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THE MYERSON CASE

By
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DOUBLE EXPOSURE

THE HELMSLEY CASE

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Harry and Leona are expected to display the same regal bearing they showed at their indictment. THE APRIL 14 ARRANGEMENT.

security system for the Helmsley Building. They also accused Leona Helmsley of spending \$45,000 for a silver clock in the shape of the Helmsley Building as a seventy-fourth-birthday present for Harry and charging it to the Park Lane Hotel.

The indictments also charged the couple with defrauding the minority investors in the Park Lane Hotel and the minority shareholders of a Helmsley-run real-estate-investment group named Realesco. They said they had arranged for the Park Lane to pay Leona Helmsley "consulting fees" of \$83,333 a month without disclosing them to the minority investors in the hotel, and that they had charged more than \$1 million in personal expenditures to subsidiaries of Realesco without disclosing that fact to the minority shareholders. In addition, the indictments charged Leona Helmsley and Frank Turco with conspiring to extort kickbacks from contractors and suppliers by threatening that the Helmsley Organization would not use them unless the kickbacks were paid.

The federal trial, which is being held before the state trial, was scheduled to begin this week. On the eve of the trial, Harry Helmsley's lawyer asked Judge John M. Walker Jr., who is presiding over the case, to hold a separate trial for Helmsley, citing his client's poor health. At the same time, he revealed that he will argue that Helmsley's co-defendants, Frank Turco and Joseph Licari, created the phony invoices "to steal from the Helmsleys," not to commit tax fraud. Assistant U.S. Attorney James DeVita said that that could not be the case, since the invoices were sent to both Harry and Leona Helmsley.

Helmsley's lawyer said that Helmsley had been examined by three neurologists and two neuropsychologists, and four of the five doctors said he was not fit to stand trial. Those close to the Helmsley organization say that Harry Helmsley has slowed down since 1985. Two old friends who have seen him in the past few months say that he did not appear to be ill. "I think he's very depressed about ending a career this way," one says. "But his eyes were clear and he was quick."

When a trial begins, it is expected to be held on the fifth floor of the United States Courthouse, in a large courtroom that is usually reserved for the cases that draw the biggest crowds. Rudolph Giuliani's prosecution team will be headed by Assistant U.S. Attorney James DeVita, a 39-year-old former associate at Sullivan & Cromwell. He was one of the lawyers who prosecuted the Reverend Sun Myung Moon, who was convicted in 1982 of filing false personal-income-tax returns.

Harry Helmsley will be represented by John Wing, a partner at Weil, Gotshal & Manges, who was a federal prosecutor in the Southern District for 22 years. Leona Helmsley will be represented by Gerald Feffer, a partner in Williams & Connolly, the Washington, D.C., law firm founded by the late Edward Bennett Williams. He was also a federal prosecutor in the Southern District and ran the Justice Department's tax division for three years during the Carter administration. The co-defendants are being represented by New York lawyer William Brodsky and Joseph Benfante, who represented one of the defendants in the Pizza-connection case.

Harry and Leona Helmsley are expected to display the same regal bearing during trial that they showed the day they were indicted. That day, they arrived at the Attorney General's Office in a black limousine at 7:45 in the morning and surrendered themselves. They were taken to police headquarters and booked. Then they were taken to the State Supreme Court building, where they were forced to stand in the back of the room for a half-hour as they listened to one man plead not guilty to theft charges and another plead not guilty to selling drugs. When they were finally asked to enter their pleas, they each simply said, "Not guilty." Leona was dressed in a red coatdress and white blouse with the collar turned crisply up around her neck. Harry was wearing a handsome cashmere coat over his brown business suit. They were emotionless throughout the hearing, except for one brief moment when tears could be seen in Leona Helmsley's eyes.

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