

Witness key in crime-biz case

Gas biggie surfaces after fraud conviction

By ROBERT GEARTY

Daily News Staff Writer

Escorted by U.S. marshals, the 400-pound behemoth strode into a federal courtroom last week and wobbled past a reputed Colombo crime-family underboss and several alleged racketeers, including the underboss' son, before settling into the witness chair.

His name: Lawrence Iorizzo, a Long Island businessman who turned a Seaford gas station into a \$100 million-a-year gasoline business before it collapsed amid state and federal investigations into his dealings.

He was in a courtroom in Uniondale Federal Court to testify at a bail hearing against Michael Franzese, 34, a Brookville movie producer who had just been indicted on federal charges of masterminding a ring that raked in more than \$5 million in an elaborate scheme that defrauded major corporations and government agencies.

It was the first time that Iorizzo had surfaced since he was sentenced nine months ago on charges of mail and wire fraud.

The government is seeking to hold Franzese without bail until his trial, contending that he poses a danger to potential witnesses if released.

Iorizzo was called to support that argument. Before the hearing went any further, it was postponed and the case was reassigned to Brooklyn and another judge. It is to resume today.

Judge Jacob Mishler stepped aside after Franzese's lawyers said that they would

be ready to go to trial in 90 days, when Mishler will be presiding over cases in Florida.

Franzese, who pleaded not guilty, is the son of reputed Colombo crime family captain John (Sonny) Franzese, who watched from a front-row seat.

Testifying as a government witness is a new role for Iorizzo, who established the multimillion-dollar Vantage Petroleum Corp.

At the height of his success, Iorizzo owned yachts and a swanky Dix Hills home complete with surveillance cameras.

But those days have passed. His business was forced into bankruptcy three years ago. His gasoline stations were closed and taken over by the state.

His downfall reached its nadir when he was convicted and sentenced on the federal fraud charges.

In return for a five-year sentence—he faced up to 55 years—Iorizzo agreed to cooperate with investigators probing the Long Island gasoline business.

He is now in the federal witness-protection program and faces the prospect of being a major witness against Franzese.

Named, not indicted

He was named, but not indicted, in a 99-page, 28-count indictment against Franzese and seven others returned by a Brooklyn grand jury two weeks ago.

The indictment says that the Franzese group defrauded companies and the government out of millions of dollars.

The indictment alleges that Iorizzo was involved with Franzese in a scheme to avoid paying taxes on gasoline.

Iorizzo did not escape. He was indicted, along with Franzese, by a Florida grand jury that says that the two men and others had cheated the state out of \$40 million in gasoline sales-tax revenues.

Iorizzo is expected to play a crucial role in both prosecutions, officials said.

Indeed, at the Franzese bail hearing last week, prosecutor Jerry Bernstein described Iorizzo as a "very important government witness."

Tells of threat

Defense lawyers got their first glimpse of Iorizzo's role when he swore that Franzese told him that his son would be killed if he did not flee the country before he was scheduled to be sentenced.

"He said that Brooklyn wanted it that way," Iorizzo told Mishler. "He meant persons of higher authority."

Iorizzo also testified that Franzese discussed bribing a parole officer to help his father.

Franzese's legal team is expected to challenge those assertions when the hearing resumes today before Judge Eugene Nickerson. In the meantime, Franzese has been kept in confinement.

Iorizzo earlier had taken the stand in a case in which Franzese was charged with participating in a loan-sharking ring. He was acquitted.

Credibility questioned

Before the bail hearing was recessed last week, Fran-

zese's lawyer, John Jacobs of Manhattan, questioned the credibility of Iorizzo's testimony at the bail hearing.

He also got Iorizzo to admit that no harm has come to his son since the threat allegedly was made in 1984.

Iorizzo said the threats were reason enough for him to flee the country.

After he was returned to the U.S. from Panama four months later, he began cooperating with authorities.

What Iorizzo has to tell investigators about the gasoline business was developed over 20 years.

First gas station

In 1963, he purchased his first gas station in Seaford. Then, 14 years later, he purchased Vantage and quickly expanded to become the largest independent retailer on Long Island.

But problems developed. Vantage was accused of gouging gas customers at its stations on state parkways.

The federal Energy Department opened an investigation into allegations that the firm diluted gas during the gas shortage in 1979.

Convicted of fraud

In April 1984, Iorizzo was convicted of mail fraud for trying to cheat the state out of \$1.1 million in taxes.

Two months later, he was convicted in connection with a scheme to defraud an oil company of \$500,000 worth of gasoline.

When he was finally sentenced to prison and ordered to repay \$1.7 million in taxes, Iorizzo spoke briefly: "I'm sorry for what I have done," he said.



Michael Franzese

Leaving Brooklyn Tech

Educator named Golden aide

BY ALBERT DAVILA

Daily News Staff Writer

Michael Weiss, assistant principal of Brooklyn Technical High School and president of the Flatbush Development Corp., has been appointed executive assistant to Brooklyn Borough President Howard Golden, it was announced yesterday.

Weiss, 45, succeeds Harvey Schultz, who has been appointed by Mayor Koch to be the next commissioner of the Department of Environmental Protection. Both positions become effective on Jan. 2.

"Mike Weiss brings a wealth of experience to this job," Golden said. "As an educator, community organizer and leader he has excelled at launching and sustaining many innovative programs."

"He has successfully worked with community activists, elected officials and the staffs of city agencies to design and implement housing initiatives, commercial revitalization, arson and crime-prevention projects, refugee resettlement and a youth program," the borough president added.



MICHAEL WEISS

Born and bred in Flatbush, Weiss is a graduate of Brooklyn Tech and Brooklyn College, where he earned a bachelor of science degree. He holds a master's degree in education psychology from Yeshiva University.

In 1961, he joined the teaching

staff of Brooklyn Tech and has served as director of college guidance and, more recently, assistant principal for pupil personnel services.

In 1975, Weiss helped establish the Flatbush Development Corp. and became its unsalaried president. He played a major role in the corporation's emergence as a nationally recognized community organization.

Opportunity seen

"My appointment as executive assistant is an exciting opportunity to continue the outstanding economic and neighborhood revival led by the Golden administration," Weiss said.

"I look forward to expanding my experience in education and community development boroughwide, and to carrying out an ambitious governmental agenda that will generate jobs, provide decent and affordable housing and improve essential services," he said.

Weiss resides in Midwood and is married to Ella Friedman Weiss, associate director of alumni affairs at Brooklyn College. They have two children.

Classes set on heating and energy

Homeowners, landlords and building superintendents who are seeking answers on ways of cutting heating costs can learn some of the answers by attending an energy-efficiency course scheduled by two Astoria groups beginning Jan. 6.

Paul Sternberg of the Astoria Restoration Association said that his group, in cooperation with the Central Astoria Local Development Coalition, is now holding registration for the eight three-hour classes. It will begin at 6:30 p.m. in Immaculate Conception School Hall, 21-47 29th St., Astoria.

Registration forms and information can be obtained by calling the Astoria Restoration Association at (718) 726-0034. —Bernard Rabin