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## CITY INQUIRY INTO ZACCARO DEALINGS SAID TO BE NEAR CONCLUSION

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The Manhattan District Attorney appears to be close to concluding a three-month investigation into financial dealings involving John A. Zaccaro, a lawyer for Mr. Zaccaro said yesterday.

"There's not much else he can look into," said the lawyer, John B. Koegel. "He's got all the facts. It's a question of what to do with them."

Mr. Koegel said he could not predict the outcome, but added, "We're still hoping it will be favorable."

On Dec. 4, Mr. Zaccaro, a real-estate broker and the husband of Representative Geraldine A. Ferraro, the unsuccessful Democratic Vice-Presidential candidate, appeared voluntarily with his lawyers for questioning at the office of the District Attorney, Robert M. Morgenthau.

Mr. Zaccaro did not appear before the grand jury, which met and heard other witnesses the following two days.

"John's done everything he can," Mr. Koegel said, adding that Mr. Zaccaro was confused and "worn down" by conflicting reports that he was or was not likely to be charged. Apartment Building Loan

The investigation concerns two real-estate transactions, witnesses who were called for questioning have said.

One involves a \$550,000 loan last year from the credit union of the Port Authority of New York and New Jersey to John DeLorenzo, a developer and business associate of Mr. Zaccaro.

The loan, the largest ever granted by the credit union, was used to help finance the purchase of an apartment building at 330 East 43d Street in Tudor City that Mr. Zaccaro's company was hired to manage. The loan was repaid after Federal examiners questioned its propriety because Mr. DeLorenzo was not a member of the credit union.

A former associate of Mr. Zaccaro, Harold Farrell, has said he told the District Attorney that he used part of the credit union loan at Mr. Zaccaro's direction to write checks to some credit union officials as payments for their help in arranging the loan. Mr. Zaccaro has declined to comment on matters under investigation.

The other transaction involves the attempted purchase last year by Mr. DeLorenzo, with the help of Mr. Zaccaro and two partners, of five apartment buildings in Forest Hills, Queens, for resale as condominiums.

During unsuccessful efforts to obtain financing, a falsified sales contract overstating the selling price by \$3.6 million was submitted to Prudential- Bache Securities, according to court papers. Mr. Zaccaro, who put down as a deposit - and lost - \$80,000 borrowed from an estate that he was managing, said later through an attorney that he did not know who had falsified the sales contract.

### Questions About Payment

The inquiry has taken an unusual turn with the disclosure that the former counsel for the credit union, Ronald Harnisch, may have been working with the District Attorney as early as last March.

Mr. Harnisch served with Mr. Zaccaro as a real-estate broker on Mr. DeLorenzo's purchase of the Tudor City building, according to participants. At the same time, Mr. Harnisch represented the credit union that granted the loan used for the purchase.

Joseph Benfante, a lawyer representing the former president of the credit union, Joseph Giordano, said that Mr. Giordano, in an appearance before the grand jury on Dec. 5, was questioned about a telephone conversation with Mr. Harnisch, then the counsel, regarding a \$5,000 payment to Mr. Giordano.

Mr. Benfante said the conversation had evidently been recorded by Mr. Harnisch. Mr. Benfante said the \$5,000 did not represent an improper payment to Mr. Giordano, but instead, repayment to him of money owed by Mr. Harnisch and another former credit union director, Thomas Albanese.

Mr. Harnisch did not return telephone calls seeking a response.