

NY Real Estate Executive Jody Kriss at Center of \$250M Tax Scam naming Donald Trump and Kids, New Lawsuit Claims

A lawsuit filed yesterday in New York County Supreme Court identifies New York-based real estate executive Jody Kriss as being at the center of a \$250M tax fraud case brought by his former lawyers which had named Donald Trump and his kids, amongst others.

Kriss' disgraced ex-lawyers, Frederick Oberlander and Richard Lerner, implicated their former client Kriss, who was CFO and Finance Director of Bayrock Group at the time, by putting him at the center of their bizarre \$250M tax fraud claims made in the "qui tam" whistleblower case they recently filed, which named Donald Trump, his kids, the Bayrock Group and others in connection with several Trump related real estate developments including Trump Soho. Kriss had fired Oberlander and Lerner a few months before their court filing. Oberlander and Lerner are both currently under criminal investigation by the Department of Justice because of their alleged misconduct in related proceedings.

Yesterday's lawsuit describes the prior "qui tam" case as "a continuation of a multi-year, billion-dollar shakedown of the defendants by Kriss and his recently-fired attorneys, Oberlander and Lerner."

"If any tax fraud occurred, it could only have been committed by Kriss, as Bayrock's Head of Finance, and has nothing to do with the Trumps nor any of the named defendants in the qui tam Complaint," the lawsuit claims, noting that Oberlander "is someone whom a Federal Judge in a related case mockingly described as 'some sort of self-appointed inspector general.'"

The new lawsuit also claims that "From 2008 to 2015, Kriss, Oberlander and Lerner waged a billion-dollar extortion campaign against Bayrock and others, bringing no less than five near-identical lawsuits against a cadre of lawyers, accountants, business professionals and firms associated with Bayrock. In addition to suing Bayrock and Sater, they even sued Donald Trump, Ivanka Trump, the United States Government, a former Federal Prosecutor who is now a New York State Senator, prestigious law firms including Nixon Peabody LLP, Satterlee Stephens Burke & Burke LLP, Duval & Stachenfeld LLP, Akerman Senterfitt LLP, and Roberts & Holland LLP, and major real estate companies CIM and iStar, for One Billion Dollars (\$1,000,000.00), threatening to expose their relationship with Bayrock and Sater... That lawsuit was dismissed with prejudice last year. Additionally, Oberlander and Lerner commenced two other litigations alleging these same frivolous Bayrock related fraud claims. Both were dismissed with prejudice. Oberlander and Lerner also unsuccessfully attempted to prevent the nomination of Loretta Lynch as United States Attorney General by publishing false articles accusing Loretta Lynch of collusion with Sater."

Additionally, the lawsuit alleges that “Kriss and Oberlander orchestrated the theft of a hard drive from Bayrock containing numerous attorney-client privileged and judicially-sealed documents, including a sealed government cooperation agreement. Then they attached certain of these sealed, extremely sensitive documents to a publicly-filed complaint, an act which a Federal Judge described as ‘very bad and perhaps despicable.’ Later, in an act of criminal depravity, Oberlander and Lerner furnished the sealed government cooperation agreement to the lawyer for Daniel Persico, a reputed member of organized crime, which allegedly resulted in the assault of a Bayrock associate who had cooperated against Daniel Persico. Such appalling conduct and worse over the course of numerous related litigations caused Oberlander and Lerner to twice be referred by a Federal Judge to the Department of Justice for criminal investigation.”

“At all relevant times Jody Kriss was the CFO and Finance Director of Bayrock and his father, attorney Ronald Kriss from Akerman Senterfitt, was Bayrock’s outside general counsel. Jody Kriss was appointed CFO and Finance Director for Bayrock at the insistence and encouragement of his father. As CFO and Finance Director, Jody Kriss managed and controlled all of Bayrock’s finances, loans, and relationships with lenders, including the deal structures alleged in this qui tam Complaint.”

The lawsuit further notes that, “Kriss’s nickname at Bayrock was ‘VOR-TON,’ a word play on Wharton, the school he attended, and the Russian ‘vor-in-law,’ or ‘thief-in-law,’ as Russian mobsters are known, a nickname that Kriss relished”

“As alleged in a related lawsuit against him, Kriss used to brag that, ‘he could steal more money using his Wharton degree than one hundred gangsters combined.’”

Yesterday’s lawsuit is Felix Sater v. Jody Kriss, a third party claim holding Jody Kriss responsible for all damages alleged by Oberlander and Lerner in their “qui tam” case. New York County Supreme Court, Index No. 101478/15, assigned to Judge James d’Auguste.

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