

Portrait of an Informant

By Edward Hershey

Brooklyn—A federal informant whose testimony apparently set in motion the 10-month investigation of indicted State Supreme Court Justice Dominic Rinaldi is a former Long Island salesman who fled to California from Plainview two years ago, leaving \$30,000 in debts.

Leon Ratner, an auto salesman, is remembered by acquaintances as a fast-talker who almost always had a big deal working but never saw any of them materialize. Ratner now is presumably in protective custody. His last known address was his in-laws' home in Long Beach, Calif. He and his wife had filed bankruptcy petitions and were receiving public assistance.

"He was a chronic liar," said a former friend, Jerome Zimmerman, who claims he was asked by a federal agent to lie to special state prosecutor Maurice Nadjari's grand jury, apparently to support Ratner's testimony against Rinaldi.

Zimmerman said that, except for one brief visit, he last saw Ratner early in 1971, when Ratner confided that he was fleeing to California in an effort to escape financial troubles.

In the bankruptcy petition filed 18 months later, Ratner listed \$1,200 in assets and \$34,207.85 in debts, including \$4,400 owed to the Internal Revenue Service in back taxes. It was the IRS, sources said, that put Ratner to work as an informer, apparently after he confided to an agent that two IRS employees in

Queens had received bribes. He also told the IRS agent about alleged payoffs to Rinaldi.

The IRS agent, Robert Murphy, has refused to discuss details of the case. Judging by the questions that several witnesses before the Nadjari grand jury say they were asked, Ratner told of at least two payoffs he said he helped arrange to fix cases, with part of the payments earmarked for the judge.

One involved the 1966 sentencing of four men who had embezzled \$300,000 from a Hempstead stock-brokerage firm, and the other involved an alleged attempt to fix a Lake Success zoning case in the State Court of Appeals (a court on which Rinaldi did not sit.)

According to other grand jury witnesses, Ratner apparently testified that in the alleged Court of Appeals fix, the money was to go to Ratner in cash for part of the down payment on a home he purchased at 87 Cedar Dr. Dr. in Plainview in July, 1969, and Ratner was to pass \$2,500 of it along to Rinaldi. Actually, records suggest that the home was paid for with the proceeds of more than \$25,000 that Ratner borrowed in four separate loans, each on the pretense of buying the same \$7,500 worth of stock.

Rinaldi said that in February, 1969, Ratner approached him for a \$10,000 loan. "I threw him out," Rinaldi said. On the way out Ratner somehow managed to convince Ben Rubinovitz, Rinaldi's law secretary, that the \$10,000 loan was an excellent investment for

a widowed friend. The money, Ratner said, would buy a quarter of the shares in Nassau Motors, an auto dealership in Hicksville that has since been sold and renamed Charger Motors.

Ratner still owes the widow, Mary Maresco, \$4,500. His bankruptcy petition indicates that he borrowed money from the Hicksville branch of the National Bank of North America in July, 1968, the Plainview branch of the Long Island National Bank in February, 1969, and the Melville branch of the Security National Bank in September, 1969, to buy some shares. Three years later, records indicate, he still owed the three banks a total of \$15,900. Counting the \$10,000 from Mrs. Maresco, Ratner borrowed at least \$25,900 on the pretense of paying for the auto dealership stock—possibly more, assuming that he had repaid portions of the bank loans by then. Elsewhere in the bankruptcy petition, Ratner notes that he sold the 37½ shares for \$7,500 in September, 1969, when he was still borrowing money on the pretense of buying them.

Nadjari is careful to note that none of the three perjury indictments against Rinaldi is based on anything "the federal informant testified to." But he and his chief assistant, Joseph Phillips, say that the informant did provide them with useful information. "The IRS represented to us that he had a good track record," Phillips said. "He gave us some good information and some bad information."

Jury Probing the Franzese Case

By Manny Topol

Brooklyn—The federal grand jury investigating alleged attempts to persuade a witness to give perjured testimony before a special state grand jury will look into the possibility that important documentary evidence was suppressed at the 1967 trial in which Long Island underworld figure John (Sonny) Franzese was convicted.

Denis Dillon, head of the federal strike force on organized crime for the Eastern District of New York, said that the federal grand jury's target was not the state investigation of judicial corruption conducted by special state prosecutor Maurice Nadjari but rather the question of whether evidence was suppressed in Franzese's trial and whether the evidence still exists. Franzese, who was convicted of conspiring to rob banks, is serving a 50-year sentence in Leavenworth federal prison.

Former law-enforcement personnel familiar with the Franzese case say privately that Franzese was under surveillance by authorities, and that the surveillance shows that Franzese was not where the prosecution said he was when the alleged conspiracy took place. At least one well-known criminal attorney close to the Franzese case will be subpoenaed.

Jerome Zimmerman, a 41-year-old auto salesman from East Meadow, said he testified before the federal grand jury yesterday that a federal agent tried to persuade him to lie before the state grand jury that returned indictments of three counts of perjury against State Supreme Court Justice Dominic Rinaldi on Nov. 12.

In return for his perjured testimony against Rinaldi, Zimmerman said he told the grand jury yesterday, the agent promised him that he could produce "documents" showing that Franzese was innocent. (Zimmerman and his wife are friends of Franzese's wife, Christine.) He also told the panel that he secretly tape-recorded a conversation with the agent in which the alleged deal was mentioned. The tape was played for the members of the grand jury, and a transcript of certain portions of the recorded conversation was submitted to special attorney Alan R. Naftalis, who is presenting the evidence to the federal grand jury.

Last night, Dillon said, "We are investigating allegations that there was a suppression of evidence in the Franzese case . . . and that the federal agent allegedly said evidence was available." He said the grand jury would also try to determine the authenticity of the tapes. He added that if the tapes prove to be doctored or false, charges of conspiracy to obstruct justice could be brought. He declined to say who would be charged in that event.

The federal grand jury subpoenaed Mrs. Franzese and her 22-year-old son, Michael, in addition to Zimmerman. Mrs. Franzese and her son brought a heavy reel-to-reel tape recorder and the tapes with them to the grand jury room on the fourth floor of the court building, and she was allowed into the grand jury room briefly to play the tapes. She did not testify, and however, she and her son were asked to return next Wednesday. She refused to allow Naftalis to keep the tapes and took them with her when she left the courthouse. Naftalis later refused to comment on the grand jury proceedings. One of the potential witnesses he interviewed was Rinaldi.

Federal sources said that the Treasury Department has started its own investigation, independent of the federal grand jury inquiry, into the allegations against the agent, Robert Murphy, a member of the self-policing Inspection unit of the Internal Revenue Service. Murphy has been with the Inspection unit for 11 years, and several law-enforcement personnel have expressed doubt that Murphy would be involved in any form of corruption. They added that he has a good reputation among law-enforcement authorities. Murphy has refused to comment on the specifics of the case but did say that he has done nothing wrong.

William Federici, Nadjari's director of special projects, repeated yesterday his statements that Murphy was not working as an agent for Nadjari. He said, "Although the allegations against Murphy were unsupported and appeared to be bizarre, we requested that the alleged tapes be produced so that we could conduct an investigation." He added that Murphy's discussion with Zimmerman related to "an independent federal investigation which we have no knowledge of."



Newsday Photo by Jim Nightingale

Walking to the jury room are, from left, Christine Franzese, Jerome Zimmerman and Michael Franzese.