

# Granny locked in trunk

## She's rescued after a three-day ordeal



**DUSTING FOR PRINTS:** State Trooper Frank Keyser takes notes and State Police Forensic Technician Henry Dunn checks for prints on gray 1983 Dodge. A 73-year-old woman was locked in the car's trunk for three days.

By **STUART MARQUES**

Daily News Staff Writer

A feisty 73-year-old great-grandmother left locked in the trunk of her car for three days by a stranded motorist she had tried to help was found alive yesterday.

Martha Bushnell, a motel chambermaid from upstate Arkville, jumped from the trunk of her car, found in a Newburgh parking lot, and hugged State Trooper Margo Turner after the trooper used a crowbar to free her.

"She hugged and kissed the trooper and kept yelling, 'Thank you, thank you,'" state police spokesman Sgt. Bob Parlett said.

"She said she had been in the trunk fully clothed for three days without food or water and was calling out, 'Help me, help me,' when the trooper found her," Parlett said.

Bushnell was listed in satisfactory condition at St. Luke's Hospital in Newburgh, being treated for exposure and malnutrition.

Jamesetta Strong, 33, of Otego, who had been seen driving Bushnell's 1983 Dodge compact car in Newburgh, was arrested several hours before the car was found, Parlett said. She was charged with kidnaping and ordered held without bail.

He said Strong's car broke down outside Fleischmanns early Wednesday, and when Bushnell stopped to help, Strong overpowered her, threw her into the trunk and drove down to Newburgh to visit friends, leaving the car outside a yarn mill.

Bushnell's car was spotted that morning by a Newburgh taxi driver who heard screams for help coming from the trunk, Parlett said, but he was unable to open the trunk and went to call police. The car was gone, however, when he returned.

Cops launched a four-county search for Bushnell's car, but they didn't get their big break until receiving a tip that Strong had been seen driving the auto.

No ransom demands had been made.

Bushnell was last seen Tuesday at the Valkyrian Motel in Fleischmanns, where she has worked as a chambermaid for 17 years.

"I'm not surprised she was able to survive this," said the motel manager, who declined to give her name. "She's an extremely strong woman for her age."

The manager said Bushnell, who has a daughter in Florida and several grandchildren and great-grandchildren, is a widow who lives in a trailer park.

### WHEN A FILLUP IS A STICKUP

# Mob siphoning gas tax

By **JERRY CAPECI**

Daily News Staff Writer

Every time you buy gasoline for your car, there is an excellent chance you are pumping money into the pockets of sophisticated thieves working hand-in-hand with organized crime.

The chances also are good that John Gotti eventually will get a piece of your money, and so will the bosses of three other New York City **Mafia** families.

They will get your money from a scheme that has infected the wholesale gasoline industry nationwide—to the tune of an estimated \$2 billion—and stands as one of the most significant inroads of organized crime into legitimate business.

"The gasoline scam could very well be the biggest single money maker for the city's crime families," says Edward McDonald, chief of the Brooklyn Organized Crime Strike Force.

#### Areawide scam

The gasoline scam is built on theft of the taxes you pay on every gallon of gas. And it is now so firmly entrenched that experts estimate it touches up to half the gas sold in the metropolitan area.

In the industry it is known as bootleg gas, but it is not stolen or diluted. It is merely gas on which taxes have not been paid.

Consider these facts, drawn

from interviews with law enforcement officials, gasoline industry representatives and public records:

■ Around the New York area, bootleggers now steal at least \$250 million in taxes each year, and high-level sources in the Internal Revenue Service say the real figure may well be closer to \$1 billion.

■ The cut for the **Mafia** families—Gambino, Colombo, Luchese and Genovese—is pegged at \$42 million or more annually.

■ Rather than battle for the money, the families have "formed a club" and split a 1.5-cent "family tax" on every gallon of bootleg gas, said Jules Bonavolonta, head of the FBI's organized crime unit in New York.

■ Gotti's Gambino family joined the "club" with a flourish two years ago, when another mobster told the don about a bootleg operation handling 30 million gallons of



gas a month.

"At 2 cents (a gallon), it's \$600,000," said Gotti in a conversation picked up on a state Organized Crime Task Force bug. He added, "I gotta do it right now. Right now I gotta do it," according to a transcript obtained by the Daily News.

Gotti's lawyer, Bruce Cutler, said: "My client is not involved in any bootleg gasoline business or any other illegal business."

■ The gas scams have begun to spawn violence. On Nov. 18, Lev Persits, an alleged bootlegger, was shot in the back and paralyzed. Twelve days later, an indicted bootlegger who'd made overtures to investigators about cooperating left his lawyer's office and was later found beaten to death in New Jersey.

Reached in his hospital room at NYU Medical Center, Persits said, "I didn't see who did it. I don't know any-

thing except I don't think I'll ever walk again."

#### How it's done

"To understand the bootleg scam, a trip through the gasoline industry is in order.

When gas is brought into the metropolitan area it is stored in terminals that sell it to wholesalers, who then trade the gas among themselves or sell it to retailers.

The first wholesaler is responsible for paying a 9-cent federal excise tax on every gallon. The cost is recouped by passing it down the chain to the retailer and, ultimately, the consumer.

How is the tax stolen? By using a quirk in the law. And by setting up what is known in the industry as a "daisy chain"—a series of corporations, some real and some just fronts.

The quirk allows a wholesaler to get tax-exempt sta-

# Mob siphons gasoline tax

## GAS TAX FROM PAGE 3

tus, enabling it to trade gasoline wholesaler-to-wholesaler without paying the tax. Bootleggers take advantage of that by purchasing gasoline and then moving it—on paper only—down the daisy chain.

### Falsified records

In the end, transfer records show falsely that the gas is owned by a bankrupt, dummy wholesaling corporation. For enforcement agents seeking to collect the tax, that is where the trail ends.

In the meantime, the gasoline has secretly been shipped to another wholesaler provided with forged invoices stating all taxes have been paid. The gas is then sold to retail stations, which charge you the tax and turn it over to the wholesaler, where the thieves pocket it.

Federal and state officials currently estimate bootleggers are using daisy chains to steal the tax on anywhere from one third to one half of all the gas sold in the metropolitan area.

The take: 9 cents a gallon multiplied by hundreds of millions of gallons, including

the 1.5-cent rakeoff for the mob "club."

### Solution possible

Law enforcement authorities and many in the industry believe the theft could be stopped by a federal law requiring the initial wholesaler to pay the tax under all circumstances.

Just such a provision for state gas taxes was enacted in New York in 1985. By all accounts, theft of state tax has dropped sharply.

Northville Industries Corp. of Long Island, one of the largest independent distributors in the country, for example, believes bootlegging could be eliminated if federal laws mirrored New York's.

Northville spokeswoman Betty McConaghy noted that a 1987 economic report stated that New York "increased its gasoline tax revenues by 18% when it moved tax collection to the point of first import."

The bootlegging scam is common nationwide.

In New York, traditional organized crime groups are working with Russian mobsters, who by and large, operate and control the independent gasoline wholesalers at the center of the scheme.

The granddaddy of all the bootleggers is Lawrence Iorizzo, a 450-pound, 6-footer who invented the daisy chain scheme.

Iorizzo, who started with a single gas station in 1965, moved into the wholesale business and by the late 1970s was grossing about \$100 million a year, according to court records.

In late 1981, he "voluntarily" went to Colombo family capo John (Sonny) Franzese and complained that a California hood was trying to muscle in on his business.

### New partnership

Franzese took care of the problem and suggested Iorizzo meet with Franzese's son, Michael, to discuss "doing things together" as a way of showing gratitude.

Iorizzo and Michael Franzese became business partners in the daisy chain scheme. By June 1983, Iorizzo was bringing \$300,000 bags of money to Franzese two or three times a week, according to a report by FBI agents Ronald Noel and Daniel Lyons.

The agents reported Franzese was making \$1.26 million a month while Iorizzo

struggled along on \$45,000 a month.

Iorizzo and Franzese soon faced competition from other bootleggers aligned with so-called Russian mobsters—Sheldon Levine of Dix Hills; Michael Markowitz of Brooklyn, and David Bogatin of Brooklyn.

The five men had a sitdown and carved up the territory, with Franzese keeping 75% of the market, according to Ray Jermyn, an assistant Suffolk County district attorney.

### Lines drawn

The Franzese group kept Nassau and Suffolk stations as customers while the Russian group handled Brooklyn and Queens, Jermyn said.

Soon after, when Franzese thought Levine was underselling his group, he dispatched enforcer Vincent Aspromonti to "light up (Levine's) office a little bit with a couple of machine guns they had," Iorizzo testified.

When another bootlegger warned Levine, he raised his prices and things proceeded without incident until Levine was beaten in late 1983 for being slow at paying a relatively small debt of \$40,000.

Levine fought back by winning the services of his own mobster, Joseph (Joe Glitz) Galizia, 45, a reputed Genovese family soldier, who quickly became Levine's partner, according to court records.

The bubble burst in 1984, when Iorizzo was indicted, found guilty of stealing \$1.1 million in gas taxes, and began to cooperate with investigators.

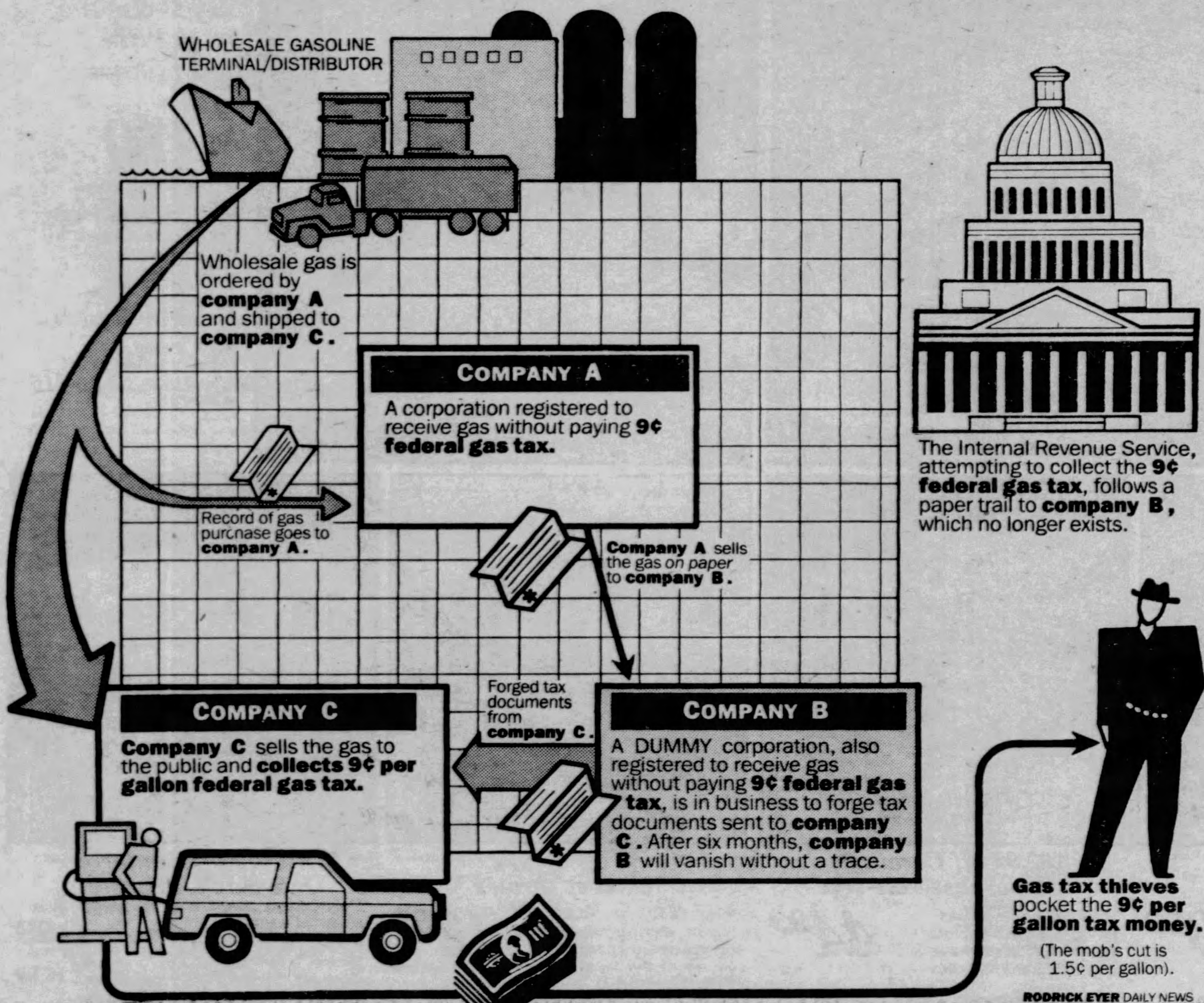
### Pleaded guilty

Three months later, Franzese pleaded guilty to racketeering charges. And Gotti was tipped to bootlegging by Galizia, sources said.

When Galizia explained it had been possible to steal 28 cents a gallon in state and federal taxes, Gotti said that seemed greedy. "Two, I'm saying if you get 2" cents a gallon, that's plenty, said Gotti.

Law enforcement officials said Gotti, whose place as head of the most powerful crime family gives him more clout than the other bosses, prevailed on the other families to go along with the 1.5-cent-a-gallon "family tax" currently in place.

## SIPHONING OFF GAS TAX DOLLARS



## United v. scam

Headquartered in a one-story IRS building in Smithtown, the Long Island Oil and Gas Organized Crime Task Force was formed in 1982, when federal and state investigators began running into each other in pursuit of gasoline bootleggers.

It made tailing suspects a particular problem.

"The subject would get into his car and drive off and immediately there would be a line of cars following each other," says IRS supervisor Fred Borakove.

Borakove, FBI supervisor Daniel Lyons and state Tax Department investigator Ronald Lewis supervise 20 probes from the three agencies and police from Nassau and Suffolk.

Laura Brevetti, deputy chief of the Brooklyn Organized Crime Strike Force, is the task force's lead prosecutor, supervising 13 other lawyers from various agencies.

Since the task force's inception, more than 30 people have been convicted of crimes ranging from tax evasion to grand larceny. Defendants have made restitution and paid fines of more than \$80 million.