

# The New York Times

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## Zaccaro Indictment *Is to Be Announced Today, Lawyers Say*

By RALPH BLUMENTHAL

The Manhattan District Attorney is to announce the indictment of John A. Zaccaro today on several misdemeanor counts involving a failed real estate deal in Queens, lawyers close to the case said yesterday.

Elkan Abramowitz, a lawyer for one of three other men reported to have been indicted along with Mr. Zaccaro, said he had been notified to surrender his client, Harold Farrell, today at the office of District Attorney Robert M. Morgenthau for booking and arraignment. At that time, he said, Mr. Farrell and the three others are to be informed of the charges.

### Considering Guilty Plea

A lawyer for Mr. Zaccaro, John B. Koegel, said in an interview Saturday that Mr. Zaccaro was considering pleading guilty to one of the charges in return for the dropping of the others. Mr. Koegel declined to say which charge Mr. Zaccaro might plead guilty to, and Mr. Zaccaro would not discuss the matter.

Mr. Koegel did not repond yesterday to numerous messages left at his Manhattan apartment and law office. But other lawyers familiar with the discussions said such a plea was likely today.

Jerome Blitzer, counsel to the credit union of the Port Authority of New

# Lawyers Say Indicting of Zaccaro In Realty Deal Is to Be Announced

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York and New Jersey and a lawyer close to aspects of the investigation, said the possible plea was in a case that involved a purported scheme to submit a falsified sales contract for five apartment buildings in Forest Hills, Queens. He also said an announcement about the indictment was to be made today.

Mr. Morgenthau has been investigating the financial affairs of Mr. Zaccaro, a real-estate and insurance broker, since they became an issue in the Democratic Vice Presidential campaign of his wife, former Representative Geraldine A. Ferraro. Mrs. Ferraro has made no comment on the reports of an indictment and a possible guilty plea.

A participant in the investigation said the charges against Mr. Zaccaro were all misdemeanors, a lesser category of crime than felonies.

In addition to Mr. Zaccaro and Mr. Farrell, the other two men indicted, in a separate matter, are Joseph Giordano, former president of the Port Authority credit union, and William Lennon, the former general manager of the credit union, according to Mr. Blitzer, the credit union counsel.

Joseph Benfante, a lawyer for Mr. Giordano, did not dispute the report but said he had not been notified about surrendering his client today. Neither Mr. Lennon nor his lawyer could be reached for a response.

## For Resale as Condominiums

According to accounts by Mr. Koegel and others, the case against Mr. Zaccaro involves efforts by him, Mr. Farrell, who was a partner in the venture, and Robert Wolk, another partner, to secure financing for another associate, John DeLorenzo, to buy five apartment buildings in Forest Hills for resale as condominiums in 1983.

During an unsuccessful search for financing, a falsified sales contract was submitted to executives at Prudential-Bache Securities, according to a sworn account by Mr. DeLorenzo in a lawsuit after the venture collapsed.

The falsified contract put the sale price for the five buildings on Yellow-

stead of the true figure of \$11.9 million, according to documents in the case. A higher figure could justify a larger loan.

## A Denial of Charge

Mr. Zaccaro later said he had learned of the falsification afterward, but he denied having had anything to do with it.

Mr. Koegel said Saturday that Mr. Zaccaro's possible plea had to do with the Yellowstone Boulevard buildings but would not consist of any admission to having committed a falsification, which, the lawyer said, Mr. Zaccaro had always denied.

But Mr. Koegel declined to say whether the plea under consideration involved a charge of scheming to defraud, one of the misdemeanors charged in the indictment, according to Mr. Blitzer.

## Indictment Was Sealed

The indictment was voted by a State Supreme Court grand jury in Manhattan in recent weeks but was sealed for later disclosure.

Mr. Zaccaro was also involved — but not charged — in the District Attorney's investigation of an improper \$550,000 loan from the Port Authority credit union to Mr. DeLorenzo in 1983. Mr. DeLorenzo, as a nonmember of the credit union, was ineligible to receive the loan, according to a Federal examiner.

Mr. DeLorenzo, who repaid the loan after the objections were raised, used the funds to buy an apartment building in Tudor City. In the sale, according to a lawyer for the sellers, Mr. Zaccaro and the counsel to the credit union at the time, Ronald Harnisch, acted as brokers for a commission of \$100,000.

## LOTTERY NUMBERS

Jan. 4, 1985

New York Numbers — 777

New York Win 4 — 4701

Jan. 5, 1985

New York Lotto — 5, 9, 24, 25, 35