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Christie on defensive over hand-picked lawyers

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Analysis: Former NJ prosecutor defends his ethics

Eds: UPDATES with details from Christie news conference, comment from Reed, statement from Weinberg, response from Kelley. ADDS byline, photo tag.

An AP News Analysis

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TRENTON, N.J. (AP) — After amassing an unblemished record as a corruption-buster in seven years as New Jersey's top federal prosecutor, Republican gubernatorial candidate Christopher Christie has suddenly found himself on the defensive over lawyers he hand-picked for lucrative federal monitoring deals.

It's an unfamiliar position for Christie, a former U.S. attorney whose adversaries accuse him of participating in the same type of cronyism he fought in his old job.

"I'm not going to stand around and allow my integrity to be impugned," a visibly agitated Christie said Monday at a news conference, following a flurry of stories about the contracts.

Christie, a 46-year-old from Morris County who is seeking the GOP's nomination, said he also would not allow the reputation of the U.S. Attorney's office or the monitors' character to be attacked when he's done nothing wrong.

At issue is Christie's acceptance of campaign cash from Herbert Stern, a former monitor for the state's medical and dental school, and his choice of two other monitors with whom he had prior ties: John Ashcroft, the former U.S. attorney general and Christie's old Justice Department boss, and David Kelley, a former U.S. attorney in Manhattan who investigated a stock fraud case involving Christie's younger brother, Todd, but declined to prosecute him.

Monitors are picked by U.S. attorneys to oversee companies that have agreed to reforms and oversight rather than face federal prosecution for white-collar crimes. Those companies, in turn, pay the monitors millions of dollars. Stern was picked to monitor the University of Medicine and Dentistry of New Jersey to settle concerns over Medicare fraud; the contract was worth \$3 million.

Stern, two law partners and their wives recently gave Christie's campaign \$3,400 each, the maximum donation allowed by law. After 2-to-1 state matching funds were allotted, the gift turned into \$71,400.

After facing repeated questions about the campaign donations, Christie on Monday said he would end the "distraction" by refusing future contributions from monitors. However, he is not planning to return the gifts he's already gotten from Stern and his partners.

That prompted renewed charges from Democrats that Christie was engaging in pay-to-play, the practice of giving government contracts to political donors.

"As a U.S. attorney in the Bush Administration for the past seven years, Mr. Christie has been very appropriately vocal about the negative impact pay-to-play has on New Jersey taxpayers," said Sen. Loretta Weinberg, D-Teaneck. "In the interest of eliminating any sense of impropriety, he should give back the \$24,000 he has received from Mr. Stern and his associates and refrain from accepting any more money from them."

Christie denied the charges.

He's faced prior questions regarding Ashcroft, whom he picked to monitor one of five medical device manufacturers implicated in a doctor kickback scheme. Ashcroft's firm was paid up to \$52 million for the work, though the exact amount was never disclosed by the company.

Another monitoring contract went to Kelley, whose fees weren't disclosed, in 2007. Two years earlier, Kelley investigated a stock fraud case involving Todd Christie and 19 other traders. Fifteen traders were indicted; Todd Christie's case was handled civilly and later settled with no fine and no admission of wrongdoing.

Chris Christie and Kelley said the stock fraud case was prosecuted on its merits. Christie said the two never spoke about the case, which later fell apart and resulted in no criminal convictions.

"I didn't need to pay Mr. Kelley back because my brother did nothing wrong," Christie said.

Despite what he described as a prosecutorial misstep in the stock fraud case, Christie said Kelley, who had since gone to private practice, was the best qualified lawyer for the monitoring job.

Asked Monday about Kelley's experience as a monitor, Christie said, "I know he's been a monitor at another time but I don't remember off the top of my head whether that came after I appointed him or right before I appointed him."

Kelley said Thursday he's never been a monitor in another case. However, he said he has 21 years experience conducting investigations and evaluating corporate compliance programs.

The attempt to tarnish the anti-corruption image Christie is touting in his run for governor stung the front-runner eight weeks before the June 2 Republican primary and just after he announced a plan to make government more ethical.

Christie leads Gov. Jon Corzine, the Democratic incumbent, by 9 points in early polls.

Ingrid Reed, the director of the Eagleton Institute's New Jersey Project, said Christie obviously was engaged in damage control.

"He understood it could hurt him more if he didn't set the record straight and do it forcefully," she said.

Reed said Christie's outrage over the pay-to-play allegations was similar to the indignation he displayed at public officials he indicted for violating the public trust.

How Christie's demeanor will affect his quest to become governor remains to be seen.

An editorial cartoon by Jim Margulies that appeared this week in the Times of Trenton depicted Christie as Mr. Clean being muddied by the Stern donation and no-bid contract to Ashcroft.

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