

THE NERD OF CRIME

Soviet emigre's shadowy world

By JAMES ROSEN

Daily News Staff Writer

LIKE A SHADOW, David Bogatin always was there. You never noticed him until he was gone.

Gone from the jungles of North Vietnam, where he shot down American planes as a conscript in the Soviet Army; gone from the terror of the Gulag, where anti-Semites murdered his grandfather and where his father languished for 18 years; gone at last from the Soviet Union.

Gone from New York, where he drove a cab as a poor immigrant.

Vanished from the Brighton Beach, Brooklyn, mob of dealers and high-wheelers who partied with Cosa Nostra capos and forged an unholy alliance of Russian-Italian crime.

Disappeared from the United States, a fugitive felon who slipped away in 1987 two months after pleading guilty to being — in Attorney General Robert Abrams' words — "one of the biggest gasoline bootleggers in the nation."

NEBBISH APPEARING

Bogatin, 46, was part Woody Allen, part Humphrey Bogart.

"He looked like a nebbish — his eyeglasses, very nondescript clothing," says Florida

prosecutor Fred Damski, who investigated Bogatin's activities there. "The way he carried himself."

But beneath the opaque surface was a con man who helped mastermind a billion-dollar crime ring, then led authorities on a transcontinental chase.

And after fleeing New York, beating a rap in Austria and avoiding extradition to England on a third charge — Bogatin set up the first private bank in post-Communist Poland.

There he became a capitalist hero and made millions, the latest of several fortunes he has made, lost and regained.

"The various intrigues, the successes, the ups and downs, the ability to survive

and survive more than well in an international setting — it's like the stuff of a spy novel," says lawyer David Clayton, who represented Bogatin.

But the game may be up.

Bogatin is in a Warsaw prison, waiting for the Polish government to decide if it will grant a U.S. extradition request and send him to New York. He faces up to eight years in prison.

Bogatin's improbable saga began in Saratov, a Volga River city of shipyards and oil rigs where the Communists nailed shut a beautiful 17th century Baroque cathedral after the 1917 Bolshevik Revolution.

His first foreign stop, as a draftee in the mid-1960s, was North Vietnam — Moscow's ally then at war with U.S.-



backed South Vietnam.

Officially, Bogatin was only a "military adviser." Unofficially, he helped shoot down American F-4 Phantoms.

SHOCKING REVELATION

Clayton was shocked to learn of Bogatin's stint in Vietnam; shocked that they had fought on opposite sides.

But Bogatin never did give up much.

Such discretion was a tool of survival in the Soviet Union, where your neighbor could be a KGB informant and your wife might spy on

you for a bottle of Johnny Walker Red.

At the core of the terror was the gulag, the chain of Siberian labor camps built by Josef Stalin in which millions died.

One of those who died was Bogatin's grandfather, a Talmudic scholar sent to the gulag in 1937 because he refused to abandon his religious beliefs. Fellow prisoners killed him because he was a Jew.

Bogatin, born just after World War II, hardly knew his father, who was sent to a prison camp for covering part of Stalin's face with a set of keys he hung on the wall.

Except for a single trip he and his mother, Chaya, made to Siberia, Bogatin didn't see his father again for 18 years.

HE WANTED OUT

By then, the only thing Bogatin wanted was a one-way ticket out of the Soviet Union.

He landed in New York in 1977 after a journey from the Soviet Union that some later contacts say included an illegal border crossing into Poland or Czechoslovakia.

Once here, Bogatin disappeared into the anonymity of Brighton Beach and joined the emigres whose first job in America was behind the wheel of a New York cab.

He left his wife, Nadezhda, and their son, Sergei, in Russia. Eventually, he married a Soviet emigre, Sofia, and they had a son, Gregory — named after his father.

HOW THEY FUELED A SCAM

Credit for inventing the gasoline tax scam goes to Lawrence Iorizzo, who started with a single gas station in 1965.

Iorizzo went to Colombo family capo John (Sonny) Franzese in 1981 and sought protection from a California hood trying to muscle in on his business, which court records show had grown to \$100 million a year.

Franzese set Iorizzo up with his son, Michael, the dashing young "Mafia prince."

At the same time, David Bogatin was building his own gasoline empire with another Brighton Beach heavy, Michael Markowitz, who had emigrated to Israel

from his native Romania and then come to America.

In June 1983 the two groups met at Bogatin's Lezez Petroleum Corp. in Commack, L.I.

They agreed to carve up New York, with Franzese keeping Long Island gas stations as customers and Bogatin controlling Brooklyn and Queens.

'Daisy chain'

The alliance ran some 30 mainly phony wholesale companies. The companies sold gasoline through a "daisy chain." The daisy chain referred to rapid-fire transactions among the companies and the blizzard of paperwork they produced before some of the gas actu-

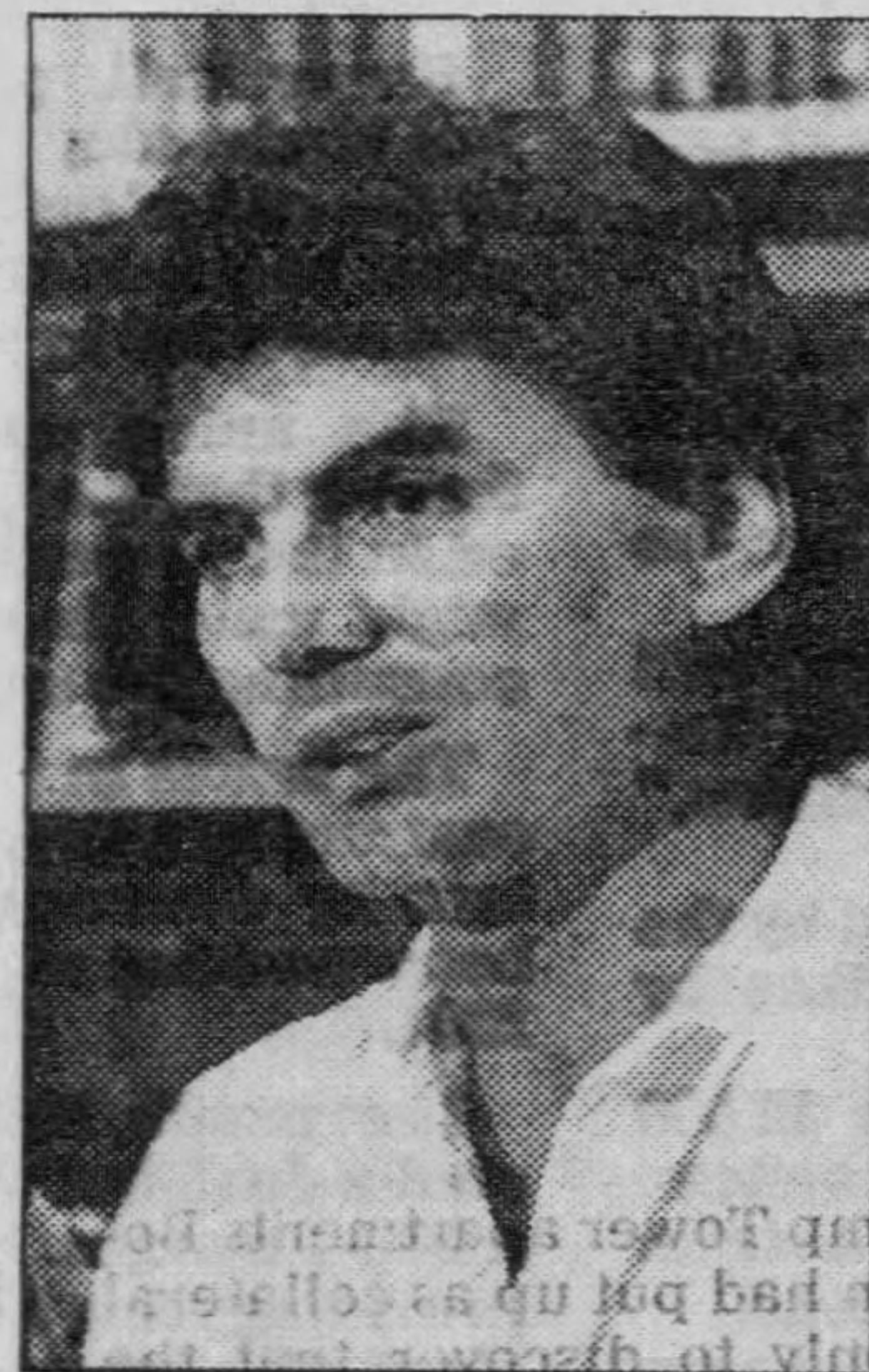
ally reached the pump. It was intended to make it impossible for government auditors to trace the scam.

The fake companies produced phony invoices showing sales that took place only on paper — and excise taxes that had been paid to the government only on paper.

In reality, much of the gasoline sat in Bogatin's Oceanside Oil Terminal.

And the money collected from drivers as excise taxes — 9 cents to the federal government, 9 cents to the state and 9 cents to local governments — went into the mobsters' pockets. Retailers also took a small cut.

— James Rosen



Michael Franzese



OUTTA GAS: David Bogatin (center) in grasp of lawman, with other L.I. gasoline company execs, Michael Markowitz (at left) and Joseph Skolnik (seen over Bogatin's left shoulder), were charged with evading gasoline taxes in Albany in 1985.

His mother, first son, two brothers and a sister joined him in America. His father had died long before.

By the early 1980s, Bogatin was moving and shaking.

JOINED MOBSTERS

His lawyers say he was an "honest gas distributor" who sold fuel to independent service stations in Brooklyn, many of them owned by other Russians.

But federal, state and city prosecutors say Bogatin became rich by joining with mobsters in an Italian-Russian crime ring that pocketed millions of dollars in unpaid taxes on gasoline.

The scheme began to crumble in 1985 when New York lawmakers, trying to end the Italian-Russian syndicate's sham game, decreed that whoever brings gas into the state is responsible for all excise taxes.

That change in the law made the buck stop at its first link in the wholesale-retail chain, and it rendered irrelevant the phony distributorships Bogatin and his friends had set up as a smoke screen for tax evasion.

Around the same time, the

FBI infiltrated Bogatin's ring with the help of Lawrence Iorizzo, a 450-pound lieutenant to Michael Franzese — the "yuppie mobster."

Franzese then became an informant, exposing Bogatin and his partners.

But authorities still had a lot to learn about the phantom Russian.

After pleading guilty in March 1987 to tax evasion, he persuaded a judge to let him keep his U.S. passport so he could travel to Russia to get his son out of the Soviet Army.

ARRESTED IN VIENNA

Bogatin returned to New York from two trips. The third time, in May 1987, he didn't come back.

Bogatin was arrested in Vienna on separate charges of securities fraud. The Austrian legal battle lasted two years before his case was thrown out. In the middle of that fight, Great Britain tried to extradite him on a credit-card scam.

More charges. More thin air.

In New York, meanwhile, the state tried to cash in the Trump Tower apartments Bogatin had put up as collateral — only to discover that the

penthouse suites were leveraged and he had no equity.

By the time the dust settled, Bogatin was in Poland, as communism fell. Within 18 months his First Commercial Bank had 15 branches, and the fugitive felon was a Solidarity success story.

Like the U.S. officials who gave him back his passport, the Polish government trusted Bogatin.

The nebbish crook had struck again.

CLOSE TO POWER

Bogatin seemed to have it made. The millionaire banker became a friend of Polish government ministers, and once again he started a new family. After Sofia divorced him last year, Bogatin took a third wife, and she bore him his third child.

But the whole thing came unglued in January when a Polish newspaper revealed Bogatin's past.

He was forced to travel around Poland, offering panicked depositors lotteries for TVs and cars to stop a run on his bank.

He surrendered to police Feb. 1.

More than two months later, the clock is ticking down on the U.S. extradition request.

Poland has never used a 1927 treaty to send a felon back to America.

If it doesn't act by April 30, Bogatin goes free. Again.

A march for cities and kids

By BARBARA ROSS
Daily News Staff Writer

Washington has seen a lot of mass marches. Most have focused on single issues — abortion, Vietnam or civil rights.

A different kind of march is planned on May 16. It will seek to target many issues — housing, education, health care, the environment, crime, drugs and AIDS — under one umbrella: "Save Our Cities. Save Our Children."

"As far as I know, this is unique in the history of the country," said Osborn Elliot, chairman of the Citizens Committee for New York City. "So is the fact that Washington has abandoned and betrayed the cities."

"The cities are bleeding. They've had an absolutely brutal and inexcusable series of cutbacks that have devastated services across the board. If the cities bleed and die, the country bleeds and dies because the cities are the engines of our society," he said.

Elliot spent months last year selling the concept of the march. The U.S. Conference of Mayors agreed last fall to sponsor it.

Taking shape

Now, with additional support from the AFL-CIO, the Children's Defense Fund and the NAACP, among others, the march is beginning to take shape nationally.

Howard Liebowitz, an aide to Boston Mayor Raymond Flynn, president of the Conference of Mayors, said organizers are lining up planes to take demonstrators to Washington.

On Tuesday, Democratic presidential front-runner Bill Clinton plans a press conference to promote the event.

Elliot said New York's effort is also "coming together" and more than 80 city organizations — from the Brooklyn Academy of Music to Haitian Americans for Racial, Economic and Social Justice — are on board.

Mae Ngai, director of operations for Save Our Cities, said New York will send more than 400 buses. Organizations have reserved many of them for their members; individuals also can get a ride from any borough.

Buses loading...

Ngai said buses will leave from the Bronx



Wanna go? Here's how

If you're angry about the city's loss of \$25 billion in federal aid since 1980, listen up.

There are two ways to join the May 16 "Save Our Cities. Save Our Children" march in Washington.

Get your organization to reserve a bus for \$1,100, or pay \$25 round-trip for your own ticket on one of the borough buses. For information, call (212) 261 2302.

If you want to help organize, there are meetings tomorrow at 310 W. 43d St. at 4 p.m. and Queens Borough Hall at 6 p.m.; on Tuesday at 4 p.m. at Bronx County Courthouse; and on Saturday at noon at the Columbian Lyceum, 386 Clove Road, Staten Island.

Building in Manhattan and the Staten Island Mall.

Only one borough president, Guy Molinari, a Staten Island Republican, has refused to endorse the march, Ngai said. A Molinari aide did not respond to a request for comment.

So far, Citibank is the only city business institution to endorse the effort. "I'd like to see more coming from the business community," Elliot said.

Liebowitz said the march is "a way to keep the pressure on. It's worth a shot."