

November 24, 2008

To the Citizens of Nevada:

Earlier today a letter was delivered to the Attorney General relating to a matter of the utmost importance to me personally and as a Constitutional Officer of this great state. The following words which I am about to express to you cause me an anguish and anger that are immeasurable. I also regret deeply the commencement by mean-spirited individuals of a legal episode that will distract many Nevadans from the important issues facing our people. I pledge to you, however, that the truth and facts will provide my ultimate vindication in the following matter:

After 20 months of enduring a political witch hunt into my former activities as your State Treasurer, the Attorney General has determined that she will now seek my indictment from a Clark County Grand Jury. Since a Grand Jury's deliberative process is secret, I do not at this time know what specific actions they are alleging are criminal. During this so-called investigation, I, certain dedicated members of my staff and my attorneys have completely and extensively cooperated, and, based on all the available facts and evidence, absolutely believe that I have committed no criminal wrongdoing. (We also believe this to have been the conclusion of the NDI investigators who submitted their report to the Attorney General many months ago, along with the Legislative Counsel Bureau auditors in the spring of 2007.) The Attorney General apparently does not like these answers. This aggressive and reckless posture by the Attorney General is either motivated at best by a deeply flawed and tragically and deliberately incomplete investigation on their part, or more likely by a process that is born of partisan malice and a desire to personally and professionally harm me irreparably.

While I had hoped that the Attorney General would sustain a higher level of conduct in the performance of her sensitive duties (despite the unacceptable duration of this process), I now come to no other conclusion than the motivations and substance of her handling of this matter is shameful - particularly since her office is so thoroughly conflicted in this entire matter. In fact, several current and former senior deputy attorneys general have been intimately involved in the drafting and approval of all contracts pertaining to my former office, as were all parties to the State Board of Examiners. If any of the contracted activities in my former office are the subject of her accusations, this is essentially a process whereby the Attorney General is pursuing criminal charges against the former State Treasurer for activities that were prepared and approved by . . . the Attorney General!

I fervently express to the people of Nevada that I am wholly innocent of any charge the Attorney General wishes to bring, and that I will fight any accusation with all my might until my innocence is firmly and undeniably established. It will also be demonstrated that the public trust you twice bestowed upon me as your State Treasurer and once as

your Lieutenant Governor was embraced by me in an honorable manner and that my duties were discharged with the highest level of professional integrity and skill.

Regrettably, the Attorney General has chosen to pursue this punitive campaign in the secret venue of a Grand Jury, where the public and I do not have the ability to review any evidence or to challenge any witness involving this alleged and unknown act, and certainly does not provide me a proper and transparent forum to present my witnesses and appropriate exculpatory evidence. The letter described earlier contains a strongly worded request that the Attorney General not proceed with a Grand Jury process, but to publicly submit her charges in an open and fair process, in a courtroom, and with an impartial judge presiding. The people of Nevada and I deserve to understand the specific basis for her actions, and I ask for your support in demanding a public and transparent forum.

In March of 2007, I stood before the media to discuss the harsh accusations that had been leveled by my successor in the State Treasurers Office and by the Assembly Ways & Means Committee. I stated then that I was the most comfortable man in the room because I knew I had done nothing inappropriate, and that I had served the citizens of Nevada as State Treasurer well. I had left valued programs and a distinguished legacy in an office which I cherished. Today, 20 months later, I again stand before you a very comfortable man. While the stakes have been escalated in a demeaning and unfair manner, I remain even more confident that the facts underlying my administration as State Treasurer and my personal actions will well endure the welcomed scrutiny of a fair and public review, and that I will reassert the pride of my 16 years of public service in that office. During my tenure as State Treasurer my office created two highly successful 529 college savings programs, built from scratch the Millennium Scholarship Program, generated tens of millions of dollars in innovative balance sheet financings, and developed new and cheaper ways to finance state buildings and to build schools. I never lost a dime of taxpayer money despite investing billions of dollars in often turbulent markets. I was also honored by my peers as being the finest state treasurer in the United States of America. I will always be proud of these accomplishments.

I respectfully ask the citizens of Nevada to keep an open mind as the legal process proceeds in the coming weeks and months, and I submit that you will come to view this exercise for what it truly is – not a prudent prosecution, but a partisan persecution. My resolve to fight this matter shall not waiver, and when this terrible episode is concluded, you will know without doubt that I never betrayed your trust or confidence.

Sincerely,

Brian K. Krolicki
Lieutenant Governor