Weinstein could bump into other inmates, Russo told the site.

“There seems to be a Jeffrey Epstein influence here,” Russo said.

Russo suggested city officials are keen to keep the high-profile prisoner out of the city, with options being debated including a jail in Nassau, Suffolk, Westchester or even as far away as Albany.

If he does stay at Rikers, he could even get an entire housing unit just for him, Russo told The City.

“He’s very high-profile and you can’t put him with somebody else,” Russo told the site.

Sources told The Post that while options outside the city are being considered, it is far from straightforward, with state officials getting the final say.

The Correction Department declined to comment on The City’s Weinstein report.

“He’s in our custody right now,” Avery Cohen, a City Hall spokesperson, told the site.

Weinstein was convicted in Manhattan court Monday of rape and criminal sex act — which leaves him facing up to 29 years behind bars. Wherever he ends up, Weinstein should be ready — having hired a “prison consultant” to help prepare him for his time behind bars.

Epstein, 66, was being held in the Metropolitan Correctional Center in downtown Manhattan, awaiting sex-trafficking charges, when he was found dead the morning of Aug. 10.

Corrections officers Tova Noel and Michael Thomas have been charged with falsifying documents claiming they’d checked on Epstein and other inmates every half-hour the night he died. Both guards pleaded not guilty.

The Weinstein verdict in historical perspective: Sex crimes prosecutors have made amazing progress over the decade

NY Daily News
By Leslie Crocker Snyder
2/26/2020

Kudos to the Manhattan district attorney’s office, and particularly to lead prosecutor Joan Illuzzi-Orbon and her team. As we all recognize, this case was a major challenge.

Placing this verdict in historical perspective makes it even more significant. Until the early 1970s, virtually no sex crimes case could be prosecuted because of onerous legal roadblocks, specifically corroboration requirements. Three elements — identity, force and penetration — had to be corroborated by additional evidence.

I prosecuted my first rape case in 1970. Two strangers, women, were snatched off the streets of the Lower East Side, and forced to watch each other being raped, sodomized and robbed at knifepoint. Because we could only corroborate the elements of identity and force and attempted penetration, the judge threw out all the sex-crimes charges. (The defendant was convicted of robbery, given a light sentence, and went on to rape again.)

That case galvanized us in the Manhattan District Attorneys' Office to fight for the repeal of all corroboration requirements. It was a tough battle, with a lot of opposition, and took us four years to prevail. Then, sick of rape victims having to recount in the courtroom every detail of their irrelevant past sexual activities, another woman and I wrote New York's rape shield law, which protects women from much of this humiliation.

The biggest battle, historically, was having people understand that a sex crime is not primarily a crime of sex, but a crime of control, humiliation and degradation. We saw this in the Weinstein case. How do you convince a jury that continuing relationships with your rapist, saying nice things about him, even recanting, and engaging in other seemingly counterintuitive behavior is part of the norm for many victims of these heinous crimes?

The answer may well lie in expert testimony, which we eventually won the right to present in court. Such testimony explains, as in the Weinstein and Bill Cosby cases, why the trauma of rape victims is unique and may cause victims to act this way. The Weinstein jury heard such expert testimony and understood it.

What has not changed very much is the defense strategy of painting rape victims as the guilty parties and the defendant as the true victim, as we just saw in the Weinstein case. This approach may never change, but it appears that jurors are now capable of seeing through it.

Sadly, I firmly believe that Weinstein believes he did nothing wrong and that he is the real victim, the victim of scheming women who wanted to take advantage of him and of the #MeToo movement. Fortunately, 12 jurors found otherwise.

As a sex crimes prosecutor in the 1970s, I shared the heartache of so many victims of these terrible crimes who had to be told their case could not be prosecuted because of unfair laws. I also witnessed their second rape in the courtroom, as they were brutalized by cross-examination about their prior irrelevant sex lives in the few cases that could survive prosecution. It was truly painful.

Hopefully, a new era in sex crimes prosecutions has begun.

[Barr](#)

AG Barr names new federal prison director in continuing leadership make-over after Jeffrey Epstein suicide

USA Today
By Kevin Johnson
2/25/2020

WASHINGTON— Attorney General William Barr appointed a new director of the federal prison system Tuesday, continuing a leadership makeover following the August suicide of accused sex trafficker Jeffrey Epstein.

Michael Carvajal, a career Bureau of Prisons official who had been serving as an assistant director, was elevated to the top spot to succeed Kathleen Hawk Sawyer. Barr had appointed Hawk Sawyer to serve as director in the days after Epstein was found dead in his Manhattan jail cell, prompting a bureau-wide shakeup of the nation's largest prison system.

Hawk Sawyer served a previous term as director before being tapped again in August. Part of her short second tenure, Barr said, was to assist in identifying a "permanent director."

"I am grateful for Kathy's service and that she has agreed to stay on as a senior advisor to assist the bureau with this transition," Barr said.

Carvajal began his career in 1992 as a corrections officer and has steadily risen in ranks since then, serving as a lieutenant, captain, associate warden and warden. He was promoted as director of the agency's Northeast Region in 2016.

"Michael's nearly 30 years of experience with the bureau will serve him exceptionally well as he takes on these new responsibilities, and I am confident he will do an outstanding job as director," Barr said.

Epstein, 66, was awaiting trial following last month's indictment on charges of sex trafficking and sex-trafficking conspiracy. Federal prosecutors alleged that he "sexually exploited and abused dozens of minor girls at his homes" in Manhattan and Palm Beach, Florida, and at other locations from 2002-2005.

He was found unresponsive in his cell in August at the federal detention center in Manhattan and transported to nearby New York Presbyterian-Lower Manhattan Hospital, where he was pronounced dead.

The suicide launched three federal investigations, one resulting in the indictment of two officers who were charged with falsifying records, stating they had checked on disgraced financier in the hours before he hanged himself.

Republican and Democrat lawmakers said the suicide underscored deeper problems within the vast prison system which has struggled with persistent staffing shortages.

Sen. Ted Cruz, R-Texas, called the suicide a "profound indictment of the system," while Sen. Ben Sasse, R-Neb., said the Epstein death exposed a "crisis of public trust" within the agency.

Republicans give Barr vote of confidence

The Hill

By Alexander Bolton

2/25/2020

Senate Republicans on Tuesday told Attorney General William Barr they've got his back.

The private meeting between GOP senators and the attorney general was the first since a dust-up between Barr and President Trump earlier this month over the president's Twitter habits.

Republicans made clear to the nation's top law enforcement officer that they view him as a valuable and steadying influence within the oftentimes chaotic Trump administration and want him to stay in the job, despite criticisms of his work from both ends of the political spectrum.

"We've got his back," said Sen. Pat Roberts (R-Kan.), who described his colleagues as "very much" supportive of Barr during the meeting on Capitol Hill.

Senate Republican Whip John Thune (S.D.) said fellow GOP senators "expressed their support for him and the job he's doing," and their desire for him to stay atop the Justice Department "came across loudly and clearly."

Senate Judiciary Committee Chairman Lindsey Graham (R-S.C.) said there was no discussion of Barr's role in reducing the sentencing recommendation for Roger Stone, one of Trump's top political operatives — a controversial move that resulted in four career prosecutors withdrawing from the high-profile case less than 24 hours later.

"There was widespread appreciation for the job he's doing. I think he got a very warm reception," Graham said. Senate Majority Leader Mitch McConnell (R-Ky.) praised Barr after the meeting, telling reporters, "We all have a lot of confidence in him. We think he's doing a terrific job."

Republican senators and aides said there was concern earlier that Barr might step down after coming under fierce attack for his handling of the Justice Department's prosecution of Stone, who was sentenced last week to more

than three years in prison.

Career prosecutors at first recommended a prison sentence of seven to nine years, sparking a strong public protest from Trump. When senior Justice Department officials intervened and backed off the initial sentence recommendation — calling it “extreme, excessive and disproportionate” — there was an immediate uproar. More than 2,000 former Justice Department officials who served in Republican and Democratic administrations called on Barr to resign and signed a statement condemning what they described as Barr’s “interference in the fair administration of justice.”

Barr also came under fire from the right for pushing back against Trump’s criticisms of the Justice Department. In an interview with ABC News earlier this month, Barr complained that Trump’s tweets make it “impossible for me to do my job.”

Fox Business Network host Lou Dobbs said he was “so disappointed in Bill Barr,” calling it “a damn shame when he doesn’t get what this president has gone through,” referring to Democratic attacks against the president. Several news organizations later reported that Barr told people he was thinking about resigning because of the appearance that Trump was interfering with Justice Department decisions.

Those reports sparked alarm among some Senate Republicans, who later said they wanted to use Tuesday’s meeting to eliminate any chance that Barr might step down, a move that would inevitably set up a bruising confirmation fight over his successor in an election year.

One Republican senator said the message to Barr was “please stay in that job.”

“We don’t need to go through another confirmation hearing with somebody else. We appreciate what you’re doing, we know what you’re dealing with. Ignore it. Keep up the good work,” said the GOP lawmaker, who requested anonymity to comment on internal discussions.

The senator pointed to media reports from a week ago asserting that Barr had considered resigning and said that some Senate Republican colleagues personally called Barr in recent days to say: “Hey look, stay the course. We need you.”

They delivered that message in unison on Tuesday.

“He enjoys overwhelming support in our conference,” McConnell, who invited Barr to address his colleagues, told reporters after the meeting.

Some Republicans, however, said Tuesday that they were skeptical Barr was seriously considering stepping down.

“I never took it seriously, no,” said a Senate Republican aide, who said the reporting could have been “overblown.”

Some aides and strategists speculated that Barr may have floated the rumor of his possible departure to elicit a strong show of support, which would help bolster his independence if Trump were to try to influence Justice Department policy again.

Even after Barr complained that Trump’s tweeting made his job nearly impossible to perform effectively, the president argued he has the “legal right” to intervene in a criminal case.

Barr strengthened his position, though, by asserting his independence and floating the possibility that he would leave government service if pushed too hard, said Gregg Nunziata, a former Senate Judiciary Committee aide.

“I certainly think him making those statements was helpful and somewhat strengthened his position,” Nunziata said, referring to Barr’s criticism of Trump’s tweets.

“It’s important for the attorney general to broadcast that while he’s a loyal part of the administration that he also has higher loyalty to the rule of law, and I think he did that rather effectively,” he said.

“While I’m sure there are times when an individual senator disagrees with the attorney general on one issue or another, I don’t think there’s a single Republican that would want to see Bill Barr step down,” Nunziata added. “I think he’s a reassuring presence in the Cabinet.”

The accumulation of support for Barr on Tuesday left Democrats disappointed. They had wanted GOP lawmakers to press the attorney general on what they say is blatant politicization within the Justice Department. “I hope that they’ll ask him about it. A lot of Justice Department officials live in Virginia and I’m hearing a lot of morale problems,” Sen. Tim Kaine (D-Va.) said. “I can understand why. You don’t want to have the nation’s law enforcement folks feel demoralized.”

Sen. Patrick Leahy (D-Vt.), a senior member of the Judiciary Committee, said, “The Justice Department has always shown independence for the good of the country, and it would be nice if he could return the Justice Department to those days.”

Former Barr Deputy Says Intervention in 'Crony' Roger Stone Case Reeks of 'Favoritism'

Newsweek

By Asher Stockler

2/25/2020

A former deputy to Attorney General William Barr during his tenure in the first Bush administration has written a new column assailing Barr's intervention in the sentencing of Roger Stone, an associate of President Donald Trump.

In an article for Just Security, Stuart M. Gerson, who helmed the Justice Department's civil division from 1989 to 1993, described Stone as "a crony of the president" whose assist from the department suggests a "whiff of favoritism."

Barr was attorney general for just over a year at the end of the George H.W. Bush administration.

"It looks to many present and former federal prosecutors that undue leniency was being afforded to a privileged, white friend of the president, who himself lent credence to the charge of favoritism by his relentless social media criticism of the case, the prosecutors, and even the presiding judge," Gerson wrote.

Around one week ago, more than 1,100 former federal prosecutors and Justice Department officials, from both Democratic and Republican administrations, signed an open letter calling on Barr to step down after the Stone controversy came to a head. That number has since swelled to more than 2,600 Justice Department alumni.

A few days later, the Federal Judges Association, a national association representing a majority of the judiciary's Article III judges, convened an emergency meeting to discuss the matter.

Roger Stone, earlier convicted on seven felony charges in the District of Columbia, faced a lengthy prison sentence, especially after prosecutors recommended a term of imprisonment within a ratcheted-up guidelines range, seven to nine years.

In an awkward maneuver, the Justice Department overruled its line prosecutors and resubmitted an amended filing pressing for a more lenient sentence. One prosecutor resigned; three others withdrew from the case.

The Justice Department has sought to distance itself from the constant exhortations of the president to come to Stone's rescue. It has said that the decision to overrule the trial team was made independently, before Trump issued a now-fateful tweet disparaging the prosecution.

"Many citizens both inside and outside the Department of Justice are asking whether DOJ stands for the rule of law or for the rule of an authoritarian administration," Gerson writes. "Adherence to the law and the Department's traditions demands that it clearly be the former. There is no room for error or even the perception of it being otherwise."

Trump has continued to assail both the jury foreperson and the U.S. district court judge assigned to Stone's case, Amy Berman Jackson. From her perch on the bench, Jackson used the occasion of Stone's sentencing—he ultimately received 40 months in prison—to defend the integrity of the trial she oversaw against outside criticism.

"He was not prosecuted, as some have complained, for standing up for the president," Jackson said. "He was prosecuted for covering up for the president."

During an interview with ABC News, Barr said that Trump's constant tweets make it "impossible" for him to do his job.

The Justice Department did not respond to a request for comment about Gerson's column.

Kerik

Kerik Had 'Hit Bottom.' Then Trump Pardoned Him.

NYT

By Dan Barry and J. David Goodman

2/26/2020

It was as if the last decade had not happened.

Wearing a black turtleneck and blazer — an American flag pin affixed to its lapel — Bernard B. Kerik made an appearance on Fox News. Then it was on to a Midtown steakhouse for dinner and Ketel-One-and-cranberry cocktails, courtesy of his old friend Bo Dietl, who wanted to toast Mr. Kerik.

The day before, President Trump had personally informed Mr. Kerik that he was being pardoned. With that, the dishonored former New York City police commissioner was moved ahead of 14,000 others seeking pardons, forgiven his criminal convictions and unshackled from restrictions that can impede the post-prison careers of people with felony records.

During that dinner last week, Mr. Dietl, the profane security consultant and former New York police detective, raised the possibility of giving Mr. Kerik, 64, some work outside the country. Mr. Dietl recalled how his friend responded: "We could do some business, Bo."

The simple comment conveyed the world of opportunity restored.

For at least 10 years, Mr. Kerik had been seen as a fallen figure from a distant tough-guy era in New York, banished to the margins of power. But with the rise of Mr. Trump, Mr. Kerik's fortunes changed. His brand — brashly conservative, critical of federal prosecutors and close with right-wing media — precisely fit the jaw-jutting mold favored in the White House.

Suddenly, Mr. Kerik's four-year prison sentence was no longer considered a fitting punishment for his betrayal of the public trust, as a judge had said. It was gross overreach by an out-of-control federal justice system that had unfairly brought down a national law enforcement hero.

Mr. Kerik's circle of friends had ascended in Washington under Mr. Trump, including his former boss, Rudolph W. Giuliani, now Mr. Trump's personal lawyer, and Christopher Ruddy, a confidant of the president's and the chairman of a prominent right-wing media outlet. After his release from prison in 2013, Mr. Kerik made more than 50 appearances on Fox News, Mr. Trump's preferred news source. He joined the defense team for the former Navy SEAL Eddie Gallagher in a war-crimes case that became a cause célèbre for the president.

"I have a lot of friends and supporters who know the president," Mr. Kerik said in an interview. He had remade himself as an advocate for criminal justice reform, his perspective dovetailing with Mr. Trump's tirades about overzealous prosecutors and corrupt Department of Justice officials.

But Mr. Kerik's connections and frequent presence in conservative media belied the challenges he faced to earn money. Although he said in an interview that he had been working in security and crisis management, he also expressed frustration with the limited opportunities available to people with convictions.

“These are the diminishments of your rights, and they last forever,” Mr. Kerik said. “You can do your time, you can do probation, you can be a model citizen for the rest of your life. That stuff stays with you.”

Mr. Kerik had been luckier than many returning from prison; he had a modest government pension and a New Jersey home worth nearly \$2 million. But it had proven much tougher to recapture the more rarefied elements of his former life, including the well-paying work in far-flung locales that accommodated his taste for finer things.

Mr. Kerik, one of 11 people granted clemency by the president last week, said that within days of his pardon he had been approached by representatives of “a foreign government in the Middle East” to discuss potential police and prison training contracts, and by a “well-known international business guy” about cybersecurity work.

Conversations like these did not happen before the pardon, according to Mr. Kerik, who spoke on Monday from Las Vegas, where he was giving a paid speech to an association of professional bail agents. “My life has been stagnant for the last six years,” he said.

A spectacular fall

Mr. Kerik was once a tough-on-crime celebrity, with more than two dozen medals for heroism and meritorious service. A police bodyguard and driver for Mr. Giuliani, he rose to become New York City’s correction commissioner and police commissioner during Mr. Giuliani’s term as mayor. He attained national stature for his leadership in the aftermath of the Sept. 11, 2001, terrorist attacks.

Mr. Kerik followed Mr. Giuliani into the private sector, where they held themselves out as experts in crisis management and counterterrorism, at home and abroad.

After a brief stint as interior minister of Iraq following the U.S. invasion in 2003, Mr. Kerik was nominated by President George W. Bush as the secretary of homeland security. But a week later he withdrew from consideration, citing his employment of an undocumented nanny. More troubling allegations surfaced that while still a city official, he had accepted illegal gifts from associates, some of whom did business with the city.

Mr. Kerik pleaded guilty in 2006 to misdemeanor charges in connection with \$165,000 in free renovations to a Bronx apartment he owned, provided by a company seeking a city license. Then, in 2009, he pleaded guilty to federal charges of tax fraud and making false statements.

Citing a betrayal of the public trust, a federal judge sentenced Mr. Kerik to four years in prison, a harsher punishment than the one recommended by prosecutors.

Friends, including the journalist Geraldo Rivera, attended a farewell party at Mr. Kerik’s home in Franklin Lakes, N.J. Before surrendering to federal prison authorities, Mr. Kerik posted a note online recalling his long public service, quoting a line from his friend Sylvester Stallone in “Rocky” — and criticizing the judge who had sentenced him.

A restricted life

More than his time in prison, Mr. Kerik’s prosecution and the post-release limits on his life appear to have spurred his interest in criminal justice reform.

“What I’ve come to learn is that these failings and misuses of the system are quickly becoming the norm,” Mr. Kerik wrote in a memoir published after his release.

Mr. Kerik founded a short-lived nonprofit, the American Coalition for Criminal Justice Reform. He addressed colleges and universities and spoke at the Conservative Political Action Conference. He has testified before Congress and repeatedly visited the White House, three times during the Obama years and at least twice during the Trump administration.

“People knew that he came up the ranks as a cop and worked at Rikers,” said Mark Cranston, the warden for jails in Middlesex County, N.J., and a former acting commissioner at the Rikers Island jail complex in New York. “It helped a lot to convert people who were iffy about the need for change.”

He also became involved in veterans’ causes. Charlie Daniels, the Southern rock music star — who runs a veterans’ support program, the Journey Home Project — said in an email that he heard Mr. Kerik talk at a veterans’ event about his 9/11 experiences and invited him to speak in Nashville at a charity event for the project.

Mr. Daniels wrote: “He has basically become a regular at our annual event, never failing to bring home the events and ramifications of that horrible day, in firsthand dialogue, like nobody I’ve ever heard.”

Still, the felony conviction remained Mr. Kerik’s scarlet letter. He could not get security clearance for government jobs. Private companies shied away.

“Any job that’s regulated by the government you can’t do,” Mr. Kerik said. “I wanted to travel to Canada to give a speech; you can’t do it. I was offered a speech in London; couldn’t do it.”

Mr. Kerik cobbled together work, relying on connections, garnering modest security contracts — including some that he said he “wouldn’t have entertained” before the conviction — and drawing frequently on his life story. But friends say it did not amount to much.

“He needed a lot of encouragement,” said Albert Manzo, a longtime friend and the husband of Caroline Manzo, once featured on “The Real Housewives of New Jersey.”

“He definitely hit bottom at one point,” Mr. Manzo said. “He felt a lot of people abandoned him.”

Mr. Kerik was not paid for his many appearances on the Fox network — he said the exposure helped win him speaking gigs — but he earned some money as a paid contributor to the right-wing news site Newsmax. His prison memoir sold only modestly well, and a subsequent novel — about a philandering New York police commissioner who uncovers an international conspiracy that threatens the nation — even less so.

Records show that he still owes hundreds of thousands of dollars in federal taxes and restitution, and liens remain on his New Jersey home and on some property in Florida.

“It was sinful in my mind what had happened,” said Mr. Ruddy, the chairman of Newsmax, who visited Mr. Kerik in prison. “I mentioned to the president several times that he should consider a pardon.”

The road to a pardon

Mr. Ruddy became a benefactor. He urged Mr. Kerik to write that novel and then published it. He introduced him to other prominent Trump supporters. He also played a role in advocating for his friend’s pardon.

About a year ago, Mr. Ruddy brought Mr. Kerik to dinner at Mar-a-Lago, Mr. Trump’s Florida resort and sanctuary. They had a brief conversation with the president, with whom Mr. Ruddy has regular contact.

“We said hello,” Mr. Ruddy recalled. “It was not an effort to lobby.”

Mr. Kerik also spent time in Las Vegas with his friend, the Newsmax personality Wayne Allyn Root. A columnist, radio host and prominent Trump supporter, Mr. Root is also known for engaging in conspiracy theories, including the falsehood that Mr. Obama was not born in the United States, a fiction that Mr. Trump also trafficked in at one time.

“I told him, ‘I have an idea in mind,’” Mr. Root recalled. “To write a column and get it in the president’s hands: ‘Mr. President: Please Pardon Bernie Kerik.’”

In September, Mr. Root did exactly as he promised. He said last week that he is positive that his pardon-for-Kerik column circulated within the White House.

“I’ve got quite a few friends,” he said.

A White House spokesman declined to respond to questions about Mr. Kerik’s pardon.

Mr. Root said that he never heard anything about the matter until 6 a.m. on Feb. 18, when he received a call at his home in Las Vegas from an attorney he didn’t know: David Safavian, the general counsel for the American Conservative Union, who long ago spent a year in prison for government corruption.

Mr. Safavian, he said, wanted to know whether Mr. Root would sign on to a letter to Mr. Trump supporting Mr. Kerik’s pardon. But the letter had to be in the president’s hands by noon Eastern time. “‘I’m the guy who wrote that column,’ Mr. Root recalled saying. “‘Of course, I would.’”

Mr. Root said Mr. Kerik deserved the break. “Anybody who’s in the military, or the police — they get extra credit, as they say in school,” he said. “Let’s let him live his life.”

Others were also being urgently called, some of them by Mr. Kerik. Christopher Ruddy. Geraldo Rivera. Charlie Daniels. In the end they joined more people who had signed on, many of them avid Trump supporters, including the Newsmax television host John Cardillo and Mr. Gallagher, the former Navy SEAL. (Mr. Giuliani declined to comment on his role in Mr. Kerik’s pardon, although a White House news release listed him as having supported it.)

A few minutes before noon that Tuesday, Mr. Trump picked up the telephone to say that all was forgiven. With that, Bernard B. Kerik was back in business.

From: Biase, Nicholas (USANYS)

Sent: Wednesday, February 26, 2020 4:58 PM

To: [REDACTED]

[REDACTED]

Subject: DRAFT SDNY PRESS GUIDANCE FOR THURSDAY, FEBRUARY 27, 2020

Chiefs: Please review the draft daily guidance for tomorrow, below, and advise us of any needed edits or additions. Thank you.



UNITED STATES ATTORNEY'S OFFICE
Southern District of New York

PRESS GUIDANCE

Thursday, February 27, 2020

[REDACTED]

