



U.S. Department of Justice

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FOR IMMEDIATE RELEASE:

United States Attorney Craig S. Morford announced today that Detroit City Council member Kay Everett, age 63, was indicted by a federal grand jury in Detroit on charges of wire fraud, extortion, bribery, conspiracy to commit those offenses, making false statements to investigators and filing false tax returns. The 27 count indictment charges that between 1997 and 2002, Everett demanded and accepted over \$150,000 in payments from a local contractor who held contracts with the City of Detroit during that time period. The indictment further alleges that Everett failed to disclose her financial relationship with the contractor, despite repeatedly voting in favor of contract awards, extensions and change orders for the contractor's companies. According to the indictment, Everett was also charged with filing false tax returns for the 1997-2001 tax years, because she did not report the additional income she received from the contractor on her tax returns. In addition, the grand jury charged Everett with making false statements to the FBI in relation to its investigation of those offenses.

"These charges underscore the seriousness with which my office, the FBI and the IRS view allegations of corruption by public officials as well as our strong commitment to investigating and prosecuting these types of cases", stated U.S. Attorney Morford. "The U.S.

Attorney's Office is committed to the principal that no one is above the law and we will work aggressively to hold public officials to the high standards of the law."

Daniel D. Roberts, Special Agent in Charge, Federal Bureau of Investigation, advised "All allegations of public officials abusing their office and authority will be thoroughly reviewed and when necessary, an investigation will be initiated by the FBI. Public corruption is a priority matter inasmuch as all public officials, whether elected or appointed, are accountable and responsible to the citizens in the community they represent."

Sandra L. Carter, Special Agent in Charge, Internal Revenue Service Criminal Investigation, stated, "According to the Internal Revenue Code, income derived from any source, cash or otherwise, including illegally derived income, is subject to income tax. Public officials must comply with the same tax obligations as the citizens they were elected to serve."

An indictment is only a charge and is not evidence of guilt. A defendant is entitled to a fair trial in which it will be the government's burden to prove guilt beyond a reasonable doubt.

The case was investigated by special agents of the Federal Bureau of Investigation and the Internal Revenue Service. The indictment was returned by and the case will be prosecuted by Assistant U.S. Attorneys Christopher Varner and Kathryn McCarthy.