

Turncoat is slain

Shot 3 times; testified about mob in gas scam

By THOMAS RAFTERY and JERRY CAPECI
Daily News Staff Writers

A turncoat gasoline bootlegger who rejected federal protection and cooperated in federal and state probes of New York's mob-dominated bootleg gasoline industry was killed gangland-style early yesterday.

Michael Markowitz, who also testified in 1987 against former Taxi Commissioner Jay Turoff at Turoff's tax-evasion trial, was shot three times in the chest while driving his 1985 Rolls-Royce in Mill Basin, Brooklyn, police said.



Michael Markowitz

Markowitz, who made millions of dollars selling untaxed gasoline in the early 1980s as a partner of former Colombo capo Michael Franzese, was believed to have been shot shortly after he left a nearby party, police said. It was not known whether the shots were fired from inside or outside the car.

Markowitz was in the so-called Russian Mafia, a group of Russian and East European emigres who agreed in a 1983 meeting to give Franzese control of bootleg gas on Long Island in return for control of distribution in Brooklyn and Queens.

After the shooting, his car crashed into two parked cars, and Markowitz, 42, got out, rang a doorbell on E. 66th St. and collapsed on the sidewalk. He was pronounced dead at Kings County Hospital.

Markowitz, a native of Romania, came to the U.S. in 1979 by way of Israel. He fought in the six-day and Yom Kippur wars and earned master's degrees in science and electrical engineering from the University of Tel Aviv.

In October 1987, he pleaded guilty to tax evasion and agreed to pay \$5 million in state and federal taxes and cooperate with a joint state-federal oil and gas industry

task force. Franzese pleaded guilty in 1986 to a \$15 million gas-tax scam and was sentenced to 10 years. In March he testified at New York talent agent Norby Walters' Chicago racketeering trial that he was the muscle that kept Walters' clients from hiring other agents.

Brooklyn Organized Crime Strike Force deputy chief Laura Brevetti said the task force was investigating whether the killing was linked to its continuing probe of the oil and gas industry.

Gasoline bootleggers are independent wholesalers and distributors who use a "daisy chain," or series of paper companies, to cheat states and the federal government of as much as \$2 billion a year in taxes.

Recently, Markowitz completed a one-week business trip to the Soviet Union, ostensibly to examine the feasibility of importing Russian plywood to the U.S., according to court records.

It's about squatters' rights



CECIL PRICE

PROTESTER is dragged away during battle between police and squatters and supporters in Tompkins Square Park. Fight was over efforts to

raze East Village building occupied by squatters. Four cops were hurt and 16 people arrested in yesterday's unrest. Story on page 17

Estimate Board out?

By BOB KAPPSTATTER
Daily News Staff Writer

The city's Charter Revision Commission may have sounded the death knell for the Board of Estimate yesterday by voting to recommend abolishing it after this year.

The commission to propose restructuring New York City's government also rejected the idea of a two-house city legislature, paving the way for a possibly expanded and stronger City Council.

Still up in the air is the future role of the five borough presidents.

Voters will decide on the commission's final proposals in a November referendum.

The U.S. Supreme Court ruled in March that the board was in violation of the constitutional principle of one person-one vote. The five borough presidents each have one vote on the board, while borough populations differ. The mayor, controller and

City Council president also sit on the board, which controls city contracts, franchises and zoning, and shares responsibility for the budget with the current City Council.

Proponents of the board — who argued that it provides a voice for borough interests — urged a weighted-voting system under which the borough

presidents would be allotted votes according to their boroughs' populations.

But critics, including commission Chairman Frederick A.O. Schwarz Jr., questioned whether that would satisfy constitutional requirements and said it could submerge the voice of constituent groups, especially minorities.

Panel OKs \$157B for S&Ls

WASHINGTON — The House Banking Committee last night voted 49-to-2 approval of President Bush's proposal to spend \$157 billion over 10 years to bail out the savings and loan industry from what has been described as the worst financial crisis since the Depression.

The bill also would put S&L regulators under more direct administration control, spend \$75 million a year on investigating and prosecuting fraud at S&Ls and, in the key reform, require S&L owners to risk more of their own money when they make loans.

Capitol Hill observers said it was possible that the bill could clear the House and Senate and go to the White House for Bush's signature by the Fourth of July recess.

The Associated Press

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