

One-Time Mobster Admits Bank Fraud, Conspiracy

By Robert E. Kessler
STAFF WRITER

Michael Franzese, once one of the rising stars in organized crime, pleaded guilty to violating his probation yesterday in U.S. District Court in Brooklyn and faces an immediate prospect of up to 5 more years in prison.

Franzese, convicted of racketeering in 1986 for his part in a tax-evasion scheme, served 3½ years in federal prison before being released on probation — and pledging to tell all he knew about the mob — in 1989. Yesterday Franzese admitted he had engaged in bank fraud and conspiracy to evade income taxes for the past two years. The

bank fraud charge involved Franzese's forging his name to and cashing a check for \$1,400 that was meant for a partner in a California real estate deal.

Franzese, 40, was arrested this month by federal probation officers and IRS agents in California on eight charges of fraud, theft, income tax evasion and lying to federal officers.

Federal prosecutors Leo Laufer, Laura Ward and Joseph McCann, who prosecuted the Franzese probation violation case, said yesterday that no other agreements were made with Franzese. That means that Franzese can be tried by federal officials in New York, Los Angeles and local officials in California on the eight charges, they said. Sources famil-

iar with the plea agreement also said the government told Franzese that it had no interest in using him as an informant or as a witness against any organized crime figures, and that he could not expect to get a reduced sentence if he cooperated with the government.

Franzese is credited with helping set up a gasoline tax evasion scheme on Long Island in the 1980s. Federal officials have said the scheme has spread throughout the country and still costs the government \$1 billion a year in lost gasoline taxes.

Federal Judge Eugene Nickerson set sentencing on the probation violation charge for Dec. 17.



Franzese arrives for 1985 arraignment. File Photo

A Zero-Fare Plan Amid the Shouting

By Jessie Mangaliman
and Michael Moss

STAFF WRITERS

As the city held another public hearing yesterday on its hugely unpopular proposed 25-cent fare hike, a former state commissioner of transportation suggested a "zero" fare would be a boon to the city.

"I suggest going to zero fare, at the risk of sounding out of my mind," James Larocca, president of the civic group Long Island Association, told a reporter. "But a fully integrated, free-to-the-rider transit system would be the best economic development tool that New York could offer in the 1990s."

Larocca's comments came shortly after making the suggestion at a conference on long-range construction planning at the Metropolitan Transportation Authority, held by the Empire State Report, a monthly publication.

Larocca suggested no fare on the subways, buses and commuter railroads serving the city would be a major enticement for companies to locate here.

As for how to pay for the "free" fare Larocca said, "We don't charge for police, fire and ambulances at the point of service. I'm suggesting we don't have to charge for public transportation at the fare box." Larocca was state transportation commissioner from 1983 to 1985 and has also served as state energy

commissioner.

He said the revenue could be made up from tolls on bridges and tunnels as well as other common tax sources. In fact, not collecting fares would in itself save a lot of money. The Long Island Rail Road estimates that 29 cents of every fare dollar it collects is spent to collect that dollar, he said.

Larocca's words would have been well received at One Police Plaza, where between 250 to 300 people showed up for an MTA hearing on the proposed fare hike.

"It's about time that you consider the poor people of New York City and give us a break," Mary Gale, a 91-year-old retired dressmaker, told the MTA hearing officers.

Yesterday's public hearing, held by the MTA, was the second of a series to gauge public opinion on the proposed 25-cent fare increase.

Most of those testifying denounced the proposed increase, calling it "outrageous, ridiculous, unfair and unconscionable."

Joseph G. Rappaport, coordinator of the Straphangers Campaign, called on Gov. Mario Cuomo to stop the increase, saying the MTA's budget deficit was the result of poor management.

At one point, a 70-member group from the hospital union, carrying protest signs, got up from their seats and marched, chanting, in front of the auditorium, "We're fed up. We won't take no more."

Dealing With Violence Around Them

By Curtis L. Taylor
STAFF WRITER

Hundreds of students received counseling yesterday in a special bereavement room at Jefferson High School in the aftermath of the violent campus death of a 17-year-old classmate.

The special room is just one of the many measures that Principal Carol Beck has taken, since she arrived in 1987, to ensure that her students receive emotional support at the East New York campus, surrounded by a neighborhood

where violence is common and survival is at times a day-to-day struggle.

"Immediately following the shooting, the school was swarming with help," Beck said. "I received calls from leaders throughout the city offering their help. Residents in the community also offered their help."

Beck said most of the school's 1,600 students and 150 teachers packed the school's auditorium, where she told them what had happened.

Since 1987, more than 50 of the

school's students have been killed or wounded near the Pennsylvania Avenue campus. Last year, about 550 shootings and 109 homicides were reported in the 75th Precinct, which encompasses East New York, police said. From January to November, 1990, police also reported 13 rapes.

To deal with the daily violence, Beck implemented the bereavement room, where students and teachers can receive counseling. About 20 students help run a peer negotiations program to help stu-

dents mediate problems before they escalate into violent arguments that can end in death.

"Young people don't know how to settle their differences without resorting to violence," Beck said. "This was a mindless shooting. The tragedy for me is that this is one more example of how we are losing our children . . . they are an endangered species."

For the past five years, Beck has tried to get residents and local business people involved in her efforts to change the school's image. During her tenure, test scores have improved and the campus crime rate has steadily decline. For her efforts, Beck received a national teaching award last year.

In the aftermath of yesterday's shooting, Jefferson is one of five schools being considered for the Board of Education's metal detector program, according to Bob Terte, a board spokesman. If selected, a metal detector would be in place at the school by the end of the year, Terte said.

Currently, 14 high schools and two intermediate schools have the detectors.

Beck said that the shooting would not stop efforts to improve the school and the surrounding community. For instance, more than 400 Senior Citizens from the area will have Thanksgiving dinner at the school.

"This is a war and we are trying to take back the major institution in this community," Beck said. "We will just have to dig a little deeper."

"A person's character is determined by how you handle adversity," she said. "Maybe, we will grow up from this."

Student Slain, Teacher Shot in School

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"He was writing rap songs and was supposed to get together with some people and make a record," said his 14-year-old brother, Keith Sharpe.

"He was a good kid, but around here death can come for anybody at any time," said Anthony Calderon, 16, a friend and upstairs neighbor of Darryl's.

Beck told her 1,600 students about the shooting at a special assembly in the auditorium and sent them home early as the halls were filled with police officers and school safety officers.

Teachers and students at the school said that, although Jefferson is in one of the most violent precincts in the city where gunfire is a fact of life, the school is safe by comparison.

"It's a shock for all of us," said Julia

Scalcine, a social studies teacher. "It's just one incident that I can't say is representative of the school."

Jefferson is not one of the city's high schools that are visited by guards with metal detectors, who make unannounced visits to schools when doors open in the morning. Beck said metal detectors were one of several security measures that would have to be reconsidered in the wake of yesterday's shootings. Board officials said Jefferson is one of five schools under consideration for metal detectors.

But in a statement, Sandra Feldman, president of the United Federation of Teachers, called Jefferson "one of several schools that are out of control because of poor security."

"It is up to the city to keep our schools safe," she said. "If the city does not meet that obligation promptly,

then those schools must be shut down until they are safe for students and staff."

Bruce A. Irushalmi, the director of the board's Division of School Safety, said the school's problems reflected conditions in the surrounding society.

"It's a problem in the city. It's a problem in society. You can't change society's problems in a day," he said.

UFT officials said there were 45 incidents involving firearms in or around city schools in the last school year. In the incidents 11 students were shot in or around schools and one was killed.

So far this school year, there have been 20 incidents. Two students and two teachers have been shot in or around schools.

William Douglas, Russell Ben-Ali and Chapin Wright contributed to this report.