

EIR Investigation

Time to open the Mario Cuomo file!

by Joseph Brewda

Well-placed sources have informed *EIR* that a special national security task force is operating in Washington, whose urgent purpose is to prevent any organized crime-linked hiring, such as New York State's Gov. Mario Cuomo, from becoming the 1988 presidential candidate of either party. According to these sources, it is a pressing national security concern that the New York State Democratic Party, and other state party machines' decades-long partnership with the mafia be abruptly ended.

Not the least of the causes of concern is that what is often labeled organized crime, is primarily an adjunct to foreign intelligence networks, as the examples of the Soviet, Cuban, and Israeli mafias make clear. These sources point out that in 1984 the international cartel of narco-bankers, traditional mafias, and the KGB, felt sufficiently confident in their power, to shamelessly run a known "mafia princess," Geraldine Ferraro, for vice president of the United States. The Gambino family-linked Ferraro candidacy was, in effect, nothing but the trial run for a Cuomo mob candidacy in 1988.

The eruption of a series of corruption scandals in New York, Illinois, Pennsylvania, Washington, D.C., and Baltimore, over the last six months, indicates that the purging of state Democratic Parties of their narcotics ties is moving ahead on schedule, and that Cuomo's ambitions will soon be derailed. Since the suicide of Queens Borough President Donald Manes in March, over his impending federal indictment, a dozen New York City and state politicians have resigned, under charges of mafia kickbacks, bid-rigging, embezzlement, and related crimes. Bronx Democratic Party chairman Stanley Friedman is under indictment; Staten Island president Ralph Lamberti is under federal investigation; the Queens records of the Democratic Party have been seized by the FBI.

New York State governor and presidential aspirant Mario Cuomo is aware that he is one of the main targets in these federal indictments and probes. Cuomo, and New York City Mayor Ed Koch, also know that as increasing numbers of their cronies are abandoned to long prison terms, more and more of them will decide to cooperate with authorities and tell where the bodies are buried.

Take the case of **Michael Lazar**, the indicted real estate partner of Cuomo's son-in-law, and the beneficiary of a series of glaringly corrupt deals with the Cuomo-controlled, mafia-infested, state Urban Development Corporation. Will Lazar talk? If he does not, there are others who will—scores more like him, who will soon be indicted or sentenced.

Despite this looming threat to his career, the governor still dreams of becoming the 1988 Democratic presidential candidate. As recently as late July, Cuomo and fellow presidential aspirant Gary Hart held a forum in Buffalo, New York to discuss their prospects. When Fernando Oliver, the LaRouche-Democratic candidate for lieutenant governor, told the gathering of the governor's mob ties, he was dragged from the room, while Cuomo muttered threats of slander suits. Later, Cuomo's machine engineered throwing Oliver's slate off the ballot, in a case now being contested in federal court. Despite such precautions, rather than being nominated, the governor may soon be indicted.

Just what Mario Cuomo is, is indicated by a series of cases, all in the public record, which show the governor to be deeply, and wittingly, tied to the mafia. Cuomo argues that the term "mafia" is an ethnic slur; yet he promotes the business interests of organized-crime families, and allows his name to be used to promote corrupt deals. Cuomo purports to be running a war on drugs, yet allows the state Urban Development Corporation, run by his top campaign fundrais-

er Vincent Tese, to be central to the Democratic Party machine's financial liaison to the city's narco-bankers and mafia contractors. Cuomo pretends to be shocked by state and city corruption, yet his son and hatchetman, Andrew, works for Bank Leumi, documented in the book *Dope, Inc.* as one of the biggest narcotics money-laundering banks in New York.

Is the evidence in the public domain sufficient for Cuomo's immediate indictment? Perhaps not, but Cuomo's documented actions already demand the convening of a grand jury.

Case 1: Nicky Sands and Pittsburgh airport

EIR is in possession of official documents showing that Governor Cuomo allowed his name to be used as a reference for the mafia-linked Mattone Group Ltd., in its bid last May for a multimillion-dollar construction project at the Pittsburgh airport.

Despite the veneer of respectability associated with the governor's recommendation, the Allegheny County, Pennsylvania Board of Commissioners was forced to abruptly end its contract with Mattone, after finding out that its vice president, **Nicholas Sands** (a.k.a. Nicky Santiago), is the reputed godson of Carlo Gambino, the notorious mob chieftain, and the company, a mafia front. As a result of the commissioner's actions, the U.S. Attorney's office in Pittsburgh is now probing into how the firm got its initial contract, sources say.

Sands was too much to take for Pittsburgh, if not for Governor Cuomo. Sands had been indicted and jailed in 1975 for embezzling \$500,000 from the pension fund of the Carpenters Local 3108 which he headed. He had been a key associate of the deceased mob tool, Queens Borough president Donald Manes. In May 1980, he had been the victim of an intended mob rub-out, when he was shot nine times in front of his Queens home. Sands made his mafia connections more glaring, by refusing to cooperate with authorities on the attempted murder.

Just why Mattone Group Ltd. was interested in getting a contract at Pittsburgh airport is clear from the airport expansion they proposed. Currently, the vast proportion of total airborne freight entering the country, and a sizable portion of narcotics, enters through Kennedy Airport in New York. Under the Mattone proposal, Pittsburgh would have a customs house for the first time, allowing them to receive international freight—making narcotics smuggling into the area easier.

Mario Cuomo cannot credibly claim that his name was misused by Mattone Group as a reference, or that he has had no contact with the firm. **Joe Mattone**, the chairman of the mob front in question, is currently on the governor's campaign committee, and has been the leading fundraiser for Cuomo for all of his previous campaigns. In fact, Mattone is a childhood friend.

Nicky Sands is also undeniably well known to the governor. Sands was a top fundraiser for Cuomo's protégé **Geraldine Ferraro**, in her 1978 congressional campaign, and is



the person responsible for making Ferraro's contributor list read like a "Mafia Who's Who." Sands is a business partner with Cuomo's mentor, **Meade Esposito**, the former Brooklyn Democratic Party chairman, currently indicted for charges relating to municipal corruption.

Case 2: Lawrence Iorizzo and Mob campaign contributions

On July 15, Colombo-family mobster **Lawrence Iorizzo** testified before the House Ways and Means Subcommittee on Operations, that Cuomo's gubernatorial campaign received at least five \$1,000 contributions from his mob associates in 1983. Despite the small amount of funds reportedly received, Cuomo spokesmen were quick to attack reportage of Iorizzo's confessions as "irresponsible." Why was Cuomo so hypersensitive?

Lawrence Iorizzo had been arrested in 1985, with several dozen other mafia cronies, by a federal interagency operation known as "Tiger Tail." Iorizzo had been involved in a vast scheme to evade gasoline taxes in Florida, and otherwise engage in cocaine smuggling, money laundering, and Caribbean-based insurance fraud.

One of Iorizzo's partners in such swindles has been **Martin Carey**, the brother of former New York Gov. Hugh Carey. Governor Carey was the first one to bring Cuomo into government. Another Iorizzo partner is **Michael Franzese**, a boss in the Nicky Sands-linked Gambino family. A third group tied to Iorizzo is the Soviet Jewish emigré mafia of Brighton Beach, New York, which was conduited into the country through the efforts of the mob-front, the Anti-Defamation League of B'nai B'rith. The same ADL is now meeting regularly with the heads of the state Democratic Party, controlled by Cuomo, to formulate strategy against his LaRouche-Democratic opponents for office in the state.

This is not the first time that Cuomo has been charged with having corrupt campaign backers.

Back in 1977, Cuomo's unsuccessful New York mayoral campaign was caught distributing \$100,000 in small bills, the evening before the election, to "get out the vote." Cuomo's law partner at the time, Peter Dwyer, reportedly served as the mob liaison in this characteristic New York Democratic approach to the electoral process. Where these funds came from was made clear by Tony Scotto, the International Longshoresmen's union leader, who was convicted of receiving \$150,000 in bribes that year. Scotto reported the cash was not intended for himself but for Cuomo and Carey's campaign. Scotto went to jail. Dwyer died in a car accident. Cuomo evaded prosecution.

But the most interesting feature of Iorizzo's admissions is that the day when his firms made contributions funneling mafia dollars to Cuomo, was the same day that one **William Mack** also gave the governor's campaign \$50,000 in funds, under the name of the fictitious firm, 140 Ridgewood Avenue Associates: a simultaneity of date, not judged to be mere coincidence. William Mack is today the chairman of the Jacob Javits Convention Center Development Corporation, recently subpoenaed in the latest of the exploding New York corruption scandals. The Javits Center is a \$500 million project of the UDC.

Case 3: Michael Lazar and the Urban Development Corporation

On Aug. 6, Michael Lazar, a business partner of Cuomo's son-in-law Peter Perpignano, received his second round of recent federal indictments. He was charged with bribing Alex Liberman, the former New York City Lease Director, now in jail. The indictment charges that Lazar bribed Liberman to locate the Taxi and Limousine Commission (TLC) in the Candler building on 42nd Street, adjacent to the vast and corrupt state-financed 42nd Street Development project, where Lazar has other "sweetheart" contracts. Lazar was earlier indicted for bribery relating to the Parking Violations Bureau, which, like the TLC, he formerly chaired.

According to reports, Lazar, a top funder of the governor's campaigns, and a long-time neighbor, parlayed his friendship into a multi-million-dollar business after leaving city government in 1976. According to reports, his frequent use of Cuomo's name was no less useful in his securing favorable state and city contracts than his connection with Liberman, the bagman of Cuomo's mentor, Brooklyn Democratic boss Meade Esposito.

For example, how exactly did Lazar's relation to Cuomo figure in the highly dubious state decision to vacate state agencies from the World Trade Center, and relocate them, at higher rent, to Lazar's buildings in Queens? Why is it, one may ask, that Lazar was given a plush contract to renovate five theaters around Times Square, for the UDC development project, when he had no experience in the business? When the U.S. Attorney's office of the Southern District of New York raided the UDC offices and the UDC-run Jacob Javits Convention Center last March, perhaps they had such con-

siderations in mind.

Even before the UDC was redesigned by Governor Carey to foster large-scale developments to benefit real-estate developers well suited to the laundering of illegal drug money, it had the aroma of being a key payoff mechanism for the Democratic Party. Through control of the UDC, Cuomo, and Carey before him, were perfectly situated to receive millions of dollars in kickbacks from contractors. (One could ask how **William Mack**, the above-cited Cuomo contributor and Javits Center chairman, got his job.)

The individual Cuomo appointed to chair the UDC in 1985, is **Vincent Tese**, Cuomo's top fundraiser in his current campaign for governor. **William Stern** had been Tese's

A chronology of scandals

Sept. 13, 1983.

City leasing director Alex Liberman, a political bagman for former Brooklyn Democratic Party chairman Meade Esposito, is arrested by federal authorities for receiving \$2,500,000 in bribes from landlords bidding for lucrative city leases. Pleads guilty to one count, sentenced to 12 years; begins talking to authorities.

Jan. 10, 1986.

Queens Borough President Donald Manes makes first attempt at suicide, following a meeting at the Israeli consulate, with which he maintains corrupt financial connections. Rumors of impending indictment.

Jan. 14.

Federal authorities announce the arrest of Geoffrey Lindenauer, deputy director of the Parking Violations Bureau, after the Queens borough campaign manager of Mario Cuomo's 1977 New York mayoral campaign, Michael Dowd, admits to paying Lindenauer and Manes bribes.

Jan. 20.

City cancels \$22.7 million contract with Citisources Inc., citing failure of contract and fraud. Charges firm misrepresented its ownership by Bronx Democratic chairman Stanley Friedman. Former Gov. Hugh Carey, Cuomo's mentor, is also shareholder.

Jan. 31.

FBI raids Queens Democratic Party Committee headquarters and seizes financial records relating to ongoing investigation of Manes.

Feb. 7.

Queens grand jury subpoenas cable TV franchises awarded by city, including Queens Inner Unity Cable, owned

predecessor at the UDC, when he was the governor's top fundraiser prior to Tese.

A young Wall Street tycoon, who made millions in mysterious ways, Tese was appointed State Banking Superintendent in 1983, after his stint raising funds for Mario. Among his major accomplishments at that post, was pushing through the 1983 Omnibus State Banking Act, which dramatically increased the powers of narcotics-linked foreign banks, such as the Israeli Bank Leumi, in the city.

Among the lines of investigation which must be pursued, regarding Cuomo and the mob, is the following. Michael Lazar, in addition to his other corrupt dealings, has been a leading director of the **Jewish National Fund (JNF)**, which

has been documented as a favorite dope-money laundering mechanism for the mafia. Major JNF contributors and activists have included the late Donald Manes, Thomas Gambino (nephew of Carlo), real-estate operator Donald Trump, and the late partner of Stanley Friedman, mob attorney Roy Cohn. (Trump, Friedman, and Cohn were major targets of an exposé published in 1980 by *War on Drugs* magazine, linking the New York real-estate boom to drug money-laundering.) Is it only coincidence that all of the real-estate bribes paid to Alex Liberman, including that of Lazar, were laundered through "Jewish" philanthropies tied to the JNF? Or that Cuomo's son does "collections" for the Bank Leumi, tied to the JNF since their joint creation?

by former Manhattan borough president Percy Sutton.

March 10.

Lindenaer pleads guilty to racketeering.

March 13.

Donald Manes fatally stabs himself.

March 21.

It is announced that 21 high-ranking officials in the Koch administration have resigned since his re-election in November, half explicitly under charges of improprieties.

March 26.

PVB director Lester Shafran and Michael Lazar, former city transportation commissioner and former chairman of the Taxi and Limousine Commission, are indicted on mail fraud and racketeering, for their corrupt operating of the PVB. Shafran fails to reveal that he and Lazar are partners in the Times Square building where the TLC is chief tenant. Manes, Lindenaer, and former city marshal Sheldon Chevlowe are named as unindicted co-conspirators in sharing \$542,000 in PVB bribes.

March 27.

Federal authorities subpoena 16 years of records of the state Urban Development Corporation and the Jacob Javits Convention Center, after allegations that contractors were told to give contributions to Governor Mario Cuomo's election efforts.

March 27.

Bronx Democratic party chairman Stanley Friedman indicted by federal government on charges of fraudulently obtaining city contracts. Also indicted are Michael Lazar and Lester Shafran.

April 1.

Former New York Health and Hospital Corp. chairman John McLaughlin indicted for taking bribe from Nu-med to secure city contract.

April 23.

Edmund Lee, former top executive of Hyfin credit union, pleads guilty to \$30,000 bribe paid to recently resigned City Taxi and Limousine Commission director Jay Turoff, to secure city contract. State Investigations Commission criticizes state banking department for failing to uncover \$15 million misappropriation by Hyfin, diverted into real estate investments and kickback arrangements with other city and state politicians. Investigations begin in earnest of outstanding "loans" by Hyfin to several New York state politicians.

June 11.

New York City Health and Human Services Administrator Victor Botnick resigns after revelations that his reported academic credentials were fraudulent. Botnick, an aide to Koch since 1972 and a very intimate friend, was also the mayor's formal liaison to Israel.

July 15.

Convicted mobster Lawrence Iorizzo testifies before House Subcommittee on Operations that mafia partners of his made contributions to Governor Cuomo's re-election fund in 1983. On the same date of Iorizzo and his associates' contributions, William Mack, current chairman of the state-financed Javits Convention Center, gave \$50,000 under a fictitious corporate name.

July 31.

Mafia-linked Nanco contracting corporation indicted by state grand jury for fraud relating to city contracts. Nanco owner Carl Capasso is the lover of New York City commissioner for cultural affairs, Bess Myerson.

Aug. 6.

Michael Lazar indicted by federal prosecutors for bribing the imprisoned former city lease negotiator Alex Liberman in 1982. In return for the bribes, Liberman awarded Lazar city leases at his 42nd Street Candler building.