



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.  
WASHINGTON, D.C. 20463

THIS IS THE END OF MUR # 1699

Date Filmed 7/12/84 Camera No. --- 2

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FEDERAL ELECTION COMMISSION

12 Day Report and Comment Sheets  
Routing Cards  
Assignment Form

The above-described material was removed from this file pursuant to the following exemption provided in the Freedom of Information Act; 5 U.S.C. Section 552(b):

- |  |   |
|--|---|
| <input type="checkbox"/> (1) Classified Information                                | <input type="checkbox"/> (6) Personal privacy                             |
| <input type="checkbox"/> (2) Internal rules and practices                          | <input type="checkbox"/> (7) Investigatory files                          |
| <input type="checkbox"/> (3) Exempted by other statute                             | <input type="checkbox"/> (8) Banking Information                          |
| <input type="checkbox"/> (4) Trade secrets and commercial or financial information | <input type="checkbox"/> (9) Well Information (geographic or geophysical) |
| <input checked="" type="checkbox"/> (5) Internal Documents                         |   |

Signed Gene W. [Signature]  
date 7/6/84

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FEDERAL ELECTION COMMISSION.  
WASHINGTON, D.C. 20463

July 3, 1984

Thomas J. Schwarz, Esquire  
Skadden, Arps, Slate, Meagher  
and Flom  
919 Third Avenue  
New York, New York 10022

RE: Pre-MUR 123 and MUR 1699

Dear Mr. Schwarz:

On May 18, 1984, the Commission notified your client, the Stein '81 Committee, of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended. This notification followed receipt of your letter and memorandum of May 4, 1984, in which you asked that the Commission address issues later raised in the complaint.

The Commission, on July 2, 1984, determined that on the basis of the information in the complaint and information provided by your client, there is no reason to believe that a violation of any statute within its jurisdiction has been committed. Accordingly, the Commission has closed its file in this matter. It will become a part of the public record within 30 days.

Sincerely,

Charles N. Steele  
General Counsel

  
BY: Kenneth A. Gross  
Associate General Counsel

Enclosure  
First General Counsel's Report

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FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

Thomas J. Schwarz, Esquire  
Skadden, Arps, Slate, Meagher  
and Flom  
919 Third Avenue  
New York, New York 10022

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Sincerely,

Charles N. Steele  
General Counsel

BY: Kenneth A. Gross  
Associate General Counsel

Enclosure  
First General Counsel's Report

AW  
7/3/84

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FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

July 3, 1984

George McDonald  
211 East 81st Street  
New York, New York 10028

RE: MUR 1699

Dear Mr. McDonald:

The Federal Election Commission has reviewed the allegations in your complaint dated May 9, 1984, and determined that, on the basis of the information provided in the complaint and information provided by the respondent, there is no reason to believe that a violation of the Federal Election Campaign Act of 1971, as amended ("the Act"), has been committed. Accordingly, the Commission has decided to close the file in this matter. The Federal Election Campaign Act allows a complainant to seek judicial review of the Commission's dismissal of this action. See 2 U.S.C. § 437g(a)(8).

Should additional information come to your attention which you believe establishes a violation of the Act, you may file a complaint pursuant to the requirements set forth in 2 U.S.C. § 437g(a)(1) and 11 C.F.R. § 111.4.

Sincerely,

Charles N. Steele  
General Counsel

  
BY: Kenneth A. Gross  
Associate General Counsel

Enclosure  
First General Counsel's Report

34040463759



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

George McDonald  
211 East 81st Street  
New York, New York 10028

RE: MUR 1699

Dear Mr. McDonald:

The Federal Election Commission has reviewed the allegations in your complaint dated May 9, 1984, and determined that, on the basis of the information provided in the complaint and information provided by the respondent, there is no reason to believe that a violation of the Federal Election Campaign Act of 1971, as amended ("the Act"), has been committed. Accordingly, the Commission has decided to close the file in this matter. The Federal Election Campaign Act allows a complainant to seek judicial review of the Commission's dismissal of this action. See 2 U.S.C. § 437g(a)(8).

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Sincerely,

Charles N. Steele  
General Counsel

BY: Kenneth A. Gross  
Associate General Counsel

Enclosure  
First General Counsel's Report

AW  
7/3/84

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of )  
 ) Pre-MUR 123 and MUR 1699  
Stein '81 Committee )

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on July 2, 1984, the Commission decided by a vote of 5-0 to take the following actions in Pre-MUR 123 and MUR 1699:

1. Merge Pre-MUR 123 into MUR 1699.
2. Find no reason to believe that Stein '81 has violated the Federal Election Campaign Act.
3. Send the letters attached to the General Counsel's report dated June 27, 1984.
4. Close the file in this matter.

Commissioners Aikens, Elliott, McDonald, McGarry, and Reiche voted affirmatively for the decision; Commissioner Harris did not cast a vote.

Attest:

7-2-84

Date

Marjorie W. Emmons

Marjorie W. Emmons  
Secretary of the Commission

Received by the Commission Secretary on June 28, 1984 at 9:54 a.m.  
Circulated to the Commission on June 28, 1984 at 4:00 p.m.  
Deadline for voting: July 2, 1984 at 4:00 p.m.

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Weissenborn



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

MEMORANDUM

TO: Office of the Commission Secretary  
FROM: Office of General Counsel *W*  
DATE: June 28, 1984  
PM 123  
SUBJECT: & MUR 1699 - First General Counsel's Report

The attached is submitted as an Agenda document  
for the Commission Meeting of \_\_\_\_\_  
Open Session \_\_\_\_\_  
Closed Session \_\_\_\_\_

CIRCULATIONS

DISTRIBUTION

48 Hour Tally Vote	<input checked="" type="checkbox"/>	Compliance	<input checked="" type="checkbox"/>
Sensitive	<input checked="" type="checkbox"/>	Audit Matters	<input type="checkbox"/>
Non-Sensitive	<input type="checkbox"/>	Litigation	<input type="checkbox"/>
24 Hour No Objection	<input type="checkbox"/>	Closed MUR Letters	<input type="checkbox"/>
Sensitive	<input type="checkbox"/>	Status Sheets	<input type="checkbox"/>
Non-Sensitive	<input type="checkbox"/>	Advisory Opinions	<input type="checkbox"/>
Information	<input type="checkbox"/>	Other (see distribution below)	<input type="checkbox"/>
Sensitive	<input type="checkbox"/>		
Non-Sensitive	<input type="checkbox"/>		
Other	<input type="checkbox"/>		

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**SENSITIVE**

FEDERAL ELECTION COMMISSION  
1325 K Street, N.W.  
Washington, D.C. 20463

RECEIVED  
OFFICE OF THE  
COMMISSION SECRETARY

FIRST GENERAL COUNSEL'S REPORT

84 JUN 28 A 9: 55

DATE AND TIME OF TRANSMITTAL BY OGC  
TO THE COMMISSION 6/28/84 - 10:00

Pre-MUR No. 123  
MUR NO. 1699  
DATE SUA SPONTE REQUEST  
RECEIVED May 4, 1984  
DATE COMPLAINT RECEIVED  
May 14, 1984  
DATE OF NOTIFICATION TO  
RESPONDENT May 18, 1984

COMPLAINANT'S NAME: George McDonald  
RESPONDENT'S NAME: Stein '81 Committee  
RELEVANT STATUTES: 2 U.S.C. § 441a(a)  
2 U.S.C. § 441b  
2 U.S.C. § 433  
2 U. § 434

INTERNAL REPORTS  
CHECKED: MUR Index  
AO Index

SUMMARY OF ALLEGATIONS

On May 4, 1984, counsel for the Stein '81 Committee and the Stein for Congress Committee submitted to the Commission a request for an investigation into certain issues involving expenditures made by Stein '81 which had been cited in the April 19, 1984, issue of Town and Village as possible violations of the Federal Election Campaign Act ("the Act"). This request has been designated Pre-MUR 123. Stein '81 is registered in the State of New York as Andrew Stein's committee for his 1981 campaign for the presidency of the Borough of Manhattan. The Stein for Congress Committee is Mr. Stein's authorized committee for the 1984 campaign for the U.S. House of Representatives in the 15th Congressional District of New York. Mr. Stein filed his Statement of Candidacy on February 17, 1984.

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The specific issues into which counsel for the above committees has requested an investigation are whether any violations of the Act have occurred as the result (1) of the expenditure of surplus campaign funds by Stein '81 for certain mailings, and (2) the repayment of a debt owed D.H. Sawyer and Associates, Ltd. Counsel submitted a copy of the April 19, 1984 issue of Town and Village cited above, as well as a copy of a follow-up article in the same publication dated April 26, 1984, and copies of newspaper articles and of letters, meeting announcements, etc., which assertedly constituted the mailings questioned by Town and Village.

On May 15, 1984, the Commission received a complaint dated May 9 from George McDonald which has been designated MUR 1699. In this complaint Mr. McDonald states that reports filed by Stein '81 in 1983 and 1984 show receipt of corporate contributions and of contributions from individuals in excess of \$1,000, and that during the same periods no "active re-election campaign for Borough President was being conducted." The complainant cites allegations that voter lists have been compiled by Stein '81 "which relate only to the 15th Congressional District" and that Stein '81 has paid for mailings exclusively within this district. Attached to the complaint were copies of the Stein '81 financial disclosure reports cited in the complaint and copies of articles from the April 19, April 26, and May 3, 1984, issues of Town and Village. The complainant asserts that "(s)ince the contributions received by Stein '81 are not in compliance with the federal election laws, expenditures in

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support of a federal election campaign would violate federal law."

LEGAL AND FACTUAL ANALYSIS

The allegations raised in the complaint in MUR 1699 are identical to the first question posed in Pre-MUR 123, i.e., whether certain expenditures made by Stein '81 in 1983 and 1984 were made for the purpose of influencing Mr. Stein's federal campaign, thus bringing them within the definition of expenditure at 2 U.S.C. § 431(9)(A)(i) and subjecting them to the limitations established by 2 U.S.C. § 441a(a) and to the prohibitions of 2 U.S.C. § 441b. This Office therefore recommends that Pre-MUR 123 be merged into MUR 1699.

Based upon a comparison of dates and figures cited in the Town and Village articles attached to the complaint with expenditures listed in the Stein '81 reports also so attached, the specific expenditures at issue apparently include:

- 1) Payments made between July, 1983, and January, 1984, to Election Computer Services and to O.S.I., which, according to the Stein '81 report for this period, totalled \$9,131.43;
- 2) Payments made between July, 1983, and January, 1984, for postage which, according to the Stein '81 report for this period, totalled \$21,360;
- 3) Payments made between July, 1983, and January, 1984, to several vendors for printing which, according to the Stein '81 report for this period, totalled \$16,750;
- 4) Payments made between July, 1983, and January, 1984, to twenty-two individuals in amounts ranging from \$150 to \$240 for

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a total of \$4,760. The reported purpose of seven of these expenditures is "computer list," and one of the persons itemized is quoted in Town and Village, April 19, 1984, as having stated that she checked Board of Election lists for voters in certain years.

- 5) Payment made between July, 1983, and January, 1984, to the Board of Elections of \$257.71 for voter lists.

The January 15, 1983, and July, 1983 reports filed by Stein '81 also cite expenditures totaling \$3,800 for postage and \$2,611.11 for printing.

The complainant in MUR 1699 states that "(m)any of these payments appear to be of the type that would be primarily in support of Mr. Stein's candidacy for Congress." He goes on to cite allegations, presumably in Town and Village, "that voter lists are being compiled by the Committee which relate only to the 15th Congressional District. . . . In addition, allegations have been made that the Committee had paid for mailings that were made exclusively within the Congressional District." The article in the April 19, 1984, issue of Town and Village states that according to a named representative of the Board of Elections, voter lists were purchased in May and July, 1983, and "'were for downtown.'"

In the memorandum submitted with the request of the Stein '81 Committee that the Commission consider the issues discussed herein, counsel argues that the above-cited expenditures were made with excess campaign funds and involved mailings of reprinted newspaper articles, newsletters, meeting announcements, "alerts" and greeting cards in connection with

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Mr. Stein's official duties as Manhattan borough president. Counsel states that the issues addressed in the mailings were "relevant to the duties of the Office of the Borough President" and that "dissemination was Borough-wide and not limited to the 15th Congressional District (East Side-Manhattan)." This memorandum lists fourteen specific mailings and the categories of persons to whom they were sent. Attached to the memorandum are copies of the reprinted newspaper articles and other mailings cited. (Attachment 1). The contents of these mailings cover a wide range of subjects, from rent hikes and rising phone bills to landmark preservation and sex-based discrimination. All of the letters enclosed self-addressed, postage-paid cards by which recipients could indicate interest in the subject discussed in the letter. Certain of the letters are aimed at specific target groups such as Title I project residents, residents of rent-stabilized buildings, and residents of particular geographic areas, some inside and others outside the 15th Congressional District. None of the attached mailings mentions Mr. Stein's candidacy for federal office nor does any solicit contributions to that effort.

Since Pre-MUR 123 was opened, counsel has also furnished a letter from Marguerite P. Manahan concerning the nature of the work prepared by O.S.I. and Election Computer Services, Inc., companies cited in the Town and Village articles as payees of some of the expenditures at issue. (Attachment 2-a).

2 U.S.C. § 431(9)(A)(i) defines "expenditure" as including "any purchase, payment, distribution, loan, advance, deposit, or

gift of money or anything of value, made by any person for the purpose of influencing any election for Federal office." The Commission has consistently determined that for an expenditure to be deemed to have been made "for purposes of influencing" a federal election, the major purpose of the activity being financed must be the nomination or election of a candidate. See, e.g., AO 1978-15, AO 1978-56, and AO 1980-22. The absence of express advocacy of the nomination or election of a candidate, and of any solicitation of contributions on behalf of a candidate would also support a finding that the definition of expenditure at Section 431(9)(a)(i) does not apply in a particular situation.

MUR 1458 involves a fact pattern analogous to that in Pre-MUR 123 and MUR 1699. In this earlier matter allegations were directed at expenditures in excess of \$1,000 made by the state committee of a California State Assemblyman for travel and lodging at a time when the same individual was also a federal candidate. The investigation revealed that the expenditures involved appearances by the candidate primarily in his capacity as a State Assemblyman and that he had not campaigned for federal office on those occasions. Any benefit to his federal campaign was deemed "incidental" and thus unreportable pursuant to 11 C.F.R. § 106.3(b)(3). The Commission determined that the state committee had not violated the Act by failing to register and to report the above expenditures. See also AO 1980-89 and AO 1980-16.

In the present instance the expenditures made by Stein '81 for mailings do not appear to meet the Section 431(9)(A)(i)

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definition of expenditures. They contain no express advocacy of Mr. Stein's candidacy for federal office, nor do they solicit contributions. All involve issues and activities which can be deemed to have been undertaken primarily in connection with Mr. Stein's position as borough president. Even if some of the mailings were targeted only at individuals within the 15th Congressional District, they do not appear to constitute "expenditures" for purposes of the Act. Therefore, this Office recommends a finding of no reason to believe that Stein '81 has violated the Federal Election Campaign Act in this regard.

Counsel for the Stein committees has also requested Commission consideration of payments made to D.H. Sawyer and Associates, Ltd. ("Sawyer"). The Stein '81 reports furnished by the complainant in MUR 1699 show expenditures to this company of \$60,000 in 1982 and of \$50,000 in 1983-84. Counsel has stated that a dispute arose between Stein '81 and Sawyer following the 1981 election regarding the amount owed by the committee, and that after a July, 1983, fundraiser additional payments were made in resolution of the 1981-related dispute. Counsel contends that Sawyer "has performed no services for Stein or any committee connected with Mr. Stein since the 1981 Borough President election nor has D.H. Sawyer been retained in connection with any federal election nor is it expected that D.H. Sawyer will be retained in connection with any federal election." Counsel has also submitted a letter from David H. Sawyer dated April 10, 1984, stating that the firm "has performed no services for Andrew

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Stein or any committee connected with Mr. Stein since 1981 Borough President election." (Attachment 2-b).

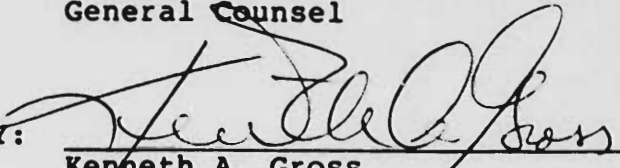
In light of this verification by the vendor of counsel's assertions as to the timing of services and the purposes of payments made, there appears to be no indication that the payments to D.H. Sawyer and Associates at any time have been for the purposes of influencing a federal election. Therefore, this Office also recommends a finding of no reason to believe that Stein '81 has violated the Federal Election Campaign Act in this regard.

RECOMMENDATIONS

1. That Pre-MUR 123 be merged into MUR 1699.
2. That the Commission find no reason to believe that Stein '81 has violated the Federal Election Campaign Act.
3. That the attached letters be sent and the file in this matter closed.

Charles N. Steele  
General Counsel

June 27, 1984  
Date

BY:   
Kenneth A. Gross  
Associate General Counsel

Attachments

1. Copies of mailings
2. Letter from Thomas J. Schwarz with two enclosed letters.
3. Letter to complainant.
4. Letter to respondent.

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March 20, 1983

# WANTED: IDEAS FOR NEW YORK CITY

By Andrew J. Stein

"Clearly, the city and the region face several years of further job losses, eroding tax bases and increases in dependent population. But it is certainly difficult to ascertain any actions the city could take to avert or mitigate this downward trend."

That view of New York City, offered in 1975 in a study prepared for the Joint Economic Committee of Congress, reflected a common assumption among urban economists. New York was seen to be too congested, too old, too big and too cumbersome to accommodate the demands of modern commerce. The future, they said, would lie in more sprawling urban settings like Los Angeles or Dallas-Fort Worth.

There is no denying New York's problems. That "dependent population" is gigantic and growing. Our 965,000 elderly would constitute the nation's seventh-largest city. The number of our citizens living below the poverty line, defined in the last census as \$7,412 a year for a family of four, is greater than the entire population of Detroit. The public-transportation system has faced crisis after crisis, and the educational and criminal-justice systems are under constant attack.

Yet New York has confounded its fiscal Cassandras. Long-term debt service as a percentage of operating expenditures is at the historically low level of 10 percent, two-thirds of the ratio of five years ago. For the last two fiscal years, for example, the city had a surplus. The city's economic machinery, it turns out, was not crippled but merely shifting gears.

Since 1977, New York City has gained more than 200,000 new jobs, an average of nearly 40,000 per year. In rate of growth, New York is surpassed only by the Sun Belt cities of Dallas, Houston and Los Angeles. What is most significant of all, the growth is happening in those industries that represent the nation's economic future — finance, advertising, insur-

Manhattan's Borough President says new approaches are needed to nurture the city's growing service economy with its brokerages, banks and communication firms. He offers his own suggestions.

The densely packed population and its huge transit system, once viewed as among the causes of New York's economic woes, are now seen as competitive aids in attracting growth companies.

ance, accounting, communications, law, health. As America's economic base has shifted from manufacturing toward service, New York has emerged as the premier service provider for the world.

Ironically, some of the very reasons cited to explain the city's economic "demise" are now recognized as being among its unique strengths in a service economy — large, densely packed populations and the massive transportation and utility infrastructures that support them. As Matthew P. Drannan, a professor of economics at New York University, has pointed out, the benefits of having companies clustered include "easy and speedy access" to other businesses and business executives, both for communication and for marketing purposes. Further evidence of the New York advantage: Many of those dispersed cities often touted as the urban environments of the future have been moving in New York's direction — witness the new subway systems built by San Francisco and Washington and the rapid-transit plans announced by Houston.

Yet New York's future is far from assured. We must recognize that the city is, fundamentally, an economic entity and that the success or failure of our economic policies will determine the quality of our lives. That means we must evolve specific new programs that nurture our business community, particularly the service industries upon which we increasingly depend. It also requires that we find new ways to bring dependent citizens into the job market. At the same time, we need to develop new approaches to such problem areas as mass transit and crime, of critical importance to employers and employees alike.

In what follows, I have sought to present concrete examples of the kinds of initiatives our city needs. They range over the fields of land use, regulation, taxation and education. We have come a long way from the depths of 1975, but we are going to have to find new solutions for the problems of the next decade.

ATTACHMENT 1

Every day, an army of data processors, key-punch operators, check-payment cashiers, copy-machine operators and mail clerks descends upon the commercial and industrial parks of Long Island, Westchester, New Jersey and Connecticut. They make up the rank-and-file back-office staff of the service economy, processing information, money and paper for the corporations located in New York City. They work out there side by side with the employees of hundreds of small businesses ancillary to the service economy, such as food stores or office-supply shops.

Midtown Manhattan continues to attract the central offices of virtually every key component of the service economy, from communications and information enterprises to securities firms and banks. However, though corporate headquarters may polish the municipal image, they do not represent the principal source of future jobs — particularly the semiskilled jobs the city's residents most need. And New York City as a whole is losing out to our suburban neighbors in the competition for these jobs.

To a certain extent, many of the business decisions to move back-office and other enterprises out of New York City came during the mid-1960's and early 1970's, inspired by cheap gasoline, inexpensive and abundant open space and vigorous "poaching" campaigns by suburban communities. These decisions established a precedent: It is hard to convince a corporation that set up its first data-processing plant in Hicksville, L. I., that its second such plant should be built in Long Island City instead of Hicksville.

But as land and construction costs rise and the suburbs increase their tax rates to cope with a host of problems suburban officials never dreamed of a decade ago, New York City and other urban areas become increasingly attractive. One recent survey of construction and land costs suggests that office-space construction in Brooklyn or Queens now costs about the same as building in the suburbs.

To lure those companies that do not require prime Manhattan office space, New York should re-evaluate the zoning of various areas outside the city's center, particularly underutilized manufacturing areas. The vacant and boarded-up warehouses that dot the Queens shoreline along the East River are a prime example of a location close to the midtown business core that could be developed for back-office activity.

The city's land-development tools also include the power of condemnation and the right to lease or sell vacant city land and municipal facilities. New York does not lack for such land and facilities that would serve the city better if developed for data-processing centers, information-storage centers, commercial parks and the like. One example: the Brooklyn Army Terminal, where the city currently stores its dilapidated buses before they are scrapped.

New York should market such properties by taking a leaf from the book of our commercial real-estate concerns. We might ease the commercial tax burden for corporate residents willing to locate their back-office operations in the city, even pegging such tax relief to negotiated

commitments from the company. low, 10-year tax rate to be reevaluated in the light of the company's record as to providing permanent jobs.

Ask almost anyone in business, from the hot-dog vendor on the corner of the Avenue of the Americas and 54th Street to the head of the New York Stock Exchange: "What's it like to start a business in New York?" He or she will tell you that it is tough — tougher than in other cities — in large measure because New Yorkers have an ingrained, negative attitude toward business development.

That attitude is summed up in the phrase "Guilty until proven innocent," and it has led to a daunting array of regulations embodied in building codes and land-use review procedures, labor codes and retail permits and financial reporting requirements, administered in an uncoordinated and duplicative fashion by a host of commissions, boards, councils, agencies and bureaus.

Consider the demands New York placed upon the companies competing for the franchises for cable television, a key technological element of the service-dominated economy. (To put it simply, cable transforms every household television set into a potential marketplace for everything from stock transfers to real estate to the latest in fashion.) Ever since Manhattan was "wired" for cable in 1968, the city has been trying to create a mechanism to allow cable companies into its other boroughs. What should have taken six or seven months for competitive bids and approval has taken two years as the city has demanded more and more paperwork and insisted upon additional programs of dubious value. The cost to the companies has risen so high that it is still uncertain whether New Yorkers, other than those in Manhattan, will get cable television.

Land-use regulation follows a similar pattern. For instance, why is a small restaurateur planning a sidewalk cafe of marginal impact subjected to the same extensive scrutiny given the most extensive housing development of the decade? Builders of large, expensive construction projects can and do pay handsomely for the legal talent to shepherd a project through the morass of municipal reviews, but a small entrepreneur, unable to afford such expertise, is thwarted at virtually every step. One result: Many small firms refuse to locate in the city, or languish when they do.

It is not a result we can afford. About half of all our jobs are with companies with fewer than 100 employees. To help such companies cope with city codes, New York should consider establishing a two-tiered system for some of its regulatory actions. An example of what can be accomplished is the Department of Buildings' streamlined permit and self-inspection program for small renovations. Multiple inspections are required for large projects by plumbers, electricians and the like. But under the streamlined program, the architect for an individual apartment is empowered to vouch for the condition of the renovation; his license is forfeit if he is found to have misstated the facts.

Under our Uniform Land Use Review Procedure, communities and city agencies are allowed six months in which to evaluate fully the merits of any project by means of extensive hearings before community boards, the City Planning Commission and the Board of Estimate. It is an approach that has proved itself. But before a project is certified by the Department of City Planning for the review procedure, it must pass through a bureaucratic gauntlet of challenges from various agencies on environmental, landmark, tax and zoning issues. This review, often characterized by petty wrangling, takes an unconscionable average of 12 months per project. Once again, we cannot afford to throw such roadblocks in the path of companies seeking to settle here or to expand; the initial planning process should be performed within a single agency, and the time allowed should be limited, by law, to six months.

New York leads the nation in the diversity — and arbitrariness — of its tax structure. It seems almost designed to discourage new businesses from settling here. The list includes property taxes, a general-corporation tax, a financial-corporation tax, a commercial occupancy tax plus a host of minor, usually business-specific smaller taxes. New York City also has the nation's highest sales tax (it pushes retail sales to the suburbs) and a substantial personal income tax (it pushes upper-income employees to the suburbs).

What's more, the city's dependence upon business and sales taxes leaves us incredibly vulnerable to the fluctuation of the national business cycle. Some other cities rely more heavily on property taxes — in Boston, for example, they account for 70 percent of revenues, excluding state and Federal aid; the figure for New York is 27 percent.

Not only do we tax our businesses at a higher rate than virtually any other city — the average company pays about \$1,275 in taxes per year per employee — but we also play favorites among the different industries. Some taxes, like the financial-corporation tax, are targeted on our most dynamic growth industries.

Apparently, the notion is widespread that these strong sectors are "captive" and can be soaked for all they are worth. In fact, some of these "captives" have proved to be quite free, moving some of their operations out of the city and building new back-office, service facilities elsewhere. In the long run, the specialized business taxes retard the growth of our strongest industries and add to the impression within the business community that the city is hostile to the private sector.

That impression is heightened by inequities within the tax laws. A prime example is the occupancy tax, which is charged to owners who rent their commercial properties to other businesses. The International Business Machines Corporation and the American Telephone and Telegraph Company, among others, both on Madison Avenue, and both the sole occupants of their own buildings, pay no such tax. However, the First Boston Corporation, whose world headquarter-

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New York, says the author, should find ways to make vacant or little-used municipal properties available for development as data-processing centers or commercial parks.

ters is just a block away from I. B. M., leases out some space in the building and thus must pay an occupancy tax.

Such charges are inevitably passed on to commercial tenants in the form of higher rents, discouraging new companies from settling in the city and old companies from expanding here. One solution to the problem would be a single tax to replace current commercial and occupancy taxes. The level of that tax would be set as a percentage of a property's rental income and could be negotiated on a long-term basis, granting owners a predictable tax rate and tenants a constant long-term rent.

The reduction and reform of business-specific taxes cannot, of course, be accomplished overnight. But it must be begun, and an important first step would be a greater reliance on the property tax and other revenues that would be less harmful to business and less sensitive to swings of the economic pendulum.

There are some 3.4 million jobs in New York City, but about 600,000 of them are performed by men and women who do not live here. Some experts claim this pattern is inevitable, that our growing service industries will continue to look to the suburbs simply because our residents lack the requisite education and skills to compete. In fact, there is nothing inevitable about it. The education and skills can be learned if the city is willing to expend the money and energy to make it happen.

New York does not lack educational facilities, the central job-training sites for the labor force of the future. Our public school system educates about a million children a year. It is not, however, prepared for the changing demands of the city's economy.

One problem is financial. New York spends an average of \$2,700 on each pupil, while suburban Westchester, Rockland and Nassau counties spend an average of \$3,500. The result: The small classes and individual attention so important for working with disadvantaged city students are enjoyed, instead, by middle-class suburban children. Even in times of recession, the educational system is not the place to stint on the basic reading and math skills required for entry-level posts in the service economy.

In addition, the Board of Education should begin to redesign secondary-school academic and vocational-training programs so that pupils do not waste their time learning obsolete and dead-end job skills. Metal-working, welding and nautical training, for example, should yield to programs that give students the technical, mechanical skills needed by medical and dental aides, key-punch operators and graphic artists.

Some initiatives are needed, as well, in bringing city youth and the business community into closer contact. There is apprehension on both sides: Disadvantaged students have no experience in dealing with the corporate world, and many businessmen are reluctant to "take a chance" with the students. Work-study, apprenticeship and post-high-school placement programs must be greatly expanded.

The Summer Jobs for Youth Program, established by the New York City Partnership, a group of 120 leading business executives, might well be duplicated by the schools. Under the program, companies pledge to hire a fixed number of youngsters for the summer. The students who take part learn some new skills, but the chief benefit is the socialization process — the changed perceptions on the part of the businessmen as well as the students.

More elaborate approaches should be encouraged. With the financial support of Citibank, for example, the Board of Education has put together a curriculum aimed at developing skills useful in the banking industry. Similar programs should be developed with other industries.

New York might also profit by emulating a Boston initiative announced last year whereby the business community pledged to employ a minimum of 400 high-school graduates each year, on condition that the school system reduce its drop-out rate and improve its record in providing students with reading and math skills.

Though largely state-funded, the City University of New York still operates under shared city-state direction and could play a much larger role, working with the city's elementary and secondary schools. College students could tutor public-school pupils, for example, and remedial and enrichment programs could be made

available to secondary-school students during the university's summer session.

When Harcourt Brace Jovanovich, a major New York publisher, announced a year ago that it was moving out of New York City, the company became the first corporate emigrant to cite the diminished quality of city services as a key factor in the decision. The publisher said its employees could not rely on the subways and buses to get them to work on time. All the multitude of municipal services contribute to the quality of life, but there are two components most essential to maintaining our economic edge: public transportation and criminal justice.

New York's economy thrives on density, and that means it must have a transportation system that can move masses of people efficiently. It is the only American city in which more people ride mass transit to work than get there by car. But the system is no longer adequately performing its job, primarily because much of its infrastructure — tracks, switches, elevated structures, tunnels — and its rolling stock are, literally, falling apart, victim of a legacy of deferred investment.

The M.T.A. plans to spend \$5.8 billion over the next five years for capital improvements on the city's public transport. Of that total, \$2.4 billion is to be spent on new subway cars and buses and, to a lesser extent, on a limited rehabilitation program.

That is exactly the wrong tack to take. Rather than buying new vehicles, the M.T.A. should initiate a major program to overhaul and reconstruct its cars and buses in its own yards. This would save large sums that could be spent on the crucial task of rebuilding the system's crumbling infrastructure. Given the authority's plan to purchase new cars from foreign nations, a reconstruction program would offer another bonus, providing additional jobs for its employees at home.

Yet the best-intentioned long-range plans are worth little unless the decline in riders and revenues can be halted. In the past, the authority has paid all too little attention to finding ways of attracting new riders. The recent proposal for a magnetic-card system to replace tokens is an example of the kind of imaginative approach that

must be nurtured. And there should be regular, routine re-evaluation and redesign of routes to meet demographic and other changes in the city — a practice that has been more honored in the breach.

Criminal behavior in New York is not so prevalent as some believe; we rank 12th among the nation's 25 largest cities in per-capita crime. Yet the criminal-justice system clearly must be improved if New York is to be perceived as a safe and secure place to live and work. Among our most pressing needs are more courts and court officials, so that once criminals are caught they will receive rapid punishment; today, it sometimes takes six months to a year before they are tried. Moreover, we need additional jail space; judges are now loath to hand down stiff sentences because there is simply no room for the convicted.

Perhaps the most popular, visible action, however, would be to put more police on the street. The roadblock in the way of such a step has been finding the financing, but two recent proposals offer, in tandem, a solution.

One idea suggests that college scholarships be offered residents who would agree that for three years after graduation they would patrol New York streets for a very modest salary. They would be trained for duty during the summers. To add 10,000 foot patrolmen would cost the city \$200 million a year, or about half the cost of a similar complement of regular city police. The funding for such a program could be provided by modifying another idea — a \$2-a-week payroll tax, split between employer and employee, that would be dedicated to a crime-trust fund. The city would receive some \$350 million annually, enough to fund 10,000 foot patrolmen — with money left over for new court personnel and a start on some new jails.

The dark days of New York's fiscal crisis have lightened since 1977. The city is no longer a national symbol of urban economic decline. Yet its resurgence has been a kind of unguided missile, fueled by explosive growth in business services and the financial industry but without significant governmental direction. As the other cities of the nation move more forcefully into the service-economy era, New York will have to quicken its pace. Now is the time to plan for that event. ■

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# Andrew Stein's Newsletter

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## DIVESTITURE: WHAT TO DO?

On January 1, American Telephone & Telegraph will divest itself of its operating companies, including New York Telephone Company. AT&T will be responsible for long distance calls and customer premises equipment. New York Telephone will provide local calling service. The divestiture will radically change our telecommunication system.

The divestiture's effects on local telephone rates deeply concern me. I recently completed a study indicating the telephone company will need \$2.9 billion over the next two years to pay for this process. Telephone officials predicted local rates could more than double in the next three to five years.

Telephone customers, however, have various options for cutting their telephone bills:

- 1) Buy your own equipment - Most customers currently rent their equipment from New York Telephone Company. However, equipment, as well as future rental fees will revert to AT&T. Now, customers can own their equipment by purchasing it from AT&T or other telephone companies. You can thus avoid the monthly rental charges of \$4 to \$12 for standard equipment. You will recover your investment after several years. However, once you purchase the equipment, you are responsible for its maintenance and upkeep. Therefore, purchase high quality equipment, so costly repairs will not be frequently required.
- 2) Survey the Long Distance Market - As of January 1, long distance will no longer be provided by New York Telephone Company. Thereafter, consumers will be able to choose amongst a variety of providers of long distance service including AT&T, MCI, SPRINT and other carriers. Thus, for the first time, there will be a competitive market for your long distance dollar. The best advice is to shop around for the best long distance service that will give you the service you use or need at the best possible price.
- 3) Use local Telephone Directories - Directory Assistance charges, for both local and long distance service, will increase as services are priced on a competitive basis. Therefore, consumers should seek to obtain telephone directories from the counties they most often call, so that operator assisted directory service can be avoided.

Telephone service will be changing significantly as of January 1. Consumers, however, have the capability to hold down their own rates by shopping around for the best possible service and equipment. Now that competition has entered into the telephone industry, we should take advantage of all avenues of service.

## ACCESS FEE POSTPONED

The American Telephone and Telegraph Company had proposed to charge all of its customers a \$2 monthly access fee— no matter how much money they spent on long distance calls. This charge could rise to \$6 per month at a later date.

After months of discussion, however, the Federal Communications Commission has decided to put the new fee on hold for at least three months. Hopefully, we, along with other telephone intervenors, can convince the FCC to reject the proposal, and base all residential long distance rates on actual usage. This monthly charge is unnecessary and unfair to the telephone ratepayer.

## HOW TO COMPLAIN ABOUT YOUR TELEPHONE BILL

Many telephone customers want to know where to complain about problems with their bill or service. The first step is to contact the telephone company. Your customer service representative will try to solve your problem.

However, if the telephone company doesn't satisfy you, call the New York State Public Service Commission— toll free. The PSC will investigate the problem. You are entitled to a formal hearing on any billing dispute and to appeal an adverse decision to the Commission itself.

The toll free number for the PSC is (800) 342-3355. If you wish to contact the Commission by mail, write to:

Public Service Commission  
Empire State Plaza  
Albany, New York 12223

**STEIN OPPOSES NY TEL'S \$1.1 BILLION RATE INCREASE**

On August 1, 1983, New York Telephone asked the New York State Public Service Commission for a \$1.1 billion rate increase. This increase, most of which would become effective next summer, is the first post-divestiture increase.

As in the last four telephone rate cases, I have formally intervened in the proceedings to represent the interests of the people of the Borough of Manhattan. Hearings began September 22. My utilities consultant has been questioning New York Telephone Company's figures and gathering witnesses to convince the PSC that this rate increase is unjustifiable.

I have been successful in keeping some of the telephone company's increases within reason. For the past three years, we have led the battle to keep the pay telephone rate at 10 cents. New York Telephone has tried to increase the cost of a pay call to 25 cents, but we have successfully defeated this increase.

Last year, we helped organize a coalition of municipal consumers which fought the last telephone increase request. The final result was that the PSC gave the telephone company only half of what it wanted.

This year's increase request is the largest sought by a New York State utility. The following are highlights of the increase and my position on them:

**PAY CALL** - This time, the New York Telephone Company is seeking a 30 cent pay telephone call. This would be the highest rate in the nation, yielding an extra \$186.9 million. I want to keep the 10 cent call so that those who cannot afford a home telephone will still be able to communicate with the outside world at a reasonable rate.

**DIRECTORY ASSISTANCE** - Currently, the residential telephone customer gets three free monthly Directory Assistance calls, and is then charged 35 cents for each successive request. In this rate case, New York Telephone wants to reduce the allowance to two free monthly calls and increase the charge for any additional requests to 40 cents. I oppose any increase in Directory Assistance charges. Remember, you can obtain any telephone directory from the phone company free of charge just by calling your local business office.

**CONNECTION CHARGES** - New York Telephone wants \$52.6 million more for connecting telephone service. The proposed new connection charge totals \$132, excluding the actual installation. In 1970, consumers paid \$8.75 to have service connected. This increased to \$18 by 1975 and has increased rapidly since (it is \$98.25 this year). I oppose further increases; average middle class consumers can now barely afford the cost of a service connection.

**LATE PAYMENT CHARGE** - For the first time ever, the telephone company is seeking a late payment charge if payment is more than one month late. The Company wants to assess customers a 1½ percent late charge on all unpaid bills at the time the next telephone bill is prepared. This charge, which would be charged as a percentage of the amount owed less one month's local service charge, would apply to both residential and business customers. I oppose this charge, as the largest share of delinquent accounts come from major business customers rather than residential ratepayers.

Of course, there are many other issues in this rate case, including increased wire charges, increases for local message calling, higher exchange rates, and higher private line costs. I will be fighting all these increases over the next six months. I hope to stop the increase from taking effect in its entirety.

**WHO IS THE PUBLIC SERVICE COMMISSION?**

Many people wonder who makes up the Public Service Commission and how it operates. The PSC regulates utility rates in our state. It is responsible for setting rates for electric, telephone, water, and gas companies who do business in New York. Of course, it is also responsible for insuring safe and adequate service.

The PSC has seven members, appointed by the Governor with the State Senate's approval. The members serve for six years, with staggered terms. There are no actual qualifications for membership, but the last two Governors reserved two seats for consumer representatives.

I am unhappy with the way the PSC has conducted its business. Its rate awards have been excessive and contrary to the consumers' best interests. An elected PSC, directly accountable to the people would serve us better.

---

**ANDREW STEIN, Manhattan Borough President**

HAVE A PROBLEM WITH CITY SERVICES? NEED HELP?  
CALL BOROUGH PRESIDENT ANDREW STEIN'S OFFICE - 566 - 4300.

**THE PRICE OF THE A.T.&T. BREAKUP**

**Get Ready for Phone Bills to Double**

By **ANDREW J. STEIN**

**O**N Jan. 1, 1984, the telecommunications industry as we know it today will come to a swift end, when the American Telephone and Telegraph Company divests itself of its 22 local operating companies.

Much has been written about the myriad opportunities for the Bell System once it is freed from the limitations imposed on its operations and enters the age of free-wheeling competition. Unfortunately, too little attention on the national and local level has been paid to the effect that divestiture will have on the average residential and business users of local telephone services. And preliminary financial material from local operating companies suggests that the breakup will be costly, in some cases tripling the average telephone bill.

The essential challenge for local regulators and rate-setting bodies is clear: scrutinize the consequences of the divestiture on local users and design future rate structures to mitigate the cost to average consumers.

Following the announcement of the settlement between A.T.&T. and the Justice Department there was no lack of dire predictions about the effect on local rates. Federal, state and local government agencies issued statements about the impending impact of divestiture. The United States Senate's Commerce and Judiciary panels, the House Judiciary Committee and the Subcommittee on Telecommunications Consumer Protection and Finance as well as various state regulatory agencies ordered inquiries into the breakup.

Some of these hearings have been completed; others have yet to be initiated. But for all the talk, no legislation has been enacted, nor new rate structures designed. And with only eight months remaining in the predivestiture period, state regulatory action appears to be the consumer's only line of defense against almost certain soaring phone rates.

When the telephone umbilical cord between Ma Bell and its local operating companies is severed, most telecommunications experts agree that the operating companies will need to raise enormous amounts of revenue to offset the loss of profit-making services such as long lines, customer premises equipment and Dial-it.

Most industry analysts note that the bulk of revenues will come from increased access charges and increased rates. Although A.T.&T. officials calmly assure the public that regulatory authorities will be able to set access fees high enough to protect local rates, state regulators are concerned about losing their own authority in this and other areas, primarily because the language of the settlement does not provide for how state regulators will set local rates or access charges.

In the absence of clear answers or specific actions by state regulators to assert their authority over local rates, the Bell operating companies will not hesitate to seek rate-setting decisions from the F.C.C. — undoubtedly a more sympathetic ear. Thus, the public will have forfeited valuable local powers. The result could mean astronomical increases within the next sev-



eral years, doubling and in some cases tripling, the cost of local telephone service to the consumer.

For example, according to testimony by Dwight Kellogg, Assistant Controller for the New York Telephone Company, the company says it will need \$2.9 billion in additional revenues by the end of 1985. That amount alone is greater than all the rate increases the company has received in the last 13 years. Moreover, such a rate increase will probably increase the cost of the average consumer's bill by 50 percent to 70 percent. Combined with a potential increase in deposits and installations, this rise in local rates could price the telephone out of the market for tens of thousands of elderly and low-income New Yorkers.

**O**THER states are in a similar bind. Pennsylvania rates will double by the fifth year of divestiture, increasing nearly \$190 million a year, according to a spokesman for the state's utility commission. A spokesman for Southwestern Bell said that in anticipation of divestiture the company expected to file for a \$1 billion rate rise in late May, more than doubling its request of a year ago. According to a spokesman for the Florida Public Service Commission, the average residential flat rate for Southern Bell users is \$10.65, but as a result of divestiture and the recent F.C.C. decision raising local users' fees for long-distance service, the new rate will be \$31.15.

These predictions don't reflect the true situation or the full impact on the consumers. For instance, New York Telephone, in its most recent rate increase request, is seeking to maintain a 16.85 percent return on equity. Its explanation for the request, according to its Brief on Exceptions to the Public Service Commission, is that "the investment community will be scrutinizing this decision to ascertain whether the company will be in sound financial condition as it approaches divestiture." In essence, New York Telephone is already seeking higher revenues from its customers to prepare itself for divestiture.

Additionally, the impact of investor

confidence in the new local operating companies is an as yet unmeasured cost. But investment services are already casting a wary eye. Last month, Moody's downgraded the bond rating of many of the operating companies — mostly from Aaa to Aa3. As a result, local rates will rise to meet the operating companies' higher cost of money and investors will become even more skeptical of the financial stability of the companies after they are divested from A.T.&T.

The cost of local telephone service will be affected by a host of other issues as well — depreciation schedules, the value of transferred equipment, the assignment of book depreciation reserve, leasing arrangements and debt transfer, to cite only a few.

To insure that consumers are not overwhelmed by the potential cost of divestiture, state regulators will have to establish clearly their authority over these issues and delineate policies that balance the integrity of the settlement and the interests of the local telephone customers.

The local regulatory agencies must first assert their control over intrastate access charges by setting rates and fees at a premium for long-distance operators. To assure their control, the agencies must challenge any F.C.C. actions that usurp their ability to set local rates.

Regulators should also consider requiring operators to phase-in any cost of divestiture over five to 10 years to ease the burden on the public.

Finally, they should permit local operating companies to create new sources of revenue such as its own Dial-it services and Yellow Pages. By charging premiums for special services such as call forwarding, radio pagers and cellular mobile telephone systems they could also help offset the basic cost of the telephone.

With divestiture around the corner, the time to act is now. And how the state regulators meet this challenge will determine whether the telephone remains means of communication available to everyone.

Andrew J. Stein is President of Manhattan.

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MANHATTAN BOROUGH PRESIDENT

ANDREW STEIN

“Telephone divestiture  
can cause your  
phone bill to double.  
You can fight back.”

2050 MUNICIPAL BUILDING  
NEW YORK, N.Y. 10007



# Important news concerning the Telephone Company divestiture that will directly affect you.

ANDREW STEIN

*Andrew Stein*  
Sincerely,

I have received many complaints about telephone service, billing, and the American Telephone & Telegraph divestiture.  
Divestiture will occur on January 1, 1984. The telecommunications industry will then undergo the most rapid and comprehensive changes in its history. Although telephone service will essentially remain the same, telephone rates, telephone bill format and the providers of certain services will change. For example, New York Telephone will continue providing local telephone service, but stop providing customer premises equipment and long distance service. Customers will have a choice of services and equipment widely unavailable before the AT&T breakup.  
I have been directly involved in the issue of telephone service and rates for many years. I participated in the last four New York Telephone rate cases and succeeded in saving the 10 cent pay phone call. Furthermore, we filed comments with the Federal Government on the divestiture and monitored the case.  
This newsletter will provide you the latest information on telephone rates and divestiture. I hope you find it helpful as divestiture approaches. If I can be of aid to you, please call me at 566-4300.

Dear Constituent,





PRESIDENT OF THE BOROUGH OF MANHATTAN  
CITY OF NEW YORK  
NEW YORK, N. Y. 10007

ANDREW STEIN  
PRESIDENT

January 27, 1984

Mr. William H Ransom  
115 E 87 St, #14e  
New York, NY 10028

Dear Mr. Ransom,

I am writing to invite you to join me at a community meeting which will consider the question of whether the Upper East Side Historic District should be extended from 79th Street up to 96th Street.

Date: Sunday, February 5th  
Place: The Dalton School  
108 East 89th Street  
(Between Park and Lexington)  
Time: 1:00 PM

You will have an opportunity to present your views as well as listen to the comments of such people as Kent Barwick, Chairman of the Municipal Art Society, Preservationist Brendan Gill, and Gene Norman, Chairman of the Landmarks Preservation Commission. Councilwoman Carolyn Maloney will join me in cosponsoring the event.

The issue of extending the Upper East Side Historic District is of enormous personal importance to me. My wife Lynn and I live in the area and both share a strong belief that the area from 79th to 96th has unique architectural characteristics that must be preserved. There has been a tremendous amount of development all over the East Side and it is important that the low density and the striking facades of many of the buildings be preserved against further encroachment.

If you are unable to make the community meeting but would still like to keep informed of what we are doing on the issue of historic preservation and the extension of the Upper East Side Historic District, please return the enclosed paid card to me.

Please call Laura Toole at 566-6237 if you are interested in making your views heard at our community meeting on February 5th.

Sincerely,

ANDREW STEIN

840463773





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IF MAILED  
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UNITED STATES



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**BUSINESS REPLY MAIL**

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Postage will be paid by addressee

Mr. Andrew Stein

1 Centre Street

New York, New York 10007

COME TO OUR COMMUNITY  
MEETING TO DISCUSS THE PROPOSED  
EXTENSION OF THE UPPER EAST SIDE  
HISTORICAL DISTRICT

DATE: Sunday, February 5th

PLACE: The Dalton School  
108 East 89th Street

TIME: 1:00 PM

84040460777



ANDREW STEIN  
PRESIDENT

PRESIDENT OF THE BOROUGH OF MANHATTAN  
CITY OF NEW YORK  
NEW YORK, N. Y. 10007

March 9, 1984

Mr. Stephen Balderston  
2025 Broadway, Apt. 12K  
New York, NY 10023

Dear Mr. Balderston,

No one enjoys delivering bad news.

However, I think that it is important that you know that your rent may be significantly increased unless we do something to change the current law.

As I am sure you know, your building is presently rent stabilized. As a result, your rent can only be raised by a fixed percentage each year.

But if the current law is not changed, your building will no longer be rent stabilized after July 1, 1988. This is because your building was constructed as part of the "421 a" program. This program, designed to encourage construction of residential buildings, granted owners a declining tax abatement for ten years but made the new buildings subject to rent stabilization for the same ten year period.

The ten years is just about up for the first buildings constructed under this program and we can only anticipate a sharp rise in rents.

Fortunately, there is a remedy. Together we can work to amend the legislation covering "421 a" buildings.

Last year the state assembly passed such an amendment but the Republican controlled state senate rejected the proposal.

I am convinced that we can win the fight this year and I am working with the 421 a Coalition and other Manhattan tenants to form a committee to take our message directly to the Republican majority leader of the state senate, Warren Anderson.

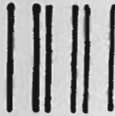
I urge you to return the enclosed postage paid card to me so that I can keep you informed and show the Republican leaders how many people support our cause. If you would like more information please call Elizabeth Wright in my housing unit at 566-4105.

Sincerely,

ANDREW STEIN

84040463730

PRESIDENT OF THE BOARD OF MANHATTAN  
CITY OF NEW YORK  
NEW YORK, N.Y.



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Postage will be paid by addressee

Mr. Andrew Stein  
1 Centre Street  
New York, New York 10007



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*Handwritten signature*



ANDREW STEIN  
PRESIDENT

PRESIDENT OF THE BOROUGH OF MANHATTAN  
CITY OF NEW YORK  
NEW YORK, N. Y. 10007

March 20, 1984

Ms. Theresa C Terenzetti  
108 E 38 St Apt. 18B  
New York, NY 10016

Dear Ms. Terenzetti,

I am writing to invite you to attend a community meeting to discuss a proposal to the Landmarks Preservation Commission to designate the area from 34th to 39th Street between Madison and Third Avenue as the Murray Hill Historic District.

Date: Wednesday, March 28  
Place: The Community Church Hall of Worship  
40 East 35th Street  
(Between Madison and Park)  
Time: 7 p.m.

You will have the opportunity to present your views as well as listen to the comments of Preservationist Brendan Gill and Gene Norman, Chairman of the Landmarks Preservation Commission. The Murray Hill Committee is co-sponsoring the event.

The designation of a historic district in Murray Hill is of enormous importance. The area has unique architectural characteristics and a distinct atmosphere that should be preserved. It is important that the low density, residential character, and unique buildings be protected from further encroachment.

If you wish to express your views at our community meeting, please call Elizabeth Wright at 566-3246.

If you are unable to attend this meeting but would like to be informed of further developments regarding historic preservation and the proposed Murray Hill Historic District, please return the enclosed paid postcard.

I hope you can join us on March 28.

Sincerely,

ANDREW STEIN

84040465782

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NEW YORK  
POST OFFICE



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UNITED STATES

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**BUSINESS REPLY MAIL**  
First Class Permit No. 8587, New York, N.Y.

Postage will be paid by addressee

Mr. Andrew Stein  
1 Centre Street  
New York, New York 10007

**COME TO OUR COMMUNITY  
MEETING TO DISCUSS THE PROPOSED  
MURRAY HILL  
HISTORICAL DISTRICT**

DATE: Wednesday, March 28th

PLACE: The Community Church Hall  
of Worship  
40 East 35th Street  
(between Madison and Park)

TIME: 7 P.M.

84040463785

Andrew Stein  
Manhattan Borough President



Carol Bellamy  
President of the City Council

THE CITY OF NEW YORK

March 22, 1984

Ms. Janet Boorky  
755 West End Av Apt. 5B  
New York, NY 10025

Dear Ms. Boorky,

We are writing to invite you to the second hearing we are holding on sex-based discrimination in the market place.

Date: Sunday, April 1  
Place: High School of Art and Design  
1075 Second Avenue  
(Between 56th and 57th Street)  
Time: 11 a.m.

The hearing will focus on three aspects of the problem:

- (1) Pay equity: equal pay for equal work and for work of comparable value,
- (2) Discriminatory hiring and promotional practices, and
- (3) Economic disincentives: e.g., inequities resulting from the absence of adequate child care and unfair retirement and health benefits.

A number of experts will testify concerning the scope of these problems and possible solutions. But we are most interested in hearing about your experiences. A number of people have already asked to speak at the hearing. As space is limited, we ask that you call Laura Toole, 566-6237, at your earliest convenience to arrange a time to testify.

We recently held a hearing at City Hall on one aspect of sex-based discrimination — the absence of equal pay for work of comparable worth. A copy of the New York Times article on the hearing is enclosed. As you can see, we are taking steps to address the issue, but more must be done.

Of course, we welcome you to attend the hearing whether you choose to testify or not. If you cannot come but would like to remain on our mailing list, please return the enclosed self-addressed postage-paid card.

We look forward to seeing you on April 1.

Sincerely,

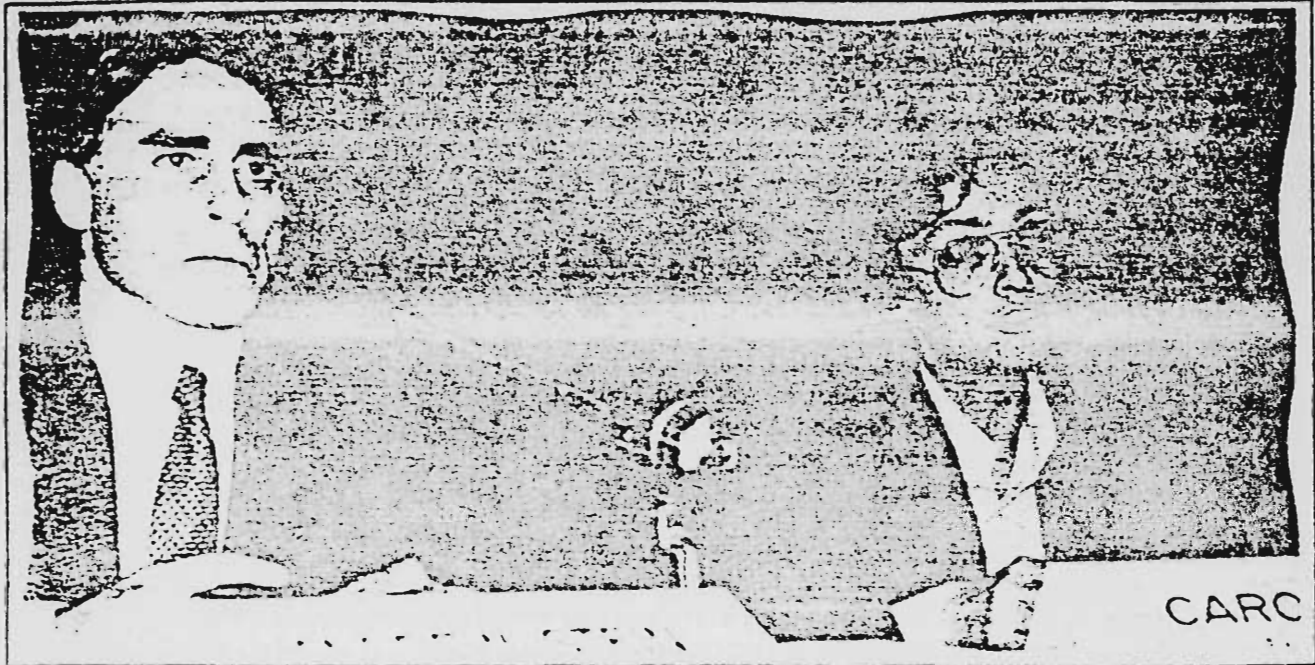
Andrew Stein  
Manhattan Borough President

Carol Bellamy  
President of the City Council

P.S. Child care will be provided at the High School for anyone who needs it.

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## Imbalances in Pay for Women Examined by City



By SETH MYDANS

Is a legal secretary as important as a carpenter? Is a kindergarten teacher as important as a zookeeper?

Not if New York City pay scales are taken as the measure, a City Hall hearing into discrepancies in pay between predominantly female and predominantly male jobs was told last week.

The hearing, headed by City Council President Carol Bellamy and Borough President Andrew J. Stein of Manhattan, marked the city's first public exploration of salary imbalances, an issue known as comparable worth.

One witness said that nationally there was an annual average difference of \$3,000 between full-time female and male workers.

The witness, Pamela Stone Cain, an assistant professor of sociology at Hunter College, said three-fourths of all women in the country remained segregated in the "pink-collar ghetto" of clerical, retail and low-level service jobs, and that even those who had risen to higher positions remained for the most part in the "semi-professions" of teaching, social work and health careers.

### Competers as 'Women's Jobs'

Though some jobs, such as bus driver, are opening up to women, she said, others are becoming more male dominated. Some newly emerging professions like computer operator are falling into the old stereotype and becoming "women's jobs," she added.

Ronnie J. Steinberg, a specialist in women's employment at the State University of New York at Albany, said he

had determined that the jobs of carpenters and legal secretaries were "comparable" based on standard measures that include skill, effort, responsibility and working conditions.

A carpenter working for New York City earns \$1,640 a month, compared with a legal secretary's \$663, she said, for an annual difference of \$4,500.

Witnesses warned that if the city did not begin at least to study the issue, it might face a lawsuit of the type that led two months ago to an \$826 million assessment in wage raises and back pay against the State of Washington. That judgment is being appealed.

### Change Called 'Inevitable'

"In my view it's inevitable — either be dragged kicking and screaming as happened in Washington State, or begin moving in that direction on your own terms," said Nina Rostochil, Commissioner of Employee Relations for Minnesota. That state has been a leader in legislation to end such pay discrepancies.

District Council 27 of the American Federation of State, County and Municipal Employees, representing 100,000 New York City clerical, professional and blue-collar workers, has made government participation in a study of pay discrepancies one of its "immediate" demands in negotiations on work agreements that began last 27

"They're all going to get a contract unless they talk to us first," said Al Wiken, director of research and negotiations for the union, after discussing the

Speaking for the city, Personnel Director Juan U. Ortiz said his office was studying the methods used elsewhere to study the issue in an effort to determine the best way to proceed. "We will continue our analysis and hopefully come up with some answers soon," he said.

### Less for Kindergarten Teachers

Winn Newman, the lawyer who won the case against Washington State, said that across the country, "Barbers get more than beauticians and zookeepers get more than people who take care of children."

In New York City, the contractual starting salary for kindergarten teachers, most of whom are women, is \$14,500, although the actual average starting salary is \$16,000. Most zookeepers, most of whom are men, are in a job category where the starting salary is \$19,343.

Kindergarten teachers are required to have a bachelor of arts degree. There is no educational requirement for zookeepers.

In the Washington case, a Federal District Court judge found that by paying lower salaries for jobs predominantly held by women the state was in violation of Title VII of the Civil Rights Act of 1964, which includes requirements for equal employment opportunity.

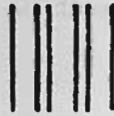
The judge ordered the state to institute a 31 percent pay increase and pay back pay from September 1979 for 15,000 state workers.

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Ms. Carol Bellamy  
1 Centre Street  
New York, New York 10007

**COME TO OUR COMMUNITY  
MEETING TO DISCUSS SEX-BASED  
DISCRIMINATION IN THE MARKETPLACE**

DATE: Sunday, April 1st

PLACE: High School of Art and Design  
1075 Second Avenue  
(between 56th and 57th Street)

TIME: 11 A.M.

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ANDREW STEIN  
PRESIDENT

PRESIDENT OF THE BOROUGH OF MANHATTAN  
CITY OF NEW YORK  
NEW YORK, N. Y. 10007

March 20, 1984

Ms. Theresa C Terenzetti  
108 E 38 St Apt. 18B  
New York, NY 10016

Dear Ms. Terenzetti,

I am writing to invite you to attend a community meeting to discuss a proposal to the Landmarks Preservation Commission to designate the area from 34th to 39th Street between Madison and Third Avenue as the Murray Hill Historic District.

Date: Wednesday, March 28  
Place: The Community Church Hall of Worship  
40 East 35th Street  
(Between Madison and Park)  
Time: 7 p.m.

You will have the opportunity to present your views as well as listen to the comments of Preservationist Brendan Gill and Gene Norman, Chairman of the Landmarks Preservation Commission. The Murray Hill Committee is co-sponsoring the event.

The designation of a historic district in Murray Hill is of enormous importance. The area has unique architectural characteristics and a distinct atmosphere that should be preserved. It is important that the low density, residential character, and unique buildings be protected from further encroachment.

If you wish to express your views at our community meeting, please call Elizabeth Wright at 566-3246.

If you are unable to attend this meeting but would like to be informed of further developments regarding historic preservation and the proposed Murray Hill Historic District, please return the enclosed paid postcard.

I hope you can join us on March 28.

Sincerely,

ANDREW STEIN

84040463787



ANDREW STEIN  
PRESIDENT

PRESIDENT OF THE BOROUGH OF MANHATTAN  
CITY OF NEW YORK  
NEW YORK, N. Y. 10007

March 9, 1984

Mr. Stephen Balderston  
2025 Broadway, Apt. 12K  
New York, NY 10023

Dear Mr. Balderston,

No one enjoys delivering bad news.

However, I think that it is important that you know that your rent may be significantly increased unless we do something to change the current law.

As I am sure you know, your building is presently rent stabilized. As a result, your rent can only be raised by a fixed percentage each year.

But if the current law is not changed, your building will no longer be rent stabilized after July 1, 1988. This is because your building was constructed as part of the "421 a" program. This program, designed to encourage construction of residential buildings, granted owners a declining tax abatement for ten years but made the new buildings subject to rent stabilization for the same ten year period.

The ten years is just about up for the first buildings constructed under this program and we can only anticipate a sharp rise in rents.

Fortunately, there is a remedy. Together we can work to amend the legislation covering "421 a" buildings.

Last year the state assembly passed such an amendment but the Republican controlled state senate rejected the proposal.

I am convinced that we can win the fight this year and I am working with the 421 a Coalition and other Manhattan tenants to form a committee to take our message directly to the Republican majority leader of the state senate, Warren Anderson.

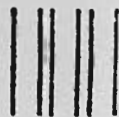
I urge you to return the enclosed postage paid card to me so that I can keep you informed and show the Republican leaders how many people support our cause. If you would like more information please call Elizabeth Wright in my housing unit at 566-4105.

Sincerely,

ANDREW STEIN

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MANHATTAN TO HOUSE OF THE BLDG OF THE  
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New York, New York 10007

**ADMISSION TICKET**

**COME TO OUR COMMUNITY  
MEETING TO DISCUSS THE PROPOSED  
MURRAY HILL  
HISTORICAL DISTRICT**

DATE: Wednesday, March 28th

PLACE: The Community Church Hall  
of Worship  
40 East 35th Street  
(between Madison and Park)

TIME: 7 P.M.

84040465787

Carol Bellamy  
President of the City Council



Andrew Stein  
Manhattan Borough President

THE CITY OF NEW YORK

MARCH 11, 1984

Mr. Andrew Stein  
155 West End Ave. 8B  
New York, N.Y. 10022

Dear Mr. Stein:



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Mr. Andrew Stein

1 Centre Street

New York, New York 10007



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*[Faint signature]*

*[Faint signature]*

Andrew Stein  
Manhattan Borough President



Carol Bellamy  
President of the City Council

THE CITY OF NEW YORK

March 22, 1984

Ms. Janet Boorky  
755 West End Av Apt. 5B  
New York, NY 10025

Dear Ms. Boorky,

We are writing to invite you to the second hearing we are holding on sex-based discrimination in the market place.

Date: Sunday, April 1  
Place: High School of Art and Design  
1075 Second Avenue  
(Between 56th and 57th Street)  
Time: 11 a.m.

The hearing will focus on three aspects of the problem:

- (1) Pay equity: equal pay for equal work and for work of comparable value,
- (2) Discriminatory hiring and promotional practices, and
- (3) Economic disincentives: e.g., inequities resulting from the absence of adequate child care and unfair retirement and health benefits.

A number of experts will testify concerning the scope of these problems and possible solutions. But we are most interested in hearing about your experiences. A number of people have already asked to speak at the hearing. As space is limited, we ask that you call Laura Toole, 566-6237, at your earliest convenience to arrange a time to testify.

We recently held a hearing at City Hall on one aspect of sex-based discrimination — the absence of equal pay for work of comparable worth. A copy of the New York Times article on the hearing is enclosed. As you can see, we are taking steps to address the issue, but more must be done.

Of course, we welcome you to attend the hearing whether you choose to testify or not. If you cannot come but would like to remain on our mailing list, please return the enclosed self-addressed postage-paid card.

We look forward to seeing you on April 1.

Sincerely,

Andrew Stein  
Manhattan Borough President

Carol Bellamy  
President of the City Council

P.S. Child care will be provided at the High School for anyone who needs it.

34040463791



ANDREW STEIN  
MEMBER

PRESIDENT OF THE BOROUGH OF MANHATTAN  
CITY OF NEW YORK  
NEW YORK, N. Y. 10007

April 23, 1984

Ms. Alta Nadelberg  
180 West End Ave. Apt. 5L  
New York, NY 10023

Dear Ms. Nadelberg,

As I am sure you know, the building you live in is known as a Title I project. While Title I has been the subject of recent litigation, your building is not directly involved. Nonetheless, because many of you have asked me about recent developments involving co-op conversions of Title I projects, I would like to share with you a review of my activities in this area.

On Thursday, September 15, 1983, I sponsored a resolution at the Board of Estimate putting it on record as solidly supporting the view that any conversion of a Title I project to a cooperative or condominium must be approved by the Board (resolution-enclosed). I was very pleased when the Board of Estimate unanimously supported my resolution.

When legal challenges followed this action, I encouraged the Corporation Counsel of New York City and the Attorney General of New York State to support our position in the courts. In the initial case, unfortunately, the courts ruled against the city's position. This decision is now being appealed.

As the appeal is being heard, I want you to know that I will continue to be guided in my actions by an original concern which prompted me to offer my Board of Estimate resolution. That concern is a simple one: that the rights of tenants in all Title I projects be fully protected. Furthermore, while the current focus deals with three Manhattan projects, what is determined in these cases will set a precedent for all Title I conversion proposals.

For these reasons I will continue to work for and call for the requirement of Board of Estimate approval of any conversions in Title I projects.

Lastly, I would much appreciate any thoughts you have on this subject. If you would like to be kept informed, please return the enclosed card.

Sincerely,

Andrew Stein

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# UPDATE...

# ON THE NEW EMERGENCY TENANT PROTECTION ACT

During the 1983 session, the State Legislature revised the Emergency Tenant Protection Act (ETPA). Some changes are pro-tenant; others are pro-landlord. The major changes are described below. If you have any questions or any problems with your landlord, call the Borough President's Housing Office at 566-4105.

## STATE OPERATION OF RENT CONTROL AND RENT STABILIZATION

On April 1, 1984, the State Division of Housing and Community Renewal (DHCR) will begin administering rent stabilization and rent control. By July 1, 1984, landlords must register each apartment's rent with DHCR. This will establish the initial registered rent. A copy of each apartment's registration must be sent to its tenant. A tenant has 90 days to challenge the initial registered rent's legality.

Landlords found guilty of willfully overcharging after April 1, 1984 will be liable for damages equalling three times the amount of the overcharge.

DHCR will also enforce the laws against tenant harassment. Landlords found guilty of harassment can now be fined up to \$1,000 for the first offense and up to \$2,500 for subsequent offenses.

## APARTMENT SHARING

In May, 1983 the State Court of Appeals ruled that landlords may evict unrelated tenants sharing an apartment without the landlord's consent. The Legislature subsequently revised the law to permit one additional occupant (a person not on the lease nor related to the tenant) and the additional occupant's dependent children.

## SUBLETTING AND ASSIGNING

The revised ETPA explicitly gives tenants the right to sublet their apartments and prohibits landlords from "unreasonably withholding consent." If a landlord unreasonably withholds consent or does not respond to the sublet request, the tenant may proceed with the sublet. However, a tenant's lease may not be assigned without the landlord's consent, even if that consent is unreasonably withheld. Defining "good reason to withhold consent" has been left to the courts.

## TENANTS OF NON-PROFIT INSTITUTIONS PROTECTED

Tenants in buildings owned by non-profit institutions are now covered by rent stabilization. Institutional landlords are now prohibited from evicting tenants to use their apartments for residential purposes if (1) the tenant has occupied the premises for five years and had not been informed of the institution's right to evict, or (2) the tenant had occupied the apartment prior to the institution's ownership.

## OVERCHARGE APPEAL DEADLINE

Tenants who suspect they are being overcharged should file a complaint with the City's Conciliation and Appeals Board (CAB) before the April 1, 1984 State takeover. Currently, a tenant whose complaint is verified may recover all overcharges. After the State takeover, a statute of limitations will prevent the recovery of overcharges made more than four years prior to the complaint.

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# Andrew Stein's Tenant Newsletter

## NEW RENT GUIDELINES

The Rent Guidelines Board has approved increases for rent stabilized apartments effective October 1, 1983 to September 30, 1984. The guidelines are the same as last year; 4 percent for a 1 year lease and 7 percent for a two year lease. For tenants whose electricity is included in the rent (Stuyvesant Town and Peter Cooper Village) the guidelines are 3 percent for a 1 year lease and 6 percent for a 2 year lease. Due to a law passed by the state legislature the three year lease provision has been eliminated.

Units renting for \$200 or less, in addition to the mandated increases, will have a \$10 monthly additional allowance. Rents in these units are not to exceed \$208 and \$214 for a 1 or 2 year lease respectively.

The RGB has also approved a three-tiered vacancy allowance ranging from no increase to 15 percent depending upon when the last vacancy occurred.

I am encouraged by the Board's decision on the basic guideline of 4 and 7 percent because the cost of operating a rent stabilized building increased only slightly above last year. But re-imposing a vacancy allowance is unjustified and gives landlords an incentive to harass existing tenants to move.

## SENIOR CITIZEN RENT INCREASE EXEMPTION (SCRIE)

The state legislature recently passed legislation which would allow the City Council to authorize cash payment to landlords whose Senior Citizen Rent Increase Exemption credits were greater than their property taxes. SCRIE allows senior citizens, 62 or older who have annual incomes of under \$10,000 and pay at least one-third of their incomes for rent, to apply for exemption from further rent increases. The landlord gets a property tax credit for the amount of the exemption.

The New York State Supreme Court ruled the program to be unconstitutional because in some cases rent increase exemption amounts were greater than the property taxes, thus depriving the owner of rightful income. The City Council now has to act for the program to comply with the court order. You can help by writing your council representative and urging them to support SCRIE.

## BRINGING THE LANDLORDS TO TRIAL

In October 1980 I filed a class action lawsuit, along with the New York State Tenant and Neighborhood Coalition, charging the New York City Rent Guidelines Board with violating the spirit and the intent of the Rent Stabilization laws. The suit contends that, when it sets annual rent increases, the Board doesn't fully analyze all the economic factors that determine the profitability of housing. Instead it analyzes just the annual increases in prices for goods and services, only one factor in the housing market. The case is now moving toward trial and I am confident about its success. A fundraising effort to support the continuing legal battle is now underway.

IF YOU HAVE A HOUSING PROBLEM, CALL BOROUGH PRESIDENT STEIN'S HOUSING UNIT FOR ASSISTANCE -- 662-4105.

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# The New York Times

NEW YORK, SATURDAY, FEBRUARY 18, 1984

## Preservation Laws Should Apply Equally

By Andrew Stein and Lynn Forester Stein

The New York State Legislature is seriously considering a measure that would strike a body blow at the ability of the state and city to preserve irreplaceable architectural landmarks.

The proposed legislation, which has acquired prominence because of the dispute over St. Bartholomew's Church in New York City, is designed to prohibit the application of any local landmark preservation regulation to property owned by religious organizations without their consent. Its supporters contend that the landmark preservation laws, applied to buildings used for religious purposes, violate the prohibition against state interference with the free exercise of religion guaranteed by the First Amendment of the Constitution.

However, the public's interest in the use and disposition of valuable landmarks requires a mechanism to insure that invaluable architecture is not indiscriminately sacrificed for commercial gain. Landmark laws provide just such a mechanism.

Two immutable principles should govern the debate over any legislation that would limit landmarks-preservation regulations. First, landmarks preservation should continue to be recognized as a proper and highly desirable function of government. Second, the treatment of commercial development should not differ because of the identity of the owner or the purpose to which the profits from the commercial activity will be put.

Public policy and legal precedent support the use of government regulations to protect landmarks. The blanket exemption that would be granted religious organizations by the proposed legislation is a direct challenge to the right of the public to

be involved in the protection of its architectural treasures.

Our courts have repeatedly held that land-use regulations, including landmark preservation, are a legitimate use of governmental powers. The public's interest in protecting irreplaceable art and architecture demands public scrutiny of decisions to change or destroy such resources.

Landmarks laws permit such public involvement and, at the same time, are responsive to the needs and interests of the property owners. In particular, the current landmarks laws provide for relief in cases of hardship.

The debate surrounding the proposed legislation has revealed the very serious and legitimate problems facing religious organizations. However, New York City's "hardship" provision is designed to address this issue. For example, the New York City Landmarks Commission found hardship with respect to property owned by a church in the Fort Greene Historic District and, on an expedited basis, authorized the demolition of the church-owned building. The commission's recent decisions with respect to the Mount Nebo Synagogue and the Marymount School reveal that a workable procedure is in place and the opportunity for relief exists. In both cases, the commission allowed the institutions involved to alter their structures so they could remain economically viable.

Of course, we can and should improve our laws and their administration where necessary. Fair and equitable administration of them is not impossible. But a flat prohibition against public participation in decisions affecting the preservation or destruction of buildings owned by reli-

gious organizations is entirely unwarranted.

The First Amendment does not give religious organizations a right to engage in commercial activity without abiding by the same regulations that govern others. Moreover, religious organizations are subject to an assortment of laws including zoning and health and safety regulations. It is unacceptable to suggest that commercial activity is transformed into religious expression because the proceeds from a commercial real estate development will be used to advance the activities of a religious organization. All owners of commercial real estate should play by the same rules. As the United States Supreme Court said in 1982: "When followers of a particular sect enter into commercial activity as a matter of choice, the limits they accept on their own conduct as a matter of conscience and faith are not to be superimposed on the statutory schemes which are binding on others in that activity."

Landmark preservation and religious expression are allies, not enemies. The protection of both is a vitally important goal. We can, with sympathy, understanding and economy, administer our landmark preservation laws. But our landmarks are too precious to permit their destruction without public scrutiny. The beauty of our landmarks was lovingly and carefully created; it must be lovingly and carefully preserved.

Andrew Stein is Manhattan Borough president. Lynn Forester Stein, a lawyer, is a member of the Municipal Arts Society, a civic organization devoted to landmark preservation.

ANDREW STEIN, Manhattan Borough President

NOT AT GOVERNMENT EXPENSE.

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# Business Forum

## THE PRICE OF THE A.T.&T. BREAKUP

# Get Ready for Phone Bills to Double

By ANDREW J. STEIN

**O**N Jan. 1, 1984, the telecommunications industry as we know it today will come to a swift end, when the American Telephone and Telegraph Company divests itself of its 22 local operating companies.

Much has been written about the myriad opportunities for the Bell System once it is freed from the limitations imposed on its operations and enters the age of free-wheeling competition. Unfortunately, too little attention on the national and local level has been paid to the effect that divestiture will have on the average residential and business users of local telephone services. And preliminary financial material from local operating companies suggests that the breakup will be costly, in some cases tripling the average telephone bill.

The essential challenge for local regulators and rate-setting bodies is clear: scrutinize the consequences of the divestiture on local users and design future rate structures to mitigate the cost to average consumers.

Following the announcement of the settlement between A.T. & T. and the Justice Department there was no lack of dire predictions about the effect on local rates. Federal, state and local government agencies issued statements about the impending impact of divestiture. The United States Senate's Commerce and Judiciary panels, the House Judiciary Committee and the Subcommittee on Telecommunications Consumer Protection and Finance as well as various state regulatory agencies ordered inquiries into the breakup.

Some of these hearings have been completed; others have yet to be initiated. But for all the talk, no legislation has been enacted, nor new rate structures designed. And with only eight months remaining in the predivestiture period, state regulatory action appears to be the consumer's only line of defense against almost certain soaring phone rates.

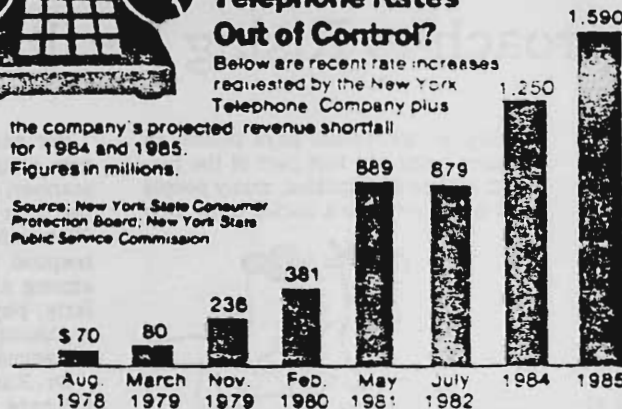
When the telephone umbilical cord between Ma Bell and its local operating companies is severed, most telecommunications experts agree that the operating companies will need to raise enormous amounts of revenue to

### Telephone Rates Out of Control?

Below are recent rate increases requested by the New York Telephone Company plus

the company's projected revenue shortfall for 1984 and 1985. Figures in millions.

Source: New York State Consumer Protection Board; New York State Public Service Commission



Scott MacNeil

offset the loss of profit-making services such as long lines, customer premises equipment and Dial-It.

Most industry analysts note that the bulk of revenues will come from increased access charges and increased rates. Although A.T. & T. officials calmly assure the public that regulatory authorities will be able to set access fees high enough to protect local rates, state regulators are concerned about losing their own authority in this and other areas, primarily because the language of the settlement does not provide for how state regulators will set local rates or access charges.

In the absence of clear answers or specific actions by state regulators to assert their authority over local rates, the Bell operating companies will not hesitate to seek rate-setting decisions from the F.C.C. — undoubtedly a more sympathetic ear. Thus, the public will have forfeited valuable local powers. The result could mean astronomical increases within the next several years, doubling and in some cases tripling the cost of local telephone service to the consumer.

For example, according to testimony by Dwight Kellogg, Assistant Controller for the New York Telephone Company, the company says it will need \$2.9 billion in additional revenues by the end of 1985. That amount alone is greater than all the rate increases the company has re-

ceived in the last 13 years. Moreover, such a rate increase will probably increase the cost of the average consumer's bill by 50 percent to 70 percent. Combined with a potential increase in deposits and installations, this rise in local rates could price the telephone out of the market for tens of thousands of elderly and low-income New Yorkers.

**O**THER states are in a similar bind. Pennsylvania rates will double by the fifth year of divestiture, increasing nearly \$190 million a year, according to a spokesman for the state's utility commission. A spokesman for Southwestern Bell said that in anticipation of divestiture the company expected to file for a \$1 billion rate rise in late May, more than doubling its request of a year ago. According to a spokesman for the Florida Public Service Commission, the average residential flat rate for Southern Bell users is \$10.65, but as a result of divestiture and the recent F.C.C. decision raising local users' fees for long-distance service, the new rate will be \$31.15.

These predictions don't reflect the true situation or the full impact on the consumers. For instance, New York Telephone, in its most recent rate increase request, is seeking to maintain a 16.25 percent return on equity. Its explanation for the request, according to its Brief on Exceptions to the Public

Service Commission, is that "the investment community will be scrutinizing this decision to ascertain whether the company will be in sound financial condition as it approaches divestiture." In essence, New York Telephone is already seeking higher revenues from its customers to prepare itself for divestiture.

Additionally, the impact of investor confidence in the new local operating companies is an as yet unmeasured cost. But investment services are already casting a wary eye. Last month, Moody's downgraded the bond rating of many of the operating companies — mostly from Aaa to Aa3. As a result, local rates will rise to meet the operating companies' higher cost of money and investors will become even more skeptical of the financial stability of the companies after they are divested from A.T. & T.

The cost of local telephone service will be affected by a host of other issues as well — depreciation schedules, the value of transferred equipment, the assignment of book depreciation reserve, leasing arrangements and debt transfer, to cite only a few.

To insure that consumers are not overwhelmed by the potential cost of divestiture, state regulators will have to establish clearly their authority over these issues and delineate policies that balance the integrity of the settlement and the interests of the local telephone customers.

The local regulatory agencies must first assert their control over intrastate access charges by setting rates and fees at a premium for long-distance operators. To assure their control, the agencies must challenge any F.C.C. actions that usurp their ability to set local rates.

Regulators should also consider requiring operators to phase-in any cost of divestiture over five to 10 years to ease the burden on the public.

Finally, they should permit local operating companies to create new sources of revenue such as its own Dial-It services and Yellow Pages. By charging premiums for special services such as call forwarding, radio pagers and cellular mobile telephone systems they could also help offset the basic cost of the telephone.

With divestiture around the corner, the time to act is now. And how the state regulators meet this challenge will determine whether the telephone remains means of communication available to everyone.

Andrew J. Stein is the Borough President of Manhattan.

## Letters

### Ill-Chosen Approach to Rising Health Costs

To the Editor:

The Reagan Administration's legislative package for controlling health-care costs, cited in a May 12 Op-Ed article by Dr. Robert J. Rubin, Assistant Secretary in the Department of Health and Human Services, has two flaws: It's unfair and it won't work.

It's unfair because, like so many other Reagan initiatives, it places a heavy burden on our poor, our elderly and our working people by limiting access to services they need through the simple expedient of reducing their ability to pay.

It won't work because it is based on the erroneous notion that health care, like shoes or potatoes, falls in price as demand falls.

Dr. Rubin asserts that two bills now in Congress would create incentives among consumers for cheaper, "more efficient" health care. Just how the bills would do this he doesn't say.

In reality, the proposal to tax health benefits would only force workers to negotiate for fewer and fewer benefits to keep the Government from taking bigger and bigger bites out of their real income. That's not cost containment.

And it is hard to imagine how higher Medicare co-payments will provide an added incentive for an elderly person not to slip on ice or fall in the bathtub. But he or she will pay five times as much for that six-week hospital stay for a broken hip: \$1,526 instead of \$304. This is exactly the kind of devastating hospital cost that Medicare was designed to prevent.

Equally serious, both schemes would drive up deductibles — the

money an individual pays before an insurer begins to foot part of the bill. With higher deductibles, many people will defer visits to a doctor until their



medical problems become overwhelming. In cases in which early detection is crucial, this could be a fatal decision. In dollars and cents, higher deductibles are a mistake because delayed diagnosis often leads to the need for acute care, inflating the cost of medical treatment.

The problem with the schemes is that they are based on the faulty theory that consumer demand can dictate the price of health care. They do not address the real problem, which is the profligate habits of our health-care providers. If these bills are enacted, they will increase the per-patient cost of health care, not reduce it.

For example, if a hospital builds a new wing or purchases a new CAT scanner, it will still be obliged to pay the debt service on the investment. With reduced consumer demand, the hospital will simply divide the cost among a smaller patient pool. Similarly, physicians will raise their fees to maintain the income to which they are accustomed.

Dr. Rubin's assertion that our medical care is the "world's best" is not quite correct. It's only the world's most expensive.

We rank 18th in infant mortality, 15th in longevity. Tens of millions of our citizens go without needed treatment simply because they cannot afford it. Yet our nation is first in the world in the percentage of gross national product devoted to health care.

Something is inflating our health-care costs, and it is not the coverage the Government provides for our poor and elderly. Dr. Rubin was quick to dismiss the role of the provider in the escalating costs of health care, but the evidence suggests that it is this group which plays the crucial part.

What we have to do is start chipping away at what makes health care in this country so expensive, not merely cut the money the Government is willing to spend for its citizens. We have to attack the root of the problem: hospital charges and physician's fees. At the same time, we must persevere in our efforts to expand coverage so that all of our citizens have adequate and affordable health care.

ANDREW STEIN  
Manhattan Borough President  
New York, May 13, 1983

**ANDREW STEIN**, Manhattan Borough President

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# NEW YORK POST

FRIDAY, JUNE 3, 1983

© 1983 News Group Publications Inc. Vol. 182, No. 121  
AMERICA'S FASTEST-GROWING NEWSPAPER

## Rent hikes should be modest again

By ANDREW STEIN  
Manhattan Borough President

THE annual month-long display of disaffection between the city's rent stabilized tenants and their landlords begins Monday when the Rent Guidelines Board takes public testimony to determine this year's rent increases.

Last year, these 850,000 tenants won significant concessions — smaller-than-average rent increases and an end to vacancy allowances.

But even these improvements in rent equity may be eroded this year in the rush to compensate building owners for the increased cost of refinancing mortgages.

However, if the Guidelines Board is to set fair rents for the coming year, three key factors indicate another round of modest rent rises is in order.

First, the increasing costs of owning rent-stabilized apartment buildings — those built since 1947, or older apartments no longer regulated by rent control — slowed this year rising only 26 per cent compared to last year's 23 per cent. This alone suggests increases should be no greater than last year.

Secondly, the board has no justifiable rationale to compromise a vacancy allowance — a surcharge

sometimes as high as 15 per cent previously given to landlords when an apartment was vacated. Simply put, it was a bold-faced giveaway that promoted tenant harassment.

The costs a landlord incurs in re-letting his vacated apartment are accounted for in the survey of operating costs that the board commissions every year. Adding a vacancy allowance on top of this is just plain double-dipping.

More importantly, tenant organizations throughout the city report that tenant harassment has decreased somewhat since the board abolished vacancy allowances.

In the past, the board justified a vacancy allowance as one way to compensate owners for the cost of refinancing their buildings. Actually, apartment vacancies have nothing to do with the cost of money or the benefits an owner gains from refinancing.

Nevertheless, refinancing is bound to be a third critical factor in this year's guideline decision.

There is no question that individually a building owner who refinances his property gains a benefit. When a property

is refinanced today, higher interest rates raise average loan payments per apartment by 75 per cent, and increase from 16 to 25 per cent the portion of an owner's operating budget dedicated to loan payments.

But merely reciting statistics misses the point: refinancing is an individual decision between an owner and a lending institution carried out for a host of reasons many of which may have little to do with the owner's operation of his building.

The Guidelines Board's study of mortgage financing shows that 25 per cent of the city's landlords refinance their properties to make capital improvements. Under the current rent stabilization system, owners already receive increases for these types of improvements — surcharges that continue even after the improvement is paid for. Compensating these owners is another form of double-dipping.

Additionally, 14 per cent of the city's landlords borrow money from the city to pay for such improving the mortgage they use fit into other buildings, the money is used to buy cars, houses or to pay for the family life

of the building owner is unconscionable.

Furthermore, interest rates fluctuate wildly from lending institution to lending institution, borough to borough, and neighborhood to neighborhood, and fewer than 10 per cent of the city's buildings face refinancing problems in any year.

To compensate every owner with across-the-board increases would hurt landlords who pay higher-than-average interest rates and unreasonably profit those who don't refinance or who pay lower-than-average interest rates.

The most equitable way to address the question is to develop a mechanism at the Conciliations and Appeals Board to compensate an individual owner when he refinances his property. The process could be similar to the CAB's procedures for hardship and capital-improvement rent increases.

This way, owners who actually face the difficult situation of refinancing their rent-stabilized properties will receive reasonable compensation, without unduly burdening their tenants.

Despite the ballyhoo over the cost of mortgage refinancing, equity dictates that this year's rent increases follow the modest increases set for last year.

8 4 0 4 0 4 6 3 7 9 8

ANDREW STEIN

Manhattan Borough President

# NEW YORK POST

© 1983 News Group Publications Inc. Vol. 107, No. 249

THURSDAY, SEPTEMBER 1, 1983

## Let's give the MTA back to the people

By **ANDREW STEIN**  
*Manhattan Borough President*

THE RECENT resignations of Richard Ravitch and John Simpson present Gov. Cuomo with a prime opportunity to make the unwieldy bureaucracy that runs our subways, buses and trains more accountable to the public it is mandated to serve.

For the past 15 years, it has been the particular misfortune of New York City and its metropolitan area that its single largest public service, used by nearly 5.5 million people a day, is utterly outside the public's electoral control; and the result has been devastating.

This August, as a result of seriously deteriorating subway tracks, 60 percent of the system's subways were either late or cancelled. The average time for a ride increased 30 percent and the number of collisions or derailments rapidly approached record numbers — 13 since January.

But the recent track crisis is only the latest in the 15 year legacy of MTA unaccountability.

From the start, the MTA Board, out of touch with the system's needs, set out on an ambitious new routes building program, even though the system was beginning to deteriorate from neglect

Nearly 50 percent of all capital money through 1977 was spent on new routes. But for all the money spent, it will still take \$4.8 billion to complete the two survivors of the program, the Queens Trunk Line and the Second Avenue subway.

In 1971, the MTA Board agreed to purchase the single largest subway car order in the system's 75 year history: 734 R-46 subway cars with 1543 untested, unproven, and unknown undercarriages. These were the infamous undercarriages that cracked, forcing New York City to sue the manufacturers to recover damages worth \$90 million, about half of the cost of the original purchase.

But the price the riding public paid for the R-46 debacle pales by comparison to the fleetwide devastation the board mandated when it voted to cut preventive subway car maintenance in 1975 during the city's fiscal crisis. Trains were late and runs were cancelled with increasing frequency. By January 1981, an average of 430 cars a day either never left the terminal or broke down in mid-route and were cancelled — a condition that could take another five to seven years to be remedied.

The riding public seems

to suffer for decades for the single decision of an unaccountable MTA Board.

The condition is true today, with the MTA's much-touted five-year capital plan, as it was for the new routes program, the R-46 subway car debacle and subway car maintenance.

From the outset the MTA's five year plan discarded the sound logic of replacing components at the end of their useful economic life in favor of investments in crowd pleasing, cosmetic improvements such as shiny new cars and bright stations. The discrepancies between what the system's infrastructure needs — track work, repairs on line equipment, tunnels and elevated structures — and its planned levels of capital investment are staggering.

By its own assessment, the MTA is spending \$90 million less than it needs for the next five years to repair its tracks and \$250 million less than it needs for tunnels, elevated lines and line equipment.

It doesn't take a genius to predict that the shortfall in track spending will precipitate a serious rise in derailments and an abrupt deterioration in service. Nor does it take much insight to predict

more frequent and lengthy emergency closures of parts of the system to repair such structural problems as the Lenox Avenue Line, Flushing tunnel, Franklin Shuttle and Manhattan Bridge if these shortfalls in spending persist. And if more money isn't spent on the system's infrastructure, we may witness more serious accidents.

The riding public can no longer endure the plagues visited upon them by the MTA Board and politicians should no longer enjoy the luxury of having their unaccountable surrogates manage the system.

The decisions that ultimately affect the quality and performance of the nation's largest transportation system are made by surrogates appointed by one or more various political leaders. Neither the mayor nor the governor are responsible for the daily operations of the system. It is a structure set up to pass the buck for the deplorable conditions of the system.

But if Gov. Cuomo merely changes the names and faces of the system's leaders, without taking active steps to make elected officials more responsible for the system, he will continue the legacy of unaccountability.

**ANDREW STEIN**, Manhattan Borough President

84040463799

# CALENDAR

## Board of Estimate

No. 76

R-5430

### IN THE MATTER OF a

COMMUNICATION dated August 11, 1983, from the President, Borough of Manhattan, transmitting the following resolution which would require that before the conversion of any Federal Title I redevelopment projects from rental to cooperative or condominium ownership, application must be made to the Board of Estimate for approval of such conversions:

WHEREAS, The federal Housing Act of 1949 provided for financial assistance, loans and grants to clear, replan, reconstruct and rehabilitate blighted neighborhoods throughout the nation including New York City; and

WHEREAS, Under Title I of the Act, the federal government provided capital grants to the City of New York to fund the acquisition of property throughout the City by condemnation proceedings; and

WHEREAS, The Board of Estimate of the City of New York exercised its power of eminent domain to assemble sites for developments, thereby displacing thousands of individuals and small businesses, and authorized the expenditure of millions of public dollars to make possible the development of these projects; and

WHEREAS, Section 509 of the agreement between the City of New York and Manhattantown, Inc., a Title I project located in the Borough of Manhattan (now known as Park West Village) dated May 22, 1952, states that "for a period of forty years from the completion of the project no change shall be made in such project as set forth in the redevelopment Plan attached hereto as Schedule A without the consent of the City Planning Commission and the Board of Estimate of the City"; and

WHEREAS, Section 510(b) of the agreement between the City of New York and Columbus Circle Apartments, a Title I project located in the Borough of Manhattan (now known as Coliseum Apartments) dated January 15, 1953, states that "for a period of forty (40) years from the completion of the housing project no change shall be made in the project as set forth in the Redevelopment Plan of the Area (Schedule A of this Agreement) without the consent of the City Planning Commission and the Board of Estimate of the City or of the respective successors of said Commission and Board"; and

WHEREAS, Section 510(c) of the agreement between the City of New York and New York University/Bellevue, a Title I project located in the Borough of Manhattan (now known as Kips Bay) dated September 23, 1954, states that "for the period of forty (40) years from the completion of the housing project no change shall be made in the housing project as set forth in the Redevelopment Plan contained in Schedule A of this Agreement, without the consent of the City Planning Commission and the Board of Estimate of the City or of the respective successors of said Commission and Board"; and

WHEREAS, The stated objective of each redevelopment plan was "to provide housing at the lowest possible rental which is consistent with sound financial planning" and to obtain this objective the Board of Estimate established below market sales prices for the land on which the aforementioned projects are situated by determining the capitalized value of the development described in the redevelopment plan of each project using projected per room rents substantially below the market value rentals, thus reducing the overall cost of each project to its sponsor; and

WHEREAS, It was the clear intent of the Board of Estimate to reserve its right to determine the appropriateness of any change in the redevelopment plans for these projects; and

WHEREAS, The three aforementioned Title I projects are at various stages in the process of attempted conversion from rental to cooperative or condominium ownership; and

WHEREAS, The Office of the Attorney General of the State of New York has halted any further processing of the conversions of certain of these developments pending City Planning Commission and Board of Estimate approval.

THEREFORE, BE IT RESOLVED that the Board of Estimate deems a conversion from rental to cooperative or condominium ownership in projects constructed under Title I of the Housing Act of 1949 to be a change in the Redevelopment Plan as adopted by the Board of Estimate; and

BE IT FURTHER RESOLVED that in order for a Title I rental development to convert to cooperative or condominium ownership Board of Estimate approval must be applied for and granted.

On August 13, 1983 (CAL No. 289) the matter was laid over to this meeting.

For consideration—one resolution.

RECEIVED THE FEC  
6/1/84 3:22

SKADDEN, ARPS, SLATE, MEAGHER & FLOM  
919 THIRD AVENUE  
NEW YORK 10022-9931

MAY 21 10:16

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"SKARSLAW NEW YORK"  
TWX: 710 881-3814  
TELEX 848888  
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(212) 752 1084

(212) 371-6000

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BOSTON, MASSACHUSETTS 02108  
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919 EIGHTEENTH STREET, N. W.  
WASHINGTON, D. C. 20005  
EOE: 493-6700  
  
ONE RODNEY SQUARE  
WILMINGTON, DELAWARE 19801  
(302) 429-8200  
  
815 SOUTH FIGUEROA STREET  
LOS ANGELES, CALIFORNIA 90071  
(213) 496-4800

May 18, 1984

*Pre-MUR  
123*

Anne Weissenborn, Esq.  
Federal Election Commission  
Washington, D.C. 20463

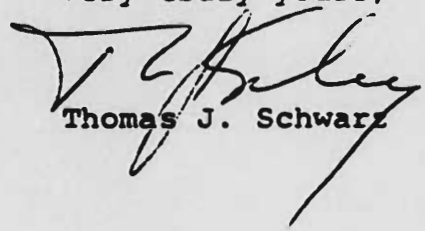
Re: Pre-MUR 123

Dear Ms. Weissenborn:

Pursuant to your request, I am enclosing a copy of the letter from D. H. Sawyer & Associates, Ltd. dated April 12 and copy of the letter from OSI Information Processing, Inc. The labels referred to in the OSI letter are those which were affixed to the mailings which I previously forwarded to you.

Please advise me if there is anything further that you need.

Very truly yours,

  
Thomas J. Schwarz

ATTACHMENT 2

34040463801

Information Processing Inc.

May 17, 1984

Mr. Thomas Schwartz, Esq.  
Skadden, Arps, Slate, Meagher and Flom  
919 Third Avenue  
New York, New York 10022

Dear Mr. Schwartz:

To clarify certain information which has been requested, please be advised that:

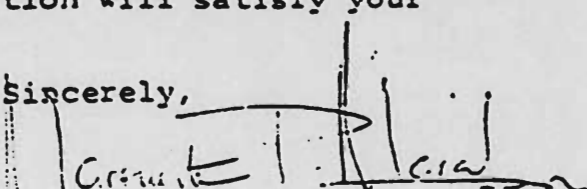
OSI Information Processing, Inc. and Election Computer Services, Inc. are affiliates. E.C.S./OSI has performed computer work continuously since 1977 for Andrew Stein.

Our firm has produced materials covering these three areas:

1. list maintenance - opinion leaders, contributions, etc.;
2. updating of borough wide prime voters list which was first assembled by the Stein '81 committee in 1981;
3. supplying labels throughout the period of our relationship.

I trust the above information will satisfy your inquiries.

Sincerely,

  
Marguerite P. Marabon  
President

MPM:let

ATTACHMENT 2-a

84040465802



# D H SAWYER & ASSOCIATES, LTD.

60 WEST 55th STREET NEW YORK, N.Y. 10019 212 • 245 • 0047

April 10, 1984

Thomas J. Schwarz, Esquire  
Scadden Arps  
919 Third Avenue  
NY NY

Dear Mr. Schwarz:

Please be advised that this firm has performed no services for Andrew Stein or any committee connected with Mr. Stein since 1981 Borough President election.

Any payments received since that time were in connection with services performed during the 1981 election, but which were delayed by reason of an ongoing discussion concerning the fees and the death of Paul Hessel, who was acting as an attorney in connection with this matter.

Sincerely,

  
David H. Sawyer

ATTACHMENT 2-b

DHS:aws

84040463803



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

Thomas J. Schwarz, Esquire  
Skadden, Arps, Slate, Meagher  
and Flom  
919 Third Avenue  
New York, New York 10022

RE: Pre-MUR 123 and MUR 1699

Dear Mr. Schwarz:

On May 18, 1984, the Commission notified your client, the Stein '81 Committee, of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended. This notification followed receipt of your letter and memorandum of May 4, 1984, in which you asked that the Commission address issues later raised in the complaint.

The Commission, on \_\_\_\_\_, 1984, determined that on the basis of the information in the complaint and information provided by your client, there is no reason to believe that a violation of any statute within its jurisdiction has been committed. Accordingly, the Commission has closed its file in this matter. It will become a part of the public record within 30 days.

Sincerely,

Charles N. Steele  
General Counsel

BY: Kenneth A. Gross  
Associate General Counsel

Enclosure  
First General Counsel's Report

84040463801



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

George McDonald  
211 East 81st Street  
New York, New York 10028

RE: MUR 1699

Dear Mr. McDonald:

The Federal Election Commission has reviewed the allegations in your complaint dated May 9, 1984, and determined that, on the basis of the information provided in the complaint and information provided by the respondent, there is no reason to believe that a violation of the Federal Election Campaign Act of 1971, as amended ("the Act"), has been committed. Accordingly, the Commission has decided to close the file in this matter. The Federal Election Campaign Act allows a complainant to seek judicial review of the Commission's dismissal of this action. See 2 U.S.C. § 437g(a)(8).

Should additional information come to your attention which you believe establishes a violation of the Act, you may file a complaint pursuant to the requirements set forth in 2 U.S.C. § 437g(a)(1) and 11 C.F.R. § 111.4.

Sincerely,

Charles N. Steele  
General Counsel

BY: Kenneth A. Gross  
Associate General Counsel

Enclosure  
First General Counsel's Report

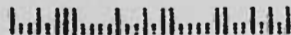
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SHADDEN, ARPS, SLATE, MEAGHER & FLOM  
818 THIRD AVENUE  
NEW YORK 10022-9931



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Anne Weissenborn, Esq.  
Federal Election Commission  
Washington, D.C. 20463



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NEW YORK 10022-9931

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(212) 371-8000

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(617) 553-0008  
518 EIGHTEENTH STREET, N. W.  
WASHINGTON, D. C. 20006  
EOD 483-8700  
ONE RODNEY SQUARE  
WILMINGTON, DELAWARE 19801  
(302) 429-9200  
518 SOUTH FIGUEROA STREET  
LOS ANGELES, CALIFORNIA 90071  
(213) 456-4600

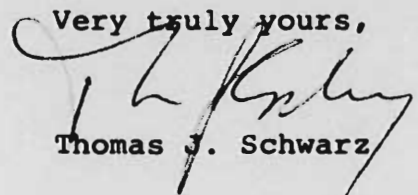
June 5, 1984

Anne Weissenborn, Esq.  
Federal Election Commission  
Washington, D.C. 20463

Re: MUR-1699

Dear Ms. Weissenborn:

Thank you for sending me a copy of the complaint in the above MUR. Enclosed please find the Statement of Designation of Counsel by Walter (not William) McCaffrey on behalf of Stein '81. I respectfully request that this matter be merged with Pre-MUR 123 since both matters relate to the same substance and that the materials that I have sent you in connection with Pre-MUR 123 be deemed the response to MUR-1699. Please advise me if this is an acceptable procedure.

Very truly yours,  
  
Thomas J. Schwarz

Encl.

84040466807

JUN 7 1984  
12:37

STATEMENT OF DESIGNATION OF COUNSEL

MUR 1699

NAME OF COUNSEL: Thomas J. Schwarz

ADDRESS: Skadden, Arps, Slate, Meagher & Flom  
919 Third Avenue  
New York, New York 10022-9931

TELEPHONE: (212) 371-6000

4/11/87 P12:37

The above-named individual is hereby designated as my  
counsel and is authorized to receive any notifications and other  
communications from the Commission and to act on my behalf before  
the Commission.

Jan 5, 1984  
Date

Walter L. McCaffrey  
Signature

RESPONDENT'S NAME: Walter McCaffrey, Treasurer

ADDRESS: STEIN '81  
60 East 42nd Street  
New York, Ny

HOME PHONE: 212 429-6541

BUSINESS PHONE: \_\_\_\_\_

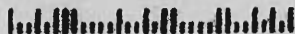
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MADDEN, ARPS, SLATE, MEAGHER & FLOM  
919 THIRD AVENUE  
NEW YORK 10022-9931



STOP KATKATIS  
TELETHON  
84 MADDEN, ARPS, SLATE, MEAGHER & FLOM  
NEW YORK, NY 10022-9931

Anne Weissenborn, Esq.  
Federal Election Commission  
Washington, D.C. 20463



RECEIVED AT THE FEC

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SKADDEN, ARPS, SLATE, MEAGHER & FLOM  
919 THIRD AVENUE  
NEW YORK 10022-9931

84 MAY 21

AIO: 10

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"SKARBLAW NEW YORK"  
TWX: 710 881-3814  
TELEX 648899  
TELECOPIER:  
(212) 762 1084

(212) 371-6000

ONE BEACON STREET  
BOSTON, MASSACHUSETTS 02108  
(617) 552-0002

919 EIGHTEENTH STREET, N.W.  
WASHINGTON, D.C. 20006  
(202) 462-8700

ONE RODNEY SQUARE  
WILMINGTON, DELAWARE 19801  
(302) 489-9200

515 SOUTH FIGUEROA STREET  
LOS ANGELES, CALIFORNIA 90071  
(213) 486-4600

May 18, 1984

*Pre-mur  
123*

Anne Weissenborn, Esq.  
Federal Election Commission  
Washington, D.C. 20463

Re: Pre-MUR 123

Dear Ms. Weissenborn:

Pursuant to your request, I am enclosing a copy of the letter from D. H. Sawyer & Associates, Ltd. dated April 12 and copy of the letter from OSI Information Processing, Inc. The labels referred to in the OSI letter are those which were affixed to the mailings which I previously forwarded to you.

Please advise me if there is anything further that you need.

Very truly yours,

*Thomas J. Schwarz*  
Thomas J. Schwarz

84040463810



# D H SAWYER & ASSOCIATES, LTD.

60 WEST 55th STREET NEW YORK, N.Y. 10019 212 • 245 • 0047

April 10, 1984

Thomas J. Schwarz, Esquire  
Scadden Arps  
919 Third Avenue  
NY NY

Dear Mr. Schwarz:

Please be advised that this firm has performed no services for Andrew Stein or any committee connected with Mr. Stein since 1981 Borough President election.

Any payments received since that time were in connection with services performed during the 1981 election, but which were delayed by reason of an ongoing discussion concerning the fees and the death of Paul Hessel, who was acting as an attorney in connection with this matter.

Sincerely,

  
David H. Sawyer

DHS:aws

84040463811

**Information Processing Inc.**

May 17, 1984

Mr. Thomas Schwartz, Esq.  
Skadden, Arps, Slate, Meagher and Flom  
919 Third Avenue  
New York, New York 10022

Dear Mr. Schwartz:

To clarify certain information which has been requested, please be advised that:

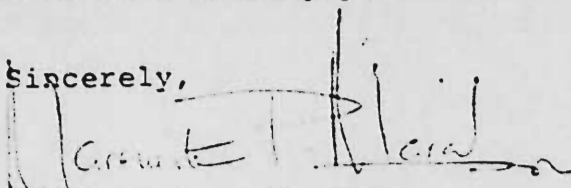
OSI Information Processing, Inc. and Election Computer Services, Inc. are affiliates. E.C.S./OSI has performed computer work continuously since 1977 for Andrew Stein.

Our firm has produced materials covering these three areas:

1. list maintenance - opinion leaders, contributions, etc.;
2. updating of borough wide prime voters list which was first assembled by the Stein '81 committee in 1981;
3. supplying labels throughout the period of our relationship.

I trust the above information will satisfy your inquiries.

Sincerely,

  
Marguerite P. Marabon  
President

MPM:let

84040463812



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

May 18, 1984

George McDonald  
211 East 81st Street  
New York, NY 10028

Dear Mr. McDonald:

This letter is to acknowledge receipt of your complaint which we received on May 14, 1984, against Stein '81, which alleges violations of the Federal Election Campaign laws. A staff member has been assigned to analyze your allegations. The respondents will be notified of this complaint within five days.

You will be notified as soon as the Commission takes final action on your complaint. Should you have or receive any additional information in this matter, please forward it to this office. We suggest that this information be sworn to in the same manner as your original complaint. For your information, we have attached a brief description of the Commission's procedure for handling complaints. If you have any questions, please contact Barbara A. Johnson at (202) 523-4143.

Sincerely,

Charles N. Steele  
General Counsel

  
Kenneth A. Gross  
Associate General Counsel

Enclosure

34040465813



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

May 18, 1984

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

William McCaffrey, Treasurer  
Stein '81  
60 East 42nd Street  
New York, NY 10165

Re: MUR 1699

Dear Mr. McCaffrey:

This letter is to notify you that on May 14, 1984 the Federal Election Commission received a complaint which alleges that the committee and you, as treasurer, may have violated certain sections of the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 1699. Please refer to this number in all future correspondence.

Under the Act, you have the opportunity to demonstrate, in writing, that no action should be taken against the committee and you, as treasurer, in connection with this matter. Your response must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath.

This matter will remain confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public.

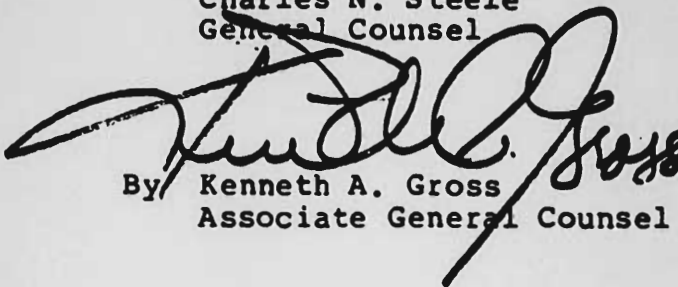
If you intend to be represented by counsel in this matter please advise the Commission by completing the enclosed form stating the name, address and telephone number of such counsel,

34040463814

If you have any questions, please contact Anne Weissenborn, the attorney assigned to this matter at (202) 523-4000. For your information, we have attached a brief description of the Commission's procedure for handling complaints.

Sincerely,

Charles N. Steele  
General Counsel

A handwritten signature in black ink, appearing to read "Kenneth A. Gross", is written over the typed name and title of the signatory.

By Kenneth A. Gross  
Associate General Counsel

Enclosures

1. Complaint
2. Procedures
3. Designation of Counsel Statement

84040463815

~~EE copy~~  
Weissenborn



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

**SENSITIVE**

MEMORANDUM TO: THE COMMISSION

FROM: MARJORIE W. EMMONS/ SUSAN M. TEIR <sup>SMT</sup>

DATE: MAY 16, 1984

SUBJECT: ORIGINAL COMPLAINT - MUR 1699  
dated May 9, 1984

The attached has been circulated for your information.

84040463816

Attachment

BCC# 3154

RECEIVED  
GENERAL COUNSEL

GEORGE McDONALD  
211 East 81st Street  
New York, New York 10028

MAY 14 P3:15

MUR 1699

May 9, 1984

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

The Federal Election Commission  
1325 K Street, N.W.  
Washington, D.C. 20463

Ladies and Gentlemen:

This letter is a formal complaint under Part 111 of the Federal Election Commission Regulations, and a request for an investigation into the campaign expenditures of Stein 81, the principal campaign committee of Andrew Stein for the 1981 Manhattan Borough President election. Mr. Stein has filed a Statement of Candidacy with the Federal Election Commission as a candidate for Congress from the 15th Congressional District of New York, and has established a principal campaign committee for that election, under the name "Stein for Congress". I am requesting an investigation as to possible expenditures by Stein 81 in support of the candidacy of Mr. Stein for Congress.

Enclosed are financial reports of Stein 81 for the periods ended January 15, 1983, July 15, 1983 and January 15, 1984. Stein 81 received contributions during those periods of \$269,415, \$243,500, and \$275,135, respectively, mainly from corporations and from contributors who made contributions in excess of \$1,000. During those periods the committee had expenditures of \$154,224, \$116,134, and \$87,151, respectively, exclusive of the repayment of loans to Mr. Stein. During those periods, no active re-election campaign for Borough President was being conducted. Many of these payments appear to be of the type that would be primarily in support of Mr. Stein's candidacy for Congress. For example, allegations have been made that voter lists are being compiled by the Committee which relate only to the 15th Congressional District, which encompasses only a portion of the Borough of Manhattan. In addition, allegations have been made that the Committee has paid for mailings that were made exclusively within the Congressional District. Enclosed

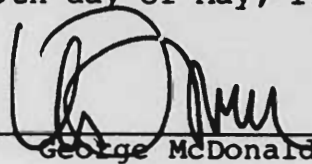
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The Federal Election Commission  
May 9, 1984  
Page 2

is a copy of articles from The Town & Village Newspaper, which report that the Committee has refused to answer questions concerning allegations of this type.

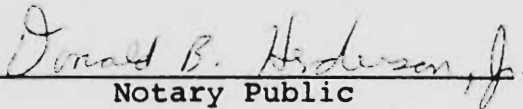
Since the contributions received by Stein 81 are not in compliance with the federal election laws, expenditures in support of a federal election campaign would violate federal law. I am therefore making this complaint and request for an investigation by the Federal Election Commission.

Sworn and Subscribed to by me  
this 9th day of May, 1984.



George McDonald

On the 9th day of May, 1984, before me personally came George McDonald, to me known to be the individual described in and who executed the foregoing instrument, and acknowledged that he executed the same.



Notary Public

DONALD B. HENDERSON, JR.  
Notary Public, State of New York  
No. 31-4200254  
Qualified in New York County  
Commission Expires March 30, 1985

34040463813



STATE OF NEW YORK  
BOARD OF ELECTIONS

1981

FINANCIAL DISCLOSURE STATEMENT - CANDIDATE OR POLITICAL COMMITTEE  
(see instructions on reverse side)

STEIN - 81

(full name of candidate or committee)

Identification Number

144

60 East 42nd Street

(street)

President Borough of Manhattan

(Office & Political Subdivision)

New York, N.Y. 10165

(city, state, zip code)

Democrat

(Name of Party or Independent Body)

Check if address has changed since last statement

REPORT FOR \_\_\_\_\_ ELECTION ON \_\_\_\_\_  
(primary, general, special) (date)

TYPE OF REPORT

- CHECK ONE:  Candidate itemized
- Committee itemized
- Candidate in-lieu-of
- Committee in-lieu-of

CHECK ONE:

- 32-day pre- primary
- 32-day pre- election
- January 15, 19 \_\_\_\_\_
- 11-day pre- primary
- 11-day pre- election
- May 15, 19 \_\_\_\_\_
- 27-day post-primary
- 27-day post-election
- September 15, 19 \_\_\_\_\_
- July 1983 X

REC'D. ED. OF ELECTIONS  
CITY OF NEW YORK  
83 AUG 3 10:34

CHECK IF APPLICABLE:

- Termination report
- Amendment to \_\_\_\_\_ report

VERIFICATION

ITEMIZED

Walter McCaffrey

(name)

Treasurer

of the

(Treasurer, Candidate, other)

for

STEIN 81

(Name of committee or office or party position) state that the information contained herein being made pursuant to Article 14 of the Election Law is in all respects true to the best of my knowledge, information and belief.

*Walter L. McCaffrey*  
(signature)

IN-LIEU-OF

I, \_\_\_\_\_ (name)  
\_\_\_\_\_ of the  
(Treasurer, Candidate, other) for

(Name of committee or office or party position) state that I have not received nor expended more than one thousand dollars in connection with this campaign.

\_\_\_\_\_  
(date) (signature)

ANY FALSE STATEMENT MADE IN THE WITHIN STATEMENT IS PUNISHABLE AS A CLASS A MISDEMEANOR PURSUANT TO SECTION 210.45 OF THE PENAL LAW.

SUMMARY PAGE

Candidate Statement: Complete Sections A, B, C, D. Do not include in this statement receipts and expenditures which are included in a political committee report.

Committee Statement: Complete Sections A, B, C, D, E.

Section A — RECEIPTS (this period):

LINE NO.:		Primary Election (Column A)	General or Special Election (Column B)
1	Monetary Contributions } Itemized (Schedule A1)	\$ 243,500.00	\$
2	} Unitemized	\$	\$
3	Contributions other than money (Schedule A2)	\$	\$
4	Sub-total Contributions (add lines 1 through 3)	\$	\$
5	Refunds of Contributions (Schedule A3)	\$-	\$-
6	Total Contributions (subtract line 5 from line 4)	\$	\$
7	Loans Received this period (Schedule A4)	\$	\$
8	Transfers In (Schedule A5)	\$	\$
9	Other Receipts (Schedule A6)	\$	\$
10	Total of net receipts and contributions other than money (add lines 6 through 9)	\$ 243,500.00	\$

Section B — DISBURSEMENTS (this period):

11	Itemized (Schedule B1)	\$ 58,271.46	\$
12	Net campaign Disbursements and Expenditures in-kind } Unitemized	\$ 187.50	\$
13	(In support of one or more candidates) } Expenditures In-Kind (Schedule A2)	\$	\$
14	} Refund (Schedule B2)	\$-	\$-
15	Total (add lines 11 through 13 less line 14)	\$ 58,458.96	\$
16	Non-campaign Disbursements (constituted and party committee only)	\$	\$
17	Repayment of loans (Schedule B3)	\$ 120,000.00	\$
18	Transfers Out (Schedule B4)	\$ 57,676.80	\$
19	Total Other Disbursements (add lines 16 through 18)	\$ 177,676.80	\$
20	Total of net Disbursements and Expenditures in-kind (add lines 15 and 19)	\$ 236,135.76	\$

Section C — Cash Balance

LINE NO.	(Columns A & B)
Cash Balance at Beginning of this period (enter amount from previous report line 25 or if this is first report, enter zero)	\$ <u>15.11</u>
Total of Net Receipts and Contributions Other than Money this period (add line 10 columns A & B)	\$ <u>243,500.00</u>
Total (add line 21 and 22)	\$ <u>243,515.11</u>
Total of Net Disbursements and Expenditures In-kind this period (add line 20 columns A & B)	\$ <u>236,135.76</u>
Cash Balance at End of this Period (subtract line 24 from line 23)	\$ <u>7,375.35</u>

Section D — Campaign Financial Status

	Primary Election (Column A)	General or Special Election (Column B)
26 Liabilities (excluding loans) Incurred THIS PERIOD which are still outstanding (Schedule C1)	\$ _____	\$ _____
27 Liabilities (excluding loans) Outstanding from PREVIOUS PERIODS (liabilities line 28 of previous report less liabilities which have been paid; If first report enter zero)	\$ _____	\$ _____
28 Total liabilities Outstanding (add lines 26 and 27)	\$ _____	\$ _____
29 Net Campaign Disbursements and Expenditures in-kind PREVIOUSLY REPORTED (enter line 31 of previous report or if this is first report enter zero)	\$ <u>1,187,427.80</u>	\$ _____
30 Net Campaign Disbursements and Expenditures in-kind THIS PERIOD (enter line 15)	\$ <u>58,458.96</u>	\$ _____
31 Total Net Campaign Disbursements and Expenditures in-kind to date (add lines 29 and 30)	\$ <u>1,235,886.76</u>	\$ _____
32 Total Net Campaign Disbursements and Expenditures in-kind to date and liabilities Outstanding (add lines 28 and 31)	\$ <u>245,500.00</u>	\$ _____
33 Total loans Outstanding	\$ <u>246,500.00</u>	\$ _____

SUMMARY PAGE

Section E — Allocation of Total Campaign Finances to Candidate(s) supported by this committee. (If a candidate authorization or non-authorization has not been filed for each candidate supported, such a statement must be filed with this report.)

- (1) Enter Line 32 column A on Line 54 column A; enter Line 32 column B on Line 54 column B.
- (2) List each of the candidates supported by this committee on Lines 34 thru 53.
- (3) Allocate Line 54 A to each of the candidates: enter amounts in Lines 34 through 53 Column A.
- (4) Allocate Line 54 B to each of the candidates: enter amounts in Lines 34 thru 53 column B.

OFFICE & DISTRICT	CANDIDATE		Accumulative Allocation of Campaign Finances to Candidate:			
	LAST NAME	FIRST NAME	PRIMARY ELECTION (Column A)		GENERAL OR SPECIAL ELECTION (Column B)	
			amount	percent	amount	percent
B.P. Man	STEIN	ANDREW	1,235,886.76	100		
Amounts on this line & line 32 must be the same			\$1,235,886.76	100%	\$	100%

MONETARY CONTRIBUTIONS

OFFICIAL USE	CA CON CO	A1 Identification	Period	PorG	Control
DATE RECEIVED	Corp.	Relative	FULL NAME	MAILING ADDRESS	AMOUNT
12/83			Albert + Harriet Chen	110 East 37th St NYC	10,000 -
1/4/83			Steven A Greenberg	920 Park Avenue NYC 10028	5,000 -
1/4/83			John + Elaine Tassi	Munich Drive Carmel, NY 10512	3,500 -
3/83			Terone + Vivian Tener	24510 Main Street Road, Orem, UT	6,500 -
12/4/83			Saul Steinberg	Park Avenue Plaza NYC 10055	10,000 -
11/6/83			Martin Seigel	225 E. 37th NYC	1,000 -
1/8/83			Bea Steam + Co.	55 Water St. NYC 10041	5,000 -
2/5/83			H R O International, Inc.	30 Broad Street NYC 10064	5,000 -
3/8/83			Peter C. Ausmit	535 Park Avenue NYC 10021	5,000 -
11/83			Coleman Family Trust	118 East 55th St NYC	5,000 -
11/83	X		Alvin Nechlander Assoc Inc.	1564 Broadway NYC 10036	5,000 -
12/83			Rudolf Katcher	20 Fernwood Drive Menomont, NY	500 -
2/83			Douglas Reiblaschky	186 Sullivan St. New York, NY	500 -
2/83			Charles Mederich	55 Fernwood Lane Roslyn, N.Y.	500 -
1/8/83			Lawrence Fedlerman	138 Anderson Avenue Demarest, NY	500 -
4/83			Peter C. Conellor	16 Pleasant Road Scarsdale, NY	500 -
5/83			Henry Lesser	20 Bruce Terrace Dobbs Ferry, NY	500 -
2/83			Bruce + Roni Scholoff	PO Box 556 Bedford NY 10506	5,000 -
2/83			Joseph + Lynda Giriat	1050 Park Ave NYC, NY	5,000 -
12/83			Peter Jay Sharp	35 East 76th St NYC	5,000 -
12/83			Howard Rubenstein	141 East 72nd St NYC	2,000 -
4/83			William Zechendorf Jr.	502 Park Avenue NYC 10022	2,500 -
7/83			George S. Kaufman	117 East 74th St NYC 10021	7,500 -
7/83			Paul V. Caronda, Jr.	1070 Park Ave NYC 10028	500 -
TOTAL OR BALANCE FORWARD					

MONETARY CONTRIBUTIONS

OFFICIAL USE		CA CON CO	A1 Identification	Period	P or G	Control
DATE RECEIVED	Corp.	Relative	FULL NAME	MAILING ADDRESS		AMOUNT
1/8/83			Stanley Stahl	277 Park Avenue NYC		2,500-
1/8/83			Paul Levine	155 East 76th St NYC 10021		500-
8/83			Kenneth B. Forrest	134 W. 121st Street Cirolo Park, NY		500-
8/83	X		Royal Prudential Ind. Inc.	171 Eeypta Avenue NYC 10011		8,000-
8/83			Albert Schussler	380 Madison Ave NYC		2,500-
11/83			Martin J. Roynes	425 East 61st Street NYC 10021		5,000-
8/83			Donald H. Raider	513 East 60th St NYC		5,000-
1/10/83			Stella Jorda	1801 Center, Pal Est L.A. Ca.		10,000-
1/9/83			Trump Helen Schneider	60 East 14th St NYC		5,000-
1/9/83	X		Harty Met Messum Inc.	P.O. Box 1411 Secaucus NJ 07094		5,000-
11/83			Tishma Speyer	666 5th Ave NYC		5,000-
11/83	X		Harty Madelin Inc.	36 Cooper St Secaucus, NJ		5,000-
11/83			The Comras Company	60 East 56th St NYC 10022		2,500-
1/83			Robert Carmel	1700 Broadway NYC		2,500-
1/83			J. D. Reathy	101 West 55th St NYC		5,000-
2/8/83			Midwest Rubber	345 Hudson St NYC		2,500-
12/9/83	X		Metre Media, Inc.	1 Harmon Plaza Secaucus, NJ		5,000-
3/1/83	X		Tesko Corp.	155 East 68th St NYC 10022		5,000-
3/1/83	X		Magster Dev. Corp.	30 Rockefeller Plaza NYC 10020		5,000-
12/4/83			Harry Macklowe	420 East 72nd St NYC 10021		8,000-
12/6/83			C. D. Dillon	767 5th Avenue NYC 10153		2,500-
12/5/83			Allen + Eleonora Silverman	200 Central Park South NYC 10019		500-
12/6/83			Robert + Kathryn Steenberg	733 Park Avenue NYC 10021		5,000-
12/1/83	X		Technicolor Plate Inc.	2049 Central Park West PAC 90067		5,000-
TOTAL OR BALANCE FORWARD						

MONETARY CONTRIBUTIONS

DATE RECEIVED	OFFICIAL USE	CA CON CO	A1 Identification	Period	Por G	Control	
DATE RECEIVED	Corp.	Relative	FULL NAME	MAILING ADDRESS			AMOUNT
12/83	X		Colon Hatfield Fed. Tr.	230 Forbes Road Braintree Mass.			5,000-
1/30/83	X		Melford Wright Corp	155 East 29th St NYC			5,000-
1/18/83	X		Blechnell Supply Corp				5,000-
7/31/83	X		Solovman Equities Corp	919 3rd Avenue NYC			2,500-
1/31/83	X		Viethronis Co. Inc.	255 No. Calverton Blvd Hollywood Ca.			5,000-
1/31/83			M. Anderson & Forbes Co.	Camden N.J. 08104			5,000-
1/18/83			Robertson Arrow	79 Bannock St NYC			7,500-
1/31/83			Shelden Selzer	430 East 73rd St NYC			1,500-
1/3/83			Melford Plaza Hotel	270 West 45th Street NYC 10018			5,000-
1/5/87			George Klein	115 CPW NYC			10,000-
1/18/83			Monten Lyeth	299 Park Avenue NYC			500-
1/18/83	X		Oliver Louis Photo Inc.	2949 Central Exp East Rm 101 (a 90007)			5,000-

TOTAL OR BALANCE FORWARD 243,500.00

DISBURSEMENTS

SCHEDULE B1

DATE PAID	FULL NAME	MAILING ADDRESS	AMOUNT	PURPOSE OF DISBURSEMENT
2/4/83	D.H. Sawyer Assoc.	600 West 55th St NYC	10,000 -	Medical
1/9/83	Postmaster	9100 NYC	500 -	Stamps
1/9/83	D.H. Sawyer Assoc.	600 West 55th St NYC	50,000 -	Medical
1/15/83	Wm Soney	561st 32nd St NYC	311.74	Photos
1/21/83	C. Clodwin	160 Avenue J NYC	60.00	P. Expense
1/24/83	D.M. Henry	1160 5th Avenue NYC	484.96	Photos
2/20/83	D.H. Sawyer Assoc.	600 West 55th St NYC	10,000 -	Medical
1/15/83	Rose Dubinsky	278 1st Avenue NYC	250.00	Stamps
1/16/83	CTF Printing	150 Varck St NYC	246.81	Printer
1/18/83	M. Sichel	410 West 110th St NYC	500.00	Photos
7/6/83	Postmaster	9100 NYC	1,700 -	Stamps
1/6/83	Kotton McLaughlin	59 4th Avenue NYC 10013	5,000 -	Pol. Cam.
1/10/83	CT F Printing	150 Varck St NYC	97.93	Printer
1/24/83	E. Fede		100.00	Printer
1/23/83	Kotton McLaughlin	59 4th Avenue NYC	4,000 -	Pol. Cam.
1/15/83	Kotton McLaughlin	59 4th Avenue NYC	4,000	Pol. Cam.
1/10/83	Postmaster	9100 NYC	400	Stamps
1/11/83	Nat Urban League		170.00	Fund Raising
1/14/83	Say Men's Health Center		250.00	Fund Raising
1/18/83	G/M HC		100.00	Fund Raising
1/21/83	Fund for Hum Rights		100.00	Fund Raising
TOTAL OR BALANCE FORWARD			58,271.46	



REFUNDS OF DISBURSEMENTS

SCHEDULE B2

DATE FUNDED	FULL NAME	MAILING ADDRESS	AMOUNT REFUNDED
TOTAL			

REPAYMENT OF LOANS

SCHEDULE B3

DATE PAID	FULL NAME	MAILING ADDRESS	AMOUNT	DATE OF LOAN
183	Andrew Stein		5,000 -	
183	Andrew Stein		35,000 -	
183	Andrew Stein		70,000 -	
183	Andrew Stein		10,000	
TOTAL			120,000	

TRANSFERS OUT

SCHEDULE B3

CA	TRO A1	Identification	Period	P or G
183	Friends of Carolyn Maloney			100 -
183	Com to re-elect Olga Murray			100 -
183	Den Club of Yorkville			100 -
183	Blood + King's Cancer			100 -
183	ADA			300 -
183	Friends of St. Michael			100 -
14	Sterling			909.00
14	Sterling			25,077.41
76	Sterling			27,770.33
TOTAL				57,556.68

STATE OF NEW YORK 8 2 8  
BOARD OF ELECTIONS

FINANCIAL DISCLOSURE STATEMENT — CANDIDATE OR POLITICAL COMMITTEE  
(see instructions on reverse side)

5

Stein 81

(full name of candidate or committee)

Identification Number

144

60 East 42nd Street

(street)

New York, N.Y. 10165

(city, state, zip code)

(Office & Political Subdivision)

(Name of Party or Independent Body)

Check if address has changed since last statement

REPORT FOR

(primary, general, special)

ELECTION ON

(date)

TYPE OF REPORT

- CHECK ONE:  Candidate itemized  
 Committee itemized  
 Candidate in-lieu-of  
 Committee in-lieu-of

CHECK ONE:

- 32-day pre-primary     32-day pre-election     January 15, 19 84  
 11-day pre-primary     11-day pre-election     May 15, 19 \_\_\_\_  
 27-day post-primary     27-day post-election     September 15, 19 \_\_\_\_

84 FEB 6 12:00

STATE OF NEW YORK BOARD OF ELECTIONS

CHECK IF APPLICABLE:

- Termination report     Amendment to \_\_\_\_\_ report

VERIFICATION

ITEMIZED

Walter McCaffrey

(name)

Treasurer

(Treasurer, Candidate, other)

Stein 81

of the  
for

(Name of committee or office or party position) state that the information contained herein being made pursuant to Article 14 of the Election Law is in all respects true to the best of my knowledge, information and belief.

Jan., 1984

(date)

Walter McCaffrey  
(signature)

IN-LIEU-OF

I, \_\_\_\_\_  
(name)

of the  
for

(Treasurer, Candidate, other)

(Name of committee or office or party position) state that I have not received nor expended more than one thousand dollars in connection with this campaign.

(date)

(signature)

ANY FALSE STATEMENT MADE IN THE WITHIN STATEMENT IS PUNISHABLE AS A CLASS A MISDEMEANOR PURSUANT TO SECTION 210.45 OF THE PENAL LAW.

SUMMARY PAGE

Candidate Statement: Complete Sections A, B, C, D. Do not include in this statement receipts and expenditures which are included in a political committee report.

Committee Statement: Complete Sections A, B, C, D, E.

Section A — RECEIPTS (this period):

LINE NO.:		Primary Election (Column A)	General or Special Election (Column B)
1	Monetary Contributions } Itemized (Schedule A1)	\$ _____	\$ 264,585.00
2	} Unitemized	\$ _____	\$ _____
3	Contributions other than money (Schedule A2)	\$ _____	\$ _____
4	Sub-total Contributions (add lines 1 through 3)	\$ _____	\$ _____
5	Refunds of Contributions (Schedule A3)	\$ = _____	\$ = _____
6	Total Contributions (subtract line 5 from line 4)	\$ _____	\$ 264,585.00
7	Loans Received this period (Schedule A4)	\$ _____	\$ _____
8	Transfers In (Schedule A5)	\$ _____	\$ 10,100.00
9	Other Receipts (Schedule A6)	\$ _____	\$ 450.00
10	Total of net receipts and contributions other than money (add lines 6 through 9)	\$ _____	\$ 275,135.00

Section B — DISBURSEMENTS (this period):

11	Itemized (Schedule B1)	\$ _____	\$ 81,595.00
12	Net campaign Disbursements and Expenditures in-kind } Unitemized	\$ _____	\$ 76.00
13	(In support of one or more candidates) } Expenditures In-Kind (Schedule A2)	\$ _____	\$ _____
14	} Refund (Schedule B2)	\$ = _____	\$ = _____
15	Total (add lines 11 through 13 less line 14)	\$ _____	\$ 81,671.90
16	Non-campaign Disbursements (constituted and party committee only)	\$ _____	\$ _____
17	Repayment of loans (Schedule B3)	\$ _____	\$ 179,500.00
18	Transfers Out (Schedule B4)	\$ _____	\$ 5,480.00
19	Total Other Disbursements (add lines 16 through 18)	\$ _____	\$ 184,980.00
20	Total of net Disbursements and Expenditures in-kind (add lines 15 and 19)	\$ _____	\$ 266,651.90

Section C — Cash Balance

LINE NO.	(Columns A & B)
Cash Balance at Beginning of this period (enter amount from previous report line 25 or if this is first report, enter zero)	\$ <u>7,375.35</u>
Total of Net Receipts and Contributions Other than Money this period (add line 10 columns A & B)	\$ <u>275,135.00</u>
Total (add line 21 and 22)	\$ <u>282,510.35</u>
Total of Net Disbursements and Expenditures in-kind this period (add line 20 columns A & B)	\$ <u>-266,651.96</u>
Cash Balance at End of this Period (subtract line 24 from line 23)	\$ <u>15,858.39</u>

Section D — Campaign Financial Status

	Primary Election (Column A)	General or Special Election (Column B)
26 Liabilities (excluding loans) Incurred THIS PERIOD which are still outstanding (Schedule C1)	\$ _____	\$ _____
27 Liabilities (excluding loans) Outstanding from PREVIOUS PERIODS (liabilities line 28 of previous report less liabilities which have been paid; if first report enter zero)	\$ _____	\$ _____
28 Total liabilities Outstanding (add lines 26 and 27)	\$ _____	\$ _____
29 Net Campaign Disbursements and Expenditures in-kind PREVIOUSLY REPORTED (enter line 31 of previous report or if this is first report enter zero)	\$ <u>1,235,886.76</u>	\$ _____
30 Net Campaign Disbursements and Expenditures in-kind THIS PERIOD (enter line 15)	\$ <u>81,671.96</u>	\$ _____
31 Total Net Campaign Disbursements and Expenditures in-kind to date (add lines 29 and 30)	\$ <u>1,317,558.72</u>	\$ _____
32 Total Net Campaign Disbursements and Expenditures in-kind to date and liabilities Outstanding (add lines 28 and 31)	\$ _____	\$ _____
33 Total loans Outstanding	\$ _____	\$ _____

SUMMARY PAGE

Section E — Allocation of Total Campaign Finances to Candidate(s) supported by this committee. (if a candidate authorization or non-authorization has not been filed for each candidate supported, such a statement must be filed with this report.)

- (1) Enter Line 32 column A on Line 54 column A; enter Line 32 column B on Line 54 column B.
- (2) List each of the candidates supported by this committee on Lines 34 thru 53.
- (3) Allocate Line 54 A to each of the candidates: enter amounts in Lines 34 through 53 Column A.
- (4) Allocate Line 54 B to each of the candidates: enter amounts in Lines 34 thru 53 column B.

OFFICE & DISTRICT	CANDIDATE		Accumulative Allocation of Campaign Finances to Candidate			
	LAST NAME	FIRST NAME	PRIMARY ELECTION (Column A)		GENERAL OR SPECIAL ELECTION (Column B)	
			amount	percent	amount	percent
B.P. Man	Stein	Andrew	1,317,558.72			
Amounts on this line & line 32 must be the same			\$1,317,558.72	100%	\$	

RECEIVED	OFFICIAL USE	CA CON CO	AI Identification	Period	P or G	Control	AMOUNT
		Corp. Relative	FULL NAME				
1/1983			Leonard Litwin			L200 Union Turnpike New Hyde Park N.Y.	2,000.00
1/83			Fred Manocherian			575 Park Avenue South NYC 10016	2,000.00
1/83			Jeffrey Glick			3000 Marcus Ave Lake Success, NY 11042	4,000.00
1/83			Hoard Rubenstein			1345 Ave of the Americas NYC	1,000.00
1/83			Julia Robinson			641 5th Avenue New York, N.Y. 10022	1,000.00
1/83			Edward Arrigoni			New York Bus Service Bronx, N.Y. 10475	1,000.00
1/83			Steve Fields			Shearson American Express 14 Wall Street New York, NY 10005	1,000.00
1/83			Orin Kramer			1 Lincoln Plaza New York, NY 10023	2,000.00
1/83			Mendik			330 Madison Avenue New York, NY 10017	600.00
1/83			Peter Solomon			55 Water Street New York, N.Y. 10041	300.00
1/83			Seymour Cohn			100 William Street New York, NY 10038	10,000.00
1/83			B.L. Schwartz			955 5th Avenue New York, N.Y. 10021	600.00
1/83			Mrs. M.F. Polayes			27 West 87th Street New York, NY 10024	150.00
1/83			Dr&Mrs Maurice Goodgold			171 West 79th Street New York, N.Y. 10024	300.00
1/83			Marjorie Sachs			196 East 75th Street NYC 10021	300.00
1/83			Judy Singer			330 West 72nd Street NYC 10023	90.00
1/83			Christopher Lee			330 West 72nd Street New York, N.Y.	135.00
1/83			Angelo C. Pajino			171 Farmingdale St Islip N.Y.	90.00
1/83			Rosemary Palino			171 Farmingdale St. Islip, NY	45.00
1/83			Esther B. Wolf			240 Central Park West NYC	100.00
1/83			Jan Levy			115 Central Park West NYC 10023	25.00
1/83			UFT			260 Park Avenue South NYC	600.00
1/83			Transport Workers			1980 Broadway	200.00
1/83			Helene+Sidney Stein			241 Central Park West NYC	500.00

TOTAL CR BALANCE FORWARD

28,035.00

RECEIVED	Corp.	Relative	FULL NAME	MAILING ADDRESS	AMOUNT
3			Alison R. Mager	500 5th Avenue NYC 10017	31,500.00
3			Peter Mager	500 5th Avenue NYC 10017	32,500.00
3			Nathan H. Mager	500 5th Avenue NYC 10017	33,300.00
3			Harry Silverman	888 7th Avenue New York, NY 10116	10,000.00
3			John Radziwill	834 5th Avenue New York, N.Y. 10021	1,000.00
3			Warner LeRoy	317 East 64th Street NYC 10021	2,000.00
3			LaRossa, Axenfeld & Mitchell	41 Madison Avenue NYC 10010	500.00
3			Admarketing Exchange Media	22 East 29th Street NYC	1,000.00
3			B.L. Schwartz	944 5th Avenue NYC 10021	1,000.00
3			Arnold Kimmel		200.00
3			Sanford M. Litvack	505 N. Village Avenue Rockville, NY	200.00
3			Kevin McGrath	330 Madison Avenue NYC	200.00
83			Sigmund Wahrsager	700 Park Avenue NYC 10021	1,500.00
3			Serres, Visione & Rice Inc.	108 Greenwich Street NYC 10016	1,000.00
17 /83			Joseph Solomon	153 East 53rd Street NYC 10022	250.00
3			Stanley M. Grossman	34 Sterling Road Harrison, NY 10528	250.00
3			Andrew G. Racz	444 East 86th Street NYC 10028	200.00
3			Benenson Capital Company	380 Madison Avenue NYC 10017	500.00
3			Herbert Rubin	40 Wall Street NYC 10005	500.00
3			Lawrence Rosenbluth	342 Madison Avenue NYC 10017	250.00
3			Bass, Ullman & Lustigman	747 3rd Avenue NYC 10017	100.00
3			Peter Fishbein	101 Woodlands Road Harrison NY 10528	500.00
3			David Muss	635 Madison Avenue NYC 10022	500.00
3			Glaser, Shandell & Blitz	521 5th Avenue	500.00
10			119,450.00	TOTAL OR BALANCE FORWARD	

RECEIVED	OFFICIAL USE	CA CON CO	A1 Identification	Period	P or G	Control
		Corp. Relative	FULL NAME		MAILING ADDRESS	AMOUNT
			Michael Singer		44 Coconut Road Palm Beach, Fl 33480	1,000.00
			Lewis Rudin		345 Park Avenue NYC 10154	2,500.00
			Bernstein, Litowitz berger		99 Park Avenue NYC 10016	500.00
			Virgil Gladieux		2630 Lasket Rd Toledo, Ohio 43613	1,000.00
			S. Kornreich & Sons, Inc		919 3rd Avenue NYC 10022	1,000.00
			Arnold Stream		717 3rd Avenue NYC 10017	250.00
			Helen Guthrie		521 5th Avenue NYC	1,000.00
			Lawrence Levine		40 East 38th Street NYC 10016	100.00
			Leo Jaffee		711 5th Avenue NYC 10022	100.00
			Potamkin Cadillac		11th Ave at 54th Street NYC 10019	1,000.00
			Selig S Burrows		514 West 49th Street NYC 10019	250.00
			Joseph S. Robinson		375 Park Avenue NYC 10152	100.00
			Nelson Seitel		111 8th Avenue NYC 10011	200.00
			Richard J. Fay		481 Westchester Ave Crestwood, NY 10707	2,500.00
			Charles Allen, Jr.		711 5th Avenue NYC 10022	1,000.00
			Leon Dematteis		820 Elmont Road, Elmont, NY 11003	1,000.00
			Jeffrey E. Epstein		265 East 66th Street NYC 10021	1,000.00
			Mcmahan, Brafman, MOrgan & Co.		40 Wall Street NYC 10005	1,000.00
			Bernard H. Mendik		330 Madison Avenue NYC 10017	5,000.00
			Harvey Rosen		220 Madison Avenue NYC 10016	500.00
			Shorenstein & Shorenstein		595 Madison Avenue NYC 10022	100.00
			Stephen E. Smith		125 Park Avenue NYC 10017	1,000.00
			Abraham Shrader		530 7th Avenue NYC 10018	1,000.00
			Robert S. Pirie		Aquila Farm Hamilton, Mass. 01936	250.00
			23,350.00	TOTAL OR BALANCE FORWARD		



RECEIVED	Corp.	Relative	FULL NAME	MAILING ADDRESS	AMOUNT
83			Charles Kotick	230 Park Avenue NYC	1,500.00
83			Harold and Ruth Lubell	500 East 77th Street NYC 10162	1,000.00
83			Lawrence Spellman	22 West 96th Street NYC 10025	1,000.00
83			Saul Pearce	230 Park Avenue NYC	1,000.00
83			Alan Aronsohn	200 East 82nd Street NYC	1,000.00
83			Mathew Silverman	230 Park Avenue	1,000.00
83			A. Irving		1,000.00
83			William Messino, Gloria Josephson	745 5th Avenue NYC	7,500.00
83			Robert Edwards	460 Sylvan Ave, Englewood Cliffs, N.J.	500.00
83			Alice Sachs		50.00
83			Tanebaum Harber Co	221 West 57th Street NYC	100.00
83			Tufo & Zuccotti	645 Madison Avenue NYC 10022	4,000.00
83			KSB Broadway Associates	165 Duane Street NYC 10013	10,000.00
83			HRO International	575 Madison Avenue NYC 10022	10,000.00
83			Arthur Emil	791 Park Avenue NYC	2,500.00
83			Peter Kalikow	101 Park Avenue NYC	2,000.00
83	X		Timex Garage Corp	50 Park Avenue NYC	1,500.00
83	X=		Rollex Garage Corp	345 East 80th Street NYC	1,500.00
83	X		Kalikow Construction Corp.	101 Park Avenue NYC	1,500.00
83			500 Park Avenue Associates	90 Park Avenue NYC	1,500.00
83			H.J. Kalikow	101 Park Avenue NYC	2,000.00
83			Minor Associates	Rockefeller Plaza NYC	100.00
83			Ed Downe		25,000.00
1/83			Carol Realty		2,000.00
			79,250.00 TOTAL OR BALANCE FORWARD		

FICIAL USE	CA CON CO	A1 Identification	Period	PorG	Control
REIVED	Corp. Relative	FULL NAME	MAILING ADDRESS		AMOUNT
83		Sidney E. Cohn	1370 Ave of the Americas NYC 10019		250.00
83		Mulligan & Jacobson	25 West 45th Street NYC 10036		250.00
83		Civil Service Ret. Emp. Assoc.	267 Broadway NYC 10007 ,		200.00
83		Leonard Toboroff, P.C.	425 Park Avenue NYC		100.00
83		Saul Shames	767 3rd Avenue NYC. 10017		200.00
83		Abraham Hirschfeld	336 East 61st Street NYC 10021		500.00
83		Aaron J. Broder	350 5th Avenue		1,000.00
83		Kenpart Realty	909 3rd Avenue		2,000.00
83		Technicolor Service	2049 Central Park East Los Angeles, Ca.		5,000.00
84		575 5th Ave Associates	111 Great Neck Road Great Neck NY		5,000.00
<b>TOTAL OR BALANCE FORWARD</b>					<b>264,585.00</b>

RECEIVED	FULL NAME	MAILING ADDRESS	AMOUNT
	New Yorkers for Stein		10,000.00
83	Stanley Michaels, Friends of		100.00
			TOTAL 10,100.00

**OTHER RECEIPTS**

SCHEDULE A-

RECEIVED	FULL NAME	MAILING ADDRESS	AMOUNT	TYPE OF RECEIPT
83	Broadway Palace Co.	1564 Broadway New York, NY	450.00	refund tickets
			TOTAL	450.00

PAID	FULL NAME	MAILING ADDRESS	AMOUNT	REFUNDED
<b>TOTAL</b>				

**REPAYMENT OF LOANS**

PAID	FULL NAME	MAILING ADDRESS	AMOUNT	DATE OF LOAN
2/83	Andrew Stein	38 East 85th Street NYC	20,000.00	
3/83	Andrew Stein	38 East 85th Street NYC	5,000.00	
9/83	Andrew Stein	38 East 85th Street NYC	25,000.00	
7/84	Andrew Stein	38 East 85th Street NYC	10,000.00	
			179,500.00	
<b>TOTAL</b>			179,500.00	

**TRANSFERS OUT**

CA	TRO A1	Identification	Period	P or G
PAID	FULL NAME	MAILING ADDRESS	AMOUNT	
33	Human Rights Campaign Fund			150.00
33	Pulaski Associates	61-60 56th Road Masbeth, NY 11378		100.00
'83	Lamda Ind. Democrats			50.00
'83	New Dem Club			125.00
'83	VID			100.00
'83	Jefferson Dem Club			400.00
'83	Friends of Carolyn Maloney			70.00
34	Independent Democratic Club			100.00
34	Gay Mens Health Crisis			50.00
34	New Democratic Coalition			200.60
34	Gay Mens Health Crisis			100.00
<b>TOTAL</b>				5,480.00

PAID	FULL NAME	MAILING ADDRESS	AMOUNT REFUNDED
1/83	Broadway Palace Co	1564 Broadway New York, N.Y. 10036	450.00
<b>TOTAL</b>			

**REPAYMENT OF LOANS**

PAID	FULL NAME	MAILING ADDRESS	AMOUNT	DATE OF
1/83	Andrew Stein	38 East 85th Street NYC	25,000.00	
2/83	Andrew Stein	38 East 85th Street NYC	1,500.00	
1/83	Andrew Stein	38 East 85th Street NYC	21,000.00	
7/83	Andrew Stein	38 East 85th Street NYC	27,000.00	
7/83	Andrew Stein	38 East 85th Street NYC	25,000.00	
10/83	Andrew Stein	38 East 85th Street NYC	20,000.00	
<b>TOTAL</b>				

**TRANSFERS OUT**

CA	TRO A1	Identification	Period	P or G
CO	FULL NAME	MAILING ADDRESS	AMOUNT	
83	Committee to elect J. Birnbaum			100.00
83	Friends of James McManus	319 West 48th Street NYC		500.00
83	NAACP Show of Shows			100.00
83	Liberal Party	1560 Broadway		2,500.00
83	Committee for Alicea+Quinn			20.00
83	Friends of Stern+Gonzalez	656 West 181st Street NYC		20.00
83	Community Free Democrats	506 Amsterdam Ave New York, N.Y.		120.00
83	Friends of Gonzalez	656 West 181st Street New York, N.Y.		75.00
83	Committee for Elaine Parker			100.00
83	GLID			300.00
83	GMHC Rodeo Program			200.00
<b>TOTAL</b>				

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PAID	FULL NAME	MAILING ADDRESS	AMOUNT	PURPOSE OF DISBURSEMENT
/83	Town and Village	235 Park Avenue South NYC	1,176.00	newspaper ad
/83	D. H. Sawyer Associates		6,000.00	
/83	Goldmark Group	6 West 18th Street NYC	1,000.00	printing
23	Postmaster	GPO New York, N.Y.	1,400.00	
83	Sierra Club		100.00	
83	Goldmark Group	6 West 18th Street NYC	2,750.00	printing
83	Dance Base Inc.	276 Riverside Drive NYC 10025	185.00	contribution
83	Postmaster	GPO New York, N.Y.	2,000.00	postage
19/83	Postmaster	GPO New York, N.Y.	1,000.00	postage
20/83	NY Gay Vote		175.00	ad
23/83	Petty, Cash		350.00	reimbursed expenses
23/83	Jewish Press	338 3rd Avenue Brooklyn, NY	600.00	ad
31/83	Modernage	325 East 46th Street NYC 10017	82.50	photos
1/83	Postmaster	GPO New York, N.Y.	310.00	postage
2/83	Andrew Stein	38 East 85th Street NYC NYC	951.35	reimbursed expenses
14/83	OSI	575 Lexington Avenue NYC 10022	665.00	computer expenses
19/83	Community Herald	110 East 23rd Street NYC	50.00	ad
19/83	John Paul Center	103 East 7th Street NYC	100.00	contribution
19/83	I.W.A.N.A. Help	19 Cliff Street NYC	100.00	contribution
19/83	Postmaster	GPO New York, NY	700.00	postage
19/83	Michael Battaglino	315 7th Avenue NYC	250.00	reimbursed expenses
28/83	O.S.I.	575 Lexington Avenue NYC 10022	250.00	computer expenses
9/83	American Jewish Congress	15 East 84th Street NYC	300.00	contribution
10/8/83	Petty Cash		250.00	reimbursed stamps
11/19/83	Christmas Tree Fund	350 West 125th Street NYC	100.00	contribution
12/20/83	Palace Theatre	Broadway at 47th Street NYC	13,500.00	fund raising expense
12/20/83	David Grodhulski	713 Humboldt Street Brooklyn, NY	78.00	reimbursed expenses
12/23/83	O.S.I.	575 Lexington Avenue NYC	661.78	computer expenses
	34,084.63	TOTAL OR BALANCE FORWARD		

8 4 0 DISBURSEMENTS 8 4 1

PAID	FULL NAME	MAILING ADDRESS	AMOUNT	PURPOSE OF DISBURSEMENT
12/27/83	John Paul Frnd. Center	103 East 7th Street NYC	75.00	contribution
12/22/83	La Famille	2017 5th Avenue NYC	500.00	Sen Cit. Event
12/22/83	Brill Liquor	150 Chambers Street NYC	268.11	
12/22/83	Zale Koff Graphics	435 Hudson Street NYC	3,000.00	printing
1/1/83	D. Sawyer Associates		5,000.00	consultant
1/83	Postmaster	G.P.O. New York, N.Y.	2,000.00	postage
1/83	Election Computer Services	575 Lexington Avenue NYC	2,826.00	computer service
1/83	Election Computer Services	575 Lexington Avenue NYC	728.65	computer service
1/83	Harry Cotlen		240.00	computer list
1/83	Maris Clark		240.00	" "
1/83	Lillian Rouplis		240.00	" "
1/83	William Devalle		240.00	" "
1/83	J. Van Ness		210.00	" "
1/83	Frank Urso		200.00	" "
1/83	Alfred Hughes		150.00	art work
1/83	Postmaster	GPO NYC	800.00	postage
1/84	Postmaster	GPO NYC	1,000.00	postage
1/84	Elaine Parker		61.06	reimbursed expenses
1/84	D.S.I.	575 Lexington Avenue NYC	2,000.00	computer service
1/84	Postmaster	G.P.O NYC	2,000.00	postage
1/84	Zale Koff Graphics Inc.	435 Hudson Street NYC	10,000.00	printing
1/84	East 3rd Street Association		100.00	contribution
1/84	Mandlers	222 Grand Street NYC	51.90	supplies
1/84	Postmaster	G.P.O. NYC	2,000.00	postage
33,900.72			TOTAL OR BALANCE FORWARD	

PAID	FULL NAME	MAILING ADDRESS	AMOUNT	PURPOSE OF DISBURSEMENT
9/83	Tom Cusick	PO Box 1597 NYC	185.00	reimbursed expenses
5/83	Democratic Academy	Washington, D.C.	125.00	contribution
3	Pat Pacifico	747 10th Avenue NYC	125.00	reimbursed expenses
3.	Michael Battaglino	315 7th Avenue NYC	520.00	reimbursed expenses
3	Postmaster	G.P.O. NYC	7,000.00	postage
83	Nat. Alliance against Violence		300.00	contribution
83	W. 59th St Park Committee		100.00	contribution
783	Uptown Press	833 1st Street NYC	181.00	ad
783	David Grochulski	713 Humboldt Street Brooklyn, NY	141.00	reimbursed expenses
783	Board of Elections	131 Varick Street NYC	257.71	lists
783	Irvington House Institute		135.00	contribution
783	Postmaster	G.P.O.	1,150.00	postage
83	Sophie Berkowitz		210.00	comp. list
783	Vernice Fowler		210.00	
783	Florence Feinstein		210.00	
783	Rene Noona		240.00	
783	Tammy Martin		240.00	
783	Martha Rubin		180.00	
783	Geraldine Moses		210.00	
783	Adolph Gross		210.00	
783	Barbara Bruno		180.00	
783	Cynthia Adamick		240.00	
783	Doreen Bookum		240.00	
783	Louise Flores		240.00	
783	John Vega		210.00	
783	Maria Velazquez		210.00	
783	Patricia Tambakis		150.00	
783	Jean Shevlin		210.00	

13,609. 71

TOTAL OR BALANCE FORWARD



STATE OF NEW YORK  
BOARD OF ELECTIONS  
FINANCIAL DISCLOSURE STATEMENT - CANDIDATE OR POLITICAL COMMITTEE  
(see instructions on reverse side)

STEIN - '81  
(full name of candidate or committee)

Identification Number

144

60 East 42nd Street  
(street)

President Borough of Manhattan  
(Office & Political Subdivision)

New York, N.Y. 10165  
(city, state, zip code)

Democrat  
(Name of Party or Independent Body)

Check if address has changed since last statement

REPORT FOR \_\_\_\_\_ ELECTION ON \_\_\_\_\_  
(primary, general, special) (date)

TYPE OF REPORT

- CHECK ONE:
- Candidate itemized
  - Committee itemized
  - Candidate in-lieu-of
  - Committee in-lieu-of

CHECK ONE:

- 32-day pre- primary     32-day pre- election     January 15, 19 ~~82~~
- 11-day pre- primary     11-day pre- election     May 15, 19 \_\_\_\_
- 27-day post-primary     27-day post-election     September 15, 19 \_\_\_\_

CHECK IF APPLICABLE:

- Termination report
- Amendment to \_\_\_\_\_ report

VERIFICATION

ITEMIZED

Walter McCaffrey  
(name)  
Treasurer of the  
(Treasurer, Candidate, other) for  
Stein '81

IN-LIEU-OF

I, \_\_\_\_\_  
(name)  
\_\_\_\_\_ of the  
(Treasurer, Candidate, other) for  
\_\_\_\_\_

(Name of committee or office or party position) state that the information contained herein being made pursuant to Article 14 of the Election Law is in all respects true to the best of my knowledge, information and belief

(Name of committee or office or party position) state that I have not received nor expended more than one thousand dollars in connection with this campaign.

Jan 15, 1983  
(date)

*Walter McCaffrey*  
(signature)

\_\_\_\_\_  
(date)

\_\_\_\_\_  
(signature)

ANY FALSE STATEMENT MADE IN THE WITHIN STATEMENT IS PUNISHABLE AS A CLASS A MISDEMEANOR PURSUANT TO SECTION 210.45 OF THE PENAL LAW.

SUMMARY PAGE

Section E - Allocation of Total Campaign Finances to Candidate(s) supported by this committee. (If a candidate authorization or non-authorization has not been filed for each candidate supported, such a statement must be filed with this report.)

- (1) Enter Line 32 column A on Line 54 column A; enter Line 32 column B on Line 54 column B.
- (2) List each of the candidates supported by this committee on Lines 34 thru 53.
- (3) Allocate Line 54 A to each of the candidates: enter amounts in Lines 34 through 53 Column A.
- (4) Allocate Line 54 B to each of the candidates: enter amounts in Lines 34 thru 53 column B.

OFFICE & DISTRICT	CANDIDATE  LAST NAME                  FIRST NAME		Accumulative Allocation of Campaign Finances to Candidates:			
			PRIMARY ELECTION (Column A)		GENERAL OR SPECIAL ELECTION (Column B)	
			amount	percent	amount	percent
B. P. -MAN.	STEIN	ANDREW	1,187,427.80	100%		
Amounts on this line & line 32 must be the same			\$ 1,187,427.80	100%	\$	100%

## SUMMARY PAGE

Candidate Statement: Complete Sections A, B, C, D. Do not include in this statement receipts and expenditures which are included in a political committee report.

Committee Statement: Complete Sections A, B, C, D, E.

## Section A — RECEIPTS (this period):

LINE NO.:		Primary Election (Column A)	General or Special Election (Column B)
1	Monetary Contributions } Itemized (Schedule A1)	\$ 269,415.63	\$
2	} Unitemized	\$	\$
3	Contributions other than money (Schedule A2)	\$	\$
4	Sub-total Contributions (add lines 1 through 3)	\$ 269,415.63	\$
5	Refunds of Contributions (Schedule A3)	\$-	\$-
6	Total Contributions (subtract line 5 from line 4)	\$ 269,415.63	\$
7	Loans Received this period (Schedule A4)	\$	\$
8	Transfers In (Schedule A5)	\$	\$
9	Other Receipts (Schedule A6)	\$	\$
10	Total of net receipts and contributions other than money (add lines 6 through 9)	\$ 269,415.63	\$

## Section B — DISBURSEMENTS (this period):

11	Itemized (Schedule B1)	\$ 90,393.16	\$
12	Net campaign Disbursements and Expenditures in-kind } Unitemized	\$ 446.58	\$
13	(In support of one or more candidates) } Expenditures In-Kind (Schedule A2)	\$	\$
14	Refund (Schedule B2)	\$-	\$-
15	Total (add lines 11 through 13 less line 14)	\$ 90,839.74	\$
16	Non-campaign Disbursements (constituted and party committee only)	\$	\$
17	Repayment of loans (Schedule B3)	\$ 136,500.00	\$
18	Transfers Out (Schedule B4)	\$ 63,385.53	\$
19	Total Other Disbursements (add lines 16 through 18)	\$ 199,885.53	\$
20	Total of net Disbursements and Expenditures in-kind (add lines 15 and 19)	\$ 290,725.27	\$

Section C — Cash Balance

LINE NO.	(Columns A & B)
Cash Balance at Beginning of this period (enter amount from previous report line 25 or if this is first report, enter zero)	\$ <u>21,324.75</u>
Total of Net Receipts and Contributions Other than Money this period (add line 10 columns A & B)	\$ <u>269,415.63</u>
Total (add line 21 and 22)	\$ <u>290,740.38</u>
Total of Net Disbursements and Expenditures in-kind this period (add line 20 columns A & B)	\$ <u>-290,725.27</u>
Cash Balance at End of this Period (subtract line 24 from line 23)	\$ <u>15.11</u>

Section D — Campaign Financial Status

	Primary Election (Column A)	General or Special Election (Column B)
26 Liabilities (excluding loans) Incurred THIS PERIOD which are still outstanding (Schedule C1)	\$ _____	\$ _____
27 Liabilities (excluding loans) Outstanding from PREVIOUS PERIODS (liabilities line 28 of previous report less liabilities which have been paid; if first report enter zero)	\$ _____	\$ _____
28 Total liabilities Outstanding (add lines 26 and 27)	\$ _____	\$ _____
29 Net Campaign Disbursements and Expenditures in-kind PREVIOUSLY REPORTED (enter line 31 of previous report or if this is first report enter zero)	\$ <u>1,096,588.06</u>	\$ _____
30 Net Campaign Disbursements and Expenditures in-kind THIS PERIOD (enter line 15)	\$ <u>90,839.74</u>	\$ _____
31 Total Net Campaign Disbursements and Expenditures in-kind to date (add lines 29 and 30)	\$ <u>1,187,427.80</u>	\$ _____
32 Total Net Campaign Disbursements and Expenditures in-kind to date and liabilities Outstanding (add lines 28 and 31)	\$ <u>1,187,427.80</u>	\$ _____
33 Total loans Outstanding	\$ <u>366,500.00</u>	\$ _____

MONETARY CONTRIBUTIONS

RECEIVED	OFFICIAL USE	CA CON CO	A1 Identification	Period	P or G	Control	AMOUNT
RECEIVED	Corp.	Relative	FULL NAME	MAILING ADDRESS			
8/82			Sterling Equity	1615 Northern Blvd., Manhasset, NY			5,000.00
14/82			Jand D Realty	101 West 55th Street, New York, N.Y. 10019			10,000.00
29/82			Builtland Partners	30 Rockefeller Plaza, New York, N.Y. 10015			10,000.00
29/82			Solstead Associates	360 Park Avenue S. NYC 10022			10,000.00
30/82			George Klein	115 Central Park West, New York, N.Y. 10023			10,000.00
30/82			Sterling Equity	1615 N. Blvd. Manhasset, N.Y.			5,000.00
31/82			Harry Macklowe	305 East 46th Street, New York, N.Y. 10017			5,000.00
13/82			Minskoff Theatre	200 West 45th Street, New York, N.Y. 10018			5,000.00
13/82			U.T. Associates	1564 Broadway New York, N.Y.			5,000.00
13/82	X		Lunt Theatre Corp.	1564 Broadway, New York, N.Y.			5,000.00
13/82	X		American Theatre Press Inc.	100 Sixth Avenue, New York, N.Y.			5,000.00
13/82			Lee and Lizbeth Stevens	8 East Road, Kingpoint, N.Y.			2,500.00
20/82			Builtland Partners	30 Rockefeller Plaza, NYC			5,000.00
20/82	X		Morrisania Bus Service Inc.	N.E. Thruway, Bronx, N.Y. 10475			3,500.00
20/82	X		Edmin Realty Corp.	N.E. Thruway, Bronx, N.Y. 10475			1,500.00
20/82	X		Ferdinand Arrigoni, Inc	N.E. Thruway, Bronx, N.Y. 10475			5,000.00
20/82			Delbert W. Coleman	111 East Chestnut Street, Chicago, Ill. 60611			1,000.00
20/82			Sheldon Gordon	1801 Century Pk. East, Los Angeles, Ca.			10,000.00
21/82	X		Arol Development Corp.	201 Bronx Terminal Market, Bronx, N.Y. 10451			5,000.00
21/82			Newton Glekel	680 Fifth Avenue, New York, N.Y. 10019			25,000.00
23/82			Peter S, Kalikow	90 Park Avenue, New York, N.Y. 10016			5,000.00
23/82			K.T. Elghanayan	309 East 45th Street New York, N.Y. 10017			5,000.00
23/82			Burt Abrams	599 Madison Avenue NYC 10022			25,000.00
23/82	X		2 Broadway Company	245 Park Avenue, New York, N.Y. 10167			5,000.00

TOTAL OR BALANCE FORWARD

MONETARY CONTRIBUTIONS

OFFICIAL USE		CA CON CO	A1 Identification	Period	P or G	Control
DATE RECEIVED	Corp.	Relative	FULL NAME	MAILING ADDRESS		AMOUNT
1/23/82	X		Maiden Lane Company	245 Park Avenue, New York, N.Y. 10167		5,000.00
1/23/82			Glick Development Affiliates	3000 Marcus Ave., Lake Success, NY 11042		5,000.00
1/28/82			Parviz Yaghoubzadeh	475 Park Avenue South, New York, N.Y.		10,000.00
1/4/82			Alice Lawrence	870 U.N. Plaza, New York, NY 10017		5,000.00
1/5/82			Seymour Cohen	100 William Street New York, N.Y.		5,000.00
1/12/82			Jayne McGrath	41 West 96th Street, New York, N.Y. 10025		1,000.00
1/12/82			Kenpart Realty	900 Third Avenue, New York, N.Y. 10022		2,000.00
1/12/82			Bonnie & Steven Bauman	144 East 84th Street, New York, N.Y. 10028		7,500.00
1/14/82			George and Edna Daly	20 East 74th Street, New York, NY 10023		7,500.00
1/14/82	X		Towpart Realty Corp.	909 Third Ave. New York, NY 10022		2,000.00
1/14/82			Alexander & Joan Coleman	1 Gracie Terrace New York, N.Y. 10028		2,000.00
1/14/82			Norman and Helen Elowitz	1500 Palisade Ave. Ft. Lee, NJ 07024		5,000.00
1/14/82			Alex Coleman	1 Gracie Terrace, New York, N.Y. 10028		3,000.00
1/12/82	X		Taft Apartments, Inc.	909 Third Avenue, NYC 10022		2,000.00
1/15/82			Solstead Associates	360 Park Avenue, New York, N.Y. 10022		10,000.00
1/7/82			Burt Abrams	598 Madison Ave. NYC 10022		10,000.00
1/2/82			Kenpart Realty	909 Third Avenue, NYC 10022		2,000.00
1/2/82			Nederlander	208 West 41st Street NYC 10036		1,790.00
1/8/82	X		Cub Stationers, Inc.	159 East 170th St, Bronx, N.Y.		50.00
1/8/82			Ted Zeichner	620 East 20th Street, NYC		25.00
1/8/82			Friends of Dick Gottfried	130 CPW NYC 10023		50.00
TOTAL OR BALANCE FORWARD						269,415.63

REFUNDS OF DISBURSEMENTS

SCHEDULE B2

DATE FUNDED	FULL NAME	MAILING ADDRESS	AMOUNT REFUNDED
<b>TOTAL</b>			

REPAYMENT OF LOANS

SCHEDULE B3

DATE PAID	FULL NAME	MAILING ADDRESS	AMOUNT	DATE OF LOAN
1/82	Andrew Stein		23,000.00	
1/82	Andrew Stein		8,000.00	
7/82	Andrew Stein		32,500.00	
10/82	Andrew Stein		66,000.00	
1/82	Andrew Stein		5,000.00	
2/82	Andrew Stein		2,000.00	
<b>TOTAL</b>			136,500.00	

TRANSFERS OUT

SCHEDULE B4

DATE PAID	FULL NAME	MAILING ADDRESS	AMOUNT
2/82	Friends Of Bob Dryfoos		100.00
2/82	Committee to Elect Nadler	c/o/Goldstein.131 East 96th St NYC	150.00
10/82	Friends of Eliot Engel	Post Office Box 74, Bronx, N.Y.	750.00
1/82	Committee to Elect Robert Rodriguez	203 East 116th St. NYC 10029	500.00
7/82	Community Free Democrats	320 Central Park West, NYC 10024	100.00
1/82	New Democratic Club	224 East 47th Street NYC 10017	120.00
1/82	New Way Democratic Club		75.00
5/82	McCall Campaign '82	c/o Fife 25 CPW NYC 10023	500.00
1/82	Committee to Elect Gadsen	366 St. Nicholas Avenue NYC	500.00
4/82	G.L.I.D.	225 West 48th Street NYC 10036	90.00
12/82	Friends of Dick Gottfried	131 West 72nd Street NYC 10023	100.00
5/82	Committee to Elect Rose Dubinsky	278 First Avenue NYC	575.00

REFUNDS OF DISBURSEMENTS

SCHEDULE B

DATE FUNDED	FULL NAME	MAILING ADDRESS	AMOUNT REFUNDED
<b>TOTAL</b>			

REPAYMENT OF LOANS

SCHEDULE B

DATE PAID	FULL NAME	MAILING ADDRESS	AMOUNT	DATE OF LOAN
<b>TOTAL</b>				

TRANSFERS OUT

SCHEDULE

OFFICIAL	CA	TRO A1	Identification	Period	P or G
DATE PAID	FULL NAME	MAILING ADDRESS	AMOUNT		
1/8/82	Chelsea Reform Democratic Club	249 West 23rd Street, NYC 10011	50.00		
1/21/82	Sterling		26,500.00		
1/22/82			28,714.44		
1/18/82			2,366.65		
1/2/82			2,044.44		
1/10/83	Democratic Association	178 Hester Street, NYC	150.00		
<b>TOTAL</b>			<b>63,385.53</b>		



DISBURSEMENTS

SCHEDULE B1

DATE PAID	FULL NAME	MAILING ADDRESS	AMOUNT	PURPOSE OF DISBURSEMENT
1/8/82	D.H. Sawyer & Associates Ltd.	60 West 55th Street NYC	10,000.00	Media
		9/22/82	10,000.00	Media
		10/14/82	20,000.00	Media
		11/15/82	10,000.00	Media
		12/8/82	10,000.00	Media
1/7/82	Clark & Fritz	229 West 28th Street, NYC 10001	614.56	Printing
1/30/82	Zale Koff Graphics	435 Hudson Street NYC	1,000.00	Printing
1/28/82	C.T.F. Printing	150 Varick Street, NYC	351.81	Printing
1/7/82	Gail Paris	40 West 96th Street, NYC 10025	350.00	Personal Services
1/7/82	Avis Car Rental	1775 Broadway, NYC	1,928.60	Transportation
		7/21/82	2,007.00	Transportation
1/7/82	Parking Violation Bureau	P.O.Box 2135, NYC 10016	299.00	Transportation
	Olins Rent a Car	202 West 76th Street, NYC 10023	750.00	Transportation
1/30/82	Hagedorn	235 Park Ave. So., NYC	150.00	Advertising
1/14/82	Jewish Press	388 Third Ave., Brooklyn, N.Y.	600.00	Advertising
2/15/82	Enlightenment Press	56 West 22nd Street, NYC 10010	224.70	Advertising
5/5/82	46th Street Theatre		8,437.50	Theatre Rental
9/22/82	David Tarlow & Co.	60 East 42nd St., NYC 10017	3,500.00	Accounting
10/6/82	U.F.T.	260 Park Avenue South, NYC	422.00	Phones
10/6/82	Post Office	G.P.O. NYC 10001	500.00	Stamps
7/30/82	N.Y.C.C.S.R.E.A.		162.50	Contribution
7/30/82	Farley Fund		50.00	Contribution
9/16/82	N.A.A.C.P.		100.00	Contribution
12/29/82	Human Rights Campaign		300.00	Contribution
10/29/82	Uptown Chamber of Commerce	310 Lenox Avenue, NYC	100.00	Contribution
1/8/82	100 Black Men	1515 Broadway, NYC 10036	125.00	Contribution
1/17/82	St Nicholas Pk Civic Assoc	1 Convent Avenue, NYC 10027	118.00	Contribution
1/22/82	City Meals on Wheels		50.00	Contribution

TOTAL OR BALANCE FORWARD

DISBURSEMENTS

SCHEDULE B1

DATE PAID	FULL NAME	MAILING ADDRESS	AMOUNT	PURPOSE OF DISBURSEMENT
1/22/82	Mary Manning Walsh Home		50.00	Contribution
1/12/82	Elaine Parker	2311 5th Avenue, NYC	150.00	Personal Services
2/15/82	Keith Francis Caters	78 West 120th Street, NYC 10027	350.00	Reception
2/15/82	Board of Elections	Varick Street, NYC	255.00	Books
3/29/82	Stanley Pinsley	317 West 82nd Street NYC	500.00	Media
7/82	Our Town	1751 Second Avenue, NYC	2,500.00	Advertising
		11/23/82	1,547.49	Advertising
			2,500.00	Advertising
1/15/82	Cash		400.00	Stamps

TOTAL OR BALANCE FORWARD \$90,393.16

MAILING LABEL

## 'Best mom' contest is now underway

T&V's annual "Mother of the Year" contest is in its second week, and entries are pouring in from local best, she's never been a pest, she takes good care of me, on this we all agree" rhymes eight-year-old Rachel Passaretti, 510 East 20th Street. May 4 is the deadline for all entries. The winning mother will be announced in T&V just prior to Mother's Day.

In order to enter the contest, write in 200 words or less "why you consider your Mom to be the best." Send all letters to Town & Village, 235

Park Avenue South, New York, N.Y. 10003. All entries must include the name, address and phone numbers of both the writer and his or her nominee for "Mother of the Year."

Among the many prizes to be awarded to the winning mother are these gifts, donated by local merchants: 2 HOT KOSHER BARB-QUED CHICKENS, Zooky's Delicatessen, 180 3rd Ave. (16-17 St.); \$20 GIFT CERTIFICATE, Bloom & Krup, 206 First Ave. (12-13 St.); \$10 GIFT CERTIFICATE, H

Delman Shoes, 233 First Ave., at 14 St.; \$45 PERM OR BODY WAVE & RESTYLING, Mark's Hair Stylists, 334 1st Ave., at 19 St.; DISH GARDEN, Flowers by Twilight, 334 East 20th St. (nr. 1st Ave.); G.E. AUTOMATIC JUICER, Vercesi Hardware, 152 East 23rd St. (Lex 3rd Ave.); BRUNCH FOR TWO, P. J. Reynolds Restaurant, 345 Second Ave., (20th St.); COMPLETE LUNCH FOR TWO, Frank's Trattoria, 347 First Ave. (20-21 St.); DIN- NER ENTREES FOR TWO,

Cafe Del Prado, 322 E. 14th St. (1st-2nd); STYLING, CUT., SHAMPOO & SET, Chaz-Vito Hairstylists, 300 Second Ave. (22-23 St.); \$10 GIFT CERTIFICATE, Gramercy Pharmacy, 343 First Ave. (20 St.); \$10 GIFT CERTIFICATE, M.H. Lamston, Inc., 375 Third Ave. (21-22 St.); 9 PIECE FAMILY DINNER, Rego's Roast, 200 First Ave. at 15th St.; \$10 GIFT CERTIFICATE, Gramercy Park Flower Shop, 280 Third Ave. (cor. 21st St.); \$20 GIFT CERTIFICATE.

Continued on Page 16

Win month's free rent

Starting this week a lucky area resident will have a chance to win \$25. All you need is your Social Security number.

Even if you don't win \$25 you still have a chance to win T&V's top-prize — one month's free rent. It's exciting game. For details see pages 20 and 21.



# Town & Village



VOL. 37, NO. 21

NEW YORK, NEW YORK, APRIL 19, 1984

25 CENTS

## SPECIAL REPORT

# Stein Election Group May Have Violated Federal Law

Manhattan Borough President Andrew Stein's campaign committee called Stein '81 (the year he was elected Borough President) may have violated Federal election laws in the past year as it collected over \$500,000 in contributions, repaid \$300,000 to Stein, and spent \$140,000 as if Stein were running for the congressional seat in the 15th C.D. which encompasses the area.

Federal election law limits individual contributions to congressional campaigns to \$1000 per primary or general election. Corporations and union contributions are strictly prohibited. Once a person spends over \$5000 under Federal law, he officially becomes a candidate.

Stein's campaign committee has both received many contributions over the \$1,000 federal limitation and spent in excess of the \$5,000 to become a candidate. The Stein committee is, though, organized under state law where no limitation for contributions exists.

The contributions in the last year extraordinarily

high with one family giving the Stein fund about \$100,000. Nathan H. Mager, a former employee of Stein's father, Jerry Finkelstein, gave \$33,000; his daughter, Allison R. Mager, contributed \$31,500, and his son, Peter Mager, chipped in with \$32,500. Other contributions, mostly wealthy realtors and corporations gave huge amounts (see lists inside). None of the contributions are deductible expenses according to the Internal Revenue Service.

Stein denies that any money collected was used to further his congressional ambitions, although his disbursements during the period reads like a major campaign.

A media consultant during Stein's race for Borough President in 1981 was paid a whopping \$146,000. The same media consultant, D. Sawyer, was paid in the last year \$40,000 besides \$60,000 in 1982. Stein claims that the payment in 1982 was for disputed bill left over from his campaign back in 1981 for Borough President against David Dinkens who he narrowly defeated after spending over \$1

million.

The 1981 campaign did not cost Stein anything as he has been repaid by the campaign fund for any money that he expended. Stein borrowed \$525,000 in July, 1981, from Manufacturers Hanover Trust Company at 1 percent over a commercial rate loan.

Stein was paid back \$567,077 from his campaign fund, although he had only put in \$520,000. The extra \$47,077, his lawyer says, is interest costs. The lawyer, Thomas J. Schwarz of the firm of Skadden, Arps, Slate, Meagher, & Flom, 913 Third Avenue, who is reputed to be a leading election law specialist, said, "Since not all of the loan (\$520,000) from Manufacturers to Mr. Stein was further loaned by Mr. Stein to Stein '81 (campaign fund) not all of the interest on the loan would be reimbursed by Stein '81 to Mr. Stein."

Stein and his lawyer would not permit this newspaper to talk to Manufacturers about any aspect of the loan and whether the loan and interest was repaid and who may have guaranteed the personal loan for Stein. Three requests by Town & Village were made and rejected. Stein said there were no guarantors who would be responsible if he did not pay back Manufacturers. It is bank policy not to discuss financial dealings of a customer

Continued on Page 32

OST WEDNESDAY APRIL 18, 1984

## STEIN TO RUN FOR CONGRESS

By GEORGE ARZT

MANHATTAN Borough President Andrew Stein has decided — after two weeks of second thoughts — to run for Congress in Manhattan's East Side "Silk Stocking" district.

Friends said Stein finally decided to make the race after taking a poll that showed him behind but within striking distance of incumbent Republican S. William Green.

"A second look was taken, and everyone agreed this was the right thing to do as we're moving ahead," said an associate.

Stein still faces many opponents including Betty Mermaid, Hubert Bob T. er

The New York Post reported in its Wednesday edition that Manhattan Borough President Andrew Stein had ended a two week period of second thoughts and decided to officially enter the Democratic primary for Congress in the 15th district.

The Post reported, "Friends said Stein finally decided to make the race after taking a poll that showed him behind but within striking distance of incumbent Republican William S. Green."



Borough President Andrew Stein

# Stein Election Group May Have Violated Federal Law

Continued from Page 1

without permission of the individual involved.

In June, 1981, the Sterling National Bank and Trust Company, 540 Madison Avenue, lent Stein's campaign \$220,000 that was guaranteed by ten men including Donald Trump, Edward R. Downe, Jerry Finkelstein, Michael Forrest, Sylvan Lawrence, Arthur Emil, Steven Greenberg, Saul P. Steinberg, Irving Fingeritt, and Sherman Cohen. In addition, most of these men contributed heavily in cash.

Trump and his real estate corporations contributed \$24,000; Saul Steinberg, \$30,000 and Emil \$7500. Emil just last week bought the former Police Headquarters on Centre Street.

Although Stein says that he is vehemently anti-landlord, he has sought and obtained extremely large contributions from many real estate magnates in Manhattan. One real estate man, who did not give to the Stein campaign who wanted to remain anonymous, said, "Sure, he is disliked by the smaller real estate apartment owners who are locked in, but the moguls got out of rent-control years ago. Now, they want tax easements; city favors on zoning and whatever a vote on the Board of Estimate is worth."

Each Borough President has one vote on the Board of Estimate making five votes. The Mayor, the Comptroller, and the City Council President has two each. Each Borough President for the most part goes along with a "home-rule vote" and do not

contest each other. The decisive vote is usually with the other three members of the Board of Estimate. Besides his Board of Estimate vote and issuing proclamations, the Borough President has little to do. However, he can help in tax-exemptions and using his position to get a friendly hearing.

Mayor Koch in his book "Mayor" tells how Stein sought to aid Donald Trump with a tax-exemption with Trump Tower.

The Mayor said: "On acquiring the 56th Street property, the younger Trump announced a project commensurate even with his own ambition. The Trump Organization, he said, would raze the nine-story Bonwit Teller Building, a great favorite of Art Deco aficionados, and construct in its place a sixty-eight-story steel-and-glass tower containing 320 condominium units and vast areas for commercial use on the lower floors. To be called 'The Trump Tower.' It would cost, he said, \$155 million to build. The \$407,000 one-bedroom condos and the Trump Tower's jewel, its \$3.15-million triplex, would both be ready for occupancy in late 1982. For this Donald Trump wanted an estimated \$30-\$40-million tax exemption under the Section 421-A program.

"Anthony Gledman was my Commissioner for Housing Preservation and Development. Gledman, like Trump, had his roots in Brooklyn. He knew the Trump Organization from its gigantic Trump-Warbase and Trump Village subsidized

housing complexes in the Coney Island section of Brooklyn. And Gledman was no newcomer to politics. He knew, as well, the considerable generosity of the Trumps when campaign-contribution time came around.

"When Trump's 421-A application was filed, there was soon a call from Manhattan Borough President, Andrew Stein. Stein had, earlier, been the subject of damaging news stories as a result of his accepting the use of a sumptuous summer house in the Hamptons free of charge from another Manhattan real estate baron, Sylvan Lawrence. In that call Stein arranged a meeting with Trump to which he invited Tony Gledman to discuss the 421-A exemption on the Bonwit Teller site."

Although Stein tried to help, Trump was turned down. The matter is still the subject of litigation.

At a meeting last Friday with Stein and his election lawyer, Schwartz, in the borough president's Municipal Building office, Stein was asked to explain what services were rendered by Election Computer Services and a firm, called O.S.I., both of which were paid a total of \$7,000 in October, 1983, and January, 1984. Stein and his lawyer declined to reveal what services were performed.

Margo Marabon, the owner of Election Computer Services and O.S.I., 575 Lexington Avenue, refused to answer questions relating to her work for the Stein campaign committee. She did confirm that

Continued on Page 33

## for Mom.

**\$10 GIFT CERTIFICATE**  
FROM  
**Worm**  
Complete Selection Paperback & Hardback Books & Classical Cassette Tapes - Open 7 Days  
368 3rd Ave. (26-27 St.) 696-5785

**TWO LOBSTERS PARISIENNE**  
**MARCHE ST-PIERRE**  
*Antoine's Fine Gourmet Food & Wine*  
"The flavor is rich & the taste is evident" - Obviously the work of a professional - Florence Fabricant, NY Times 3 & 4 84  
238 E. 24 St. (off 2nd Ave.) 679-9599

**\$20 GIFT CERTIFICATE**  
FOR **FILM PROCESSING**  
(110, 126, 135 FILM)  
FOR **MOTHER OF THE YEAR**  
FROM  
**PHOTOMART INTERNATIONAL CORP.**  
Photo Finishing Done on Premises\*One Hour Processing Avail.  
320 East 23rd St. 677-8240

**G.E. AUTOMATIC CITRUS JUICER**  
FOR **MOTHER OF THE YEAR**  
FROM **VERCESI HARDWARE**  
Plumbing • Tapes • Housewares • Appliances  
Electrical Supplies • GE Bulbs • Tools  
Batteries • Janitor Supplies • Locks • Paints  
152 East 23rd St. (Lex. 3rd Ave.) GR 5-1883  
DISCOUNT PRICES

**STYLING, CUT, SHAMPOO & SET**  
FOR **MOTHER OF THE YEAR**  
FROM **CHAZ-VITO HAIRSTYLISTS**  
388 2nd Ave. (22-23 St.) 473-2335

**\$10 GIFT CERTIFICATE**  
FOR **MOTHER OF THE YEAR**  
FROM **M.H. LAMSTON, INC.**  
"Always Friendly, Always Serving"  
275 Third Ave. (21-22 St.) 777-4840

**DINNER ENTREES FOR TWO**  
FOR **MOTHER OF THE YEAR**  
FROM **CAFE DEL PRADO**  
322 E. 14 St. (1st-2nd) 473-5953

**\$10 GIFT CERTIFICATE**  
FOR **MOTHER OF THE YEAR**  
FROM **H DELMAN SHOES**  
233 1st Ave. at 14 St. AL 4-4896

**\$10 GIFT CERTIFICATE**  
FOR **MOTHER OF THE YEAR**  
FROM **GRAMERCY PHARMACY**  
343 1st Ave. (20 St.) 777-6864

**G.E. FM/AM RADIO WITH TV SOUND - (\$40 VALUE)**  
FOR **MOTHER OF THE YEAR**  
FROM **COOPERTOWN HOUSEWARES**  
316 1st Ave. (18 St.) 982-2690

**BRUNCH FOR TWO**  
FOR **MOTHER OF THE YEAR**  
FROM **W.J. FLYWHEEL RESTAURANT**  
359 2nd Ave. (21 St.) 473-8908

**\$20 GIFT CERTIFICATE**  
FOR **MOTHER OF THE YEAR**  
FROM **BLOOM & KRUP**  
APPLIANCES, BEDDING & FURNITURE  
SERVING MOTHERS FOR 52 YEARS  
206 1st Ave. (12-13 St.) 673-2740

# Stein Election Group May Have Violated Federal Law

Continued from Page 32

her companies specialized in voting lists. Election Computer Services is well-known among politicians who use mailing lists and lists of voters for campaigns.

In January, 1983, the Stein '81 Committee filed with the State Board of Elections a financial disclosure statement which said that it had no liabilities. However, Stein admitted that it owed \$60,000 to a media consultant, D. Sawyer and that since the bill was in dispute it was not listed as a liability. Sawyer was paid the \$60,000 by Stein '81.

A veteran politician expressed amazement that the Stein '81 was still collecting huge amounts of money nearly three years after Stein was elected Borough President and that soliciting was being done to pay off Stein and at the same time that money was being spent in huge sums.

Stein was asked by Town & Village what 23 persons listed on the filings had done to earn salaries of \$210 each which was paid a few months ago. Mailing addresses are supposed to be listed, but there were none. Stein said, "I have no idea what they did."

Town & Village located Jean Shevlin of 5 Stuyvesant Oval, one of the women named on the list who earned \$210. She said that she had checked Board of Election lists for persons who had voted in certain years. She refused to elaborate. Stein refused to provide the addresses and phone numbers of the remaining names.

The Stein campaign committee recently spent \$20,350 for postage and \$14,000 in printing to mail material to voters. Stein declined to reveal the content of all the mailings, to which voters were the mailings made, and in what areas. Stein did supply one mailing concerning A.T. & T.

Listed on the January 15, 1984, filing of Stein '81 Committee was an expense to the Board of Elections, 131 Varick Street, for \$257.71 for voter lists. The Board of Elections sell voter lists at \$7 per thousand on a cash basis. Patricia Cortez of the Board of Elections says there were two purchases: one in May and one in July. Each time, she was told that it was for the Borough President's office and that she should send a bill. "They didn't pay the bill on time" she says. "It took until December 14, 1983 until Stein '81 paid the bill — six and eight months late."

Stein said that the lists purchased were for all over Manhattan. Cortez disagrees and remembers that "the lists were for downtown." The number of names was 36,000.

Lawrence Halloran, an attorney, yesterday said that "The Federal law says that anybody who spends more than \$1000 to influence a Federal election has to file with the Federal Election Commission and explain where the money came from."

Town & Village has printed the federal filings from Congressman William Green, Republican incumbent, and Betty Lall, candidate for the Democrat nomination.

## Seniors

Continued from Page 4

ters encourage minority older persons to use an area agency — and what factors deter them — the Andrus Foundation of the American Association of Retired Persons has just awarded a research grant to the Department of Sociology, Anthropology and Gerontology at the University of Arkansas at Little Rock.

Researchers will be studying both the extent and effectiveness of AAA

services to minority and non-minority elderly throughout the state of Arkansas.

Among the goals of the study is the development of a model strategy of service delivery to minority elderly.

The Andrus Foundation was founded in 1973 by AARP to promote research in the field of aging. Since its inception, the foundation has provided 190 research grants to 86 universities and colleges, totaling more than \$5 million. — Lloyd Wright.

## VALUABLE COUPON

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SUBSCRIBE TO TOWN & VILLAGE  
LESS THAN 10¢ A WEEK!

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 2 YEARS - (104 WEEKS) FOR \$9.  
 3 YEARS - (156 WEEKS) FOR \$12.

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ELSEWHERE PLEASE ADD \$5 TO ABOVE

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CITY: \_\_\_\_\_

STATE \_\_\_\_\_ ZIP: \_\_\_\_\_

MAIL TO: TOWN & VILLAGE  
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235 PARK AVE. SO.  
N. Y. N. Y. 10003

# gifts she'll adore

**9 Piece Family Dinner**  
for  
**Mother of the Year**  
from  
**REGO'S ROOST**  
Delicious Fried Chicken & Seafood  
Free Prompt Delivery  
268 First Ave. at 15th St. 533-5240

**TWO DOZEN BAGELS & N. CREAM CHEESE**  
for  
**MOTHER OF THE YEAR**  
compliments of  
**Ess - A - Bagel**  
"EVERYTHING ON A BAGEL"  
389 1st Ave. (cor. 21st St.) 268-2282

**SMALL PIZZA PIE**  
FOR  
**MOTHER OF THE YEAR**  
FROM  
**PETE'S-A-PLACE**  
PIZZA-HEROS-FAMILY DINNER-COFFEE  
502 E. 14th St. (Nr. Ave. A) 473-0671

**\$10 GIFT CERTIFICATE**  
FOR DINNER FOR TWO  
Plus Our Special Bottle of Italian Wine  
FOR  
**MOTHER OF THE YEAR**  
FROM  
**LA STRADA EAST RESTAURANT**  
274 3rd Ave. (21-22 St.) 473-3760

**\$20 GIFT CERTIFICATE**  
FOR  
**MOTHER OF THE YEAR**  
FROM  
**FIRST AVENUE PHARMACY**  
298 First Avenue Phone: 777-0740

**\$20 GIFT CERTIFICATE**  
FOR  
**MOTHER OF THE YEAR**  
FROM  
**ENESLOW COMFORT SHOES**  
329 First Ave. at 19 St. 477-2300

**BRUNCH FOR TWO**  
FOR  
**MOTHER OF THE YEAR**  
FROM  
**P.J. Reynolds**  
RESTAURANT  
345 2nd Ave. (20th St.) 473-9703

**2 HOT KOSHER BARBECUED CHICKENS**  
FOR  
**MOTHER OF THE YEAR**  
FROM  
**ZOOKY'S DELICATESSEN**  
FINEST KOSHER PROVISIONS  
HOT BAGELS MADE BEFORE YOUR EYES  
180 3rd Ave. (16-17 St.) 982-4690

**DISH GARDEN**  
FOR  
**MOTHER OF THE YEAR**  
FROM  
**Flowers By Twilight**  
FLOWERS FOR ALL OCCASIONS WIRED ANYWHERE  
354 East 20th St. (nr. 1st Ave.) GR 5-7066

**\$45<sup>00</sup>** Perm or Body Wave & Restyling  
**MARK'S**  
HAIR STYLISTS UNISEX  
"We Talk To You About Your Hair"  
334 1st Ave. at 19th St. 477-2354

**COMPLETE LUNCH FOR TWO**  
FOR  
**MOTHER OF THE YEAR**  
FROM  
**FRANK'S TRATTORIA**  
347 1st Ave. (20-21 St.) 677-2991

**\$10 GIFT CERTIFICATE**  
FOR  
**MOTHER OF THE YEAR**  
COMPLIMENTS OF  
**Gramercy Park Flower Shop**  
Sakas Brothers Our 80th Year  
ALL CREDIT CARDS HONORED  
260 Third Ave. (cor. 21st St.) GR 5-4905

MAILING LABEL

# Woman, 92, calls Times harmful to her health.

Ann Yourell, 92, of Stuyvesant Town thinks *Town & Village* is a great newspaper with an average thickness of 24 pages each week. But, don't mention the Sunday *New York Times* to her which weighs in at about five pounds with a few hundred plus pages. As a matter of fact she is suing the NYT for a flat \$1 million because she claims that it has been hazardous to her health.

The 92-year-old woman who lives alone at 647 East 14th Street said in court papers on Monday that a "copy of the *New York Times* newspaper" caused her to fall and that she

"suffered serious injuries."

The April 24, 1983 edition of the Sunday *Times* was outside her apartment door and when she opened her door in the morning she tripped over it and injured her knee-cap, said her lawyer Robert Dembia, 25 Park Row.

As a result of the injury, Dembia said, Miss Yourell had to use a walker. Asked how long she will have to use the walker, she said "I don't know, but it feels like forever."

Last October, she fell and broke her hip because she couldn't walk properly, the lawyer said.

Now she is totally incapacitated, he said. The million-dollar suit also names as defendants her landlord, Metropolitan Life, and Mitchell's World Finest Newspapers Delivery Services Corp., whose employee left the paper on her doorstep.

Yourell, who has lived in Stuyvesant Town for 25 years says that ST is "one of the most wonderful places anybody could live." She was born in New York City and attended school at St. Gabriel's Church on 38th Street at Second Avenue. She describes

her long life by saying "I just had a good time."

A religious woman, she has attended Immaculate Conception Church regularly but now finds it difficult to get out.

Still very alert, she is somewhat of a philosopher and yesterday spouted these epigrams:

On neighbors: "Everybody is as friendly as you permit them to be."

On religion: "There is no one who does not need the blessing of our Lord."

On animosity: "It never pays to be angry at anyone. Please turn to Page 5

## \$25 Winner

This week's winning number is 073-14-0878. See page 13 and find out how you too can win the \$25 weekly prize and a top prize of one month's free rent.

### Weekly Thought

"Every successful revolution puts on in time the robes of the tyrant it has deposed."  
- BARBARA TUCHMAN



VOL. 37, NO. 23

NEW YORK, NEW YORK, MAY 3, 1984

25 CENTS

# Town & Village



## Stein lies about bank loan



LITTLE SWINGER: Mariana Trilla, who will be celebrating her first birthday on May 12th, gets a push from Anne Messenger in last Thursday's sunshine at playground no. 8 in Stuy Town. See story on page 7.

Andrew Stein, Borough President of Manhattan, who has been testing the waters on whether to enter a Democratic primary for a chance to run for Congress, yesterday said through a spokesman that he will not give out any further information on a personal loan which exceeded \$500,000 from Manufacturers Hanover Trust Company. He and his father, Jerry Finkelstein, a wealthy industrialist and city power-broker, told *Town & Village* that even if they gave

permission to Manufacturers Hanover, the bank's policy was not to discuss details of any personal loan.

The loan was revealed in the filing of State Election Board forms which reported that Stein had lent his campaign committee \$525,000. Stein's lawyer admitted that Stein had borrowed in excess of this amount. He submitted cancelled checks proving that Stein had given the money to the Stein '81 campaign committee and a list of alleged repayments to Manufac-

turers Hanover. No interest payments were indicated which would amount to at least \$150,000.

*Town & Village* asked Stein to authorize Manufacturers Hanover to give T&V full disclosure of the loan. This was at first refused and then Stein and his father later said that the bank, in any event, would not discuss details with an outside party.

*Town & Village* yesterday called up Manufacturers Hanover Trust, 701 Fifth Avenue, the branch Stein used to make out checks to his campaign committee. George Millner, vice president in charge of operations, said that it was the policy of Manufacturers to reveal all details of any loan with a letter of authorization from the borrower. When told that T&V understood that the bank would not do so Millner said, "It doesn't make sense. As long as everything is on the up-and-up..."

T&V also called Manufacturer's main office and spoke to Giovanni Perez in the loan department of the bank. "Of course," he said, "we will reveal everything to a third party if we get authorization to disclose details of a loan." He said, "We will not, however, disclose anything without permission from the borrower."

Stein apparently is in hot water. Please turn to Page 10

## Stein no-show at Dem. club

In the first real test of the Democratic Congressional primary race, Betty Lall made the best showing but none of the candidates came out the clear winner.

Borough President Andrew Stein, who has yet to announce his candidacy, disappointed supporters by failing to show up at the meeting as he had told them he would.

The Mid Manhattan New Democratic Club, the first club in the 15th Congressional District to hold an endorsement meeting, voted Monday night to remain neutral in the primary. The two declared candidates, Betty Lall and Bob Tembeckjian, tried to sell their political wares to the one hundred club members gathered at 330 East 45th Street off First Avenue, but neither one was able to amass the majority needed to win the club's endorsement.

Mary Stumpf, in a last minute plea for Stein, urged Stein supporters to vote no endorsement. Stumpf, who is the senior district leader, said that Stein had taken her and members of his own staff by surprise when he failed at the last minute to appear. "I spoke with him in the afternoon before the meeting, and he had all intentions of coming," she said. She wasn't sure why he backed out, but added "he wouldn't have put me in that situation on purpose."

Larry Douglas, Lall's campaign manager, said "Stein is afraid to have to compete

anywhere where people may ask him about his campaign financing." Douglas said that Stein prefers "to retreat to the tube," a reference to the expensive media campaign Stein is expected to wage if he announces. "It's typical Andy, he can't face the questions and he can't deal with a crowd," Douglas added.

Marty McLaughlin, a spokesman for Stein who was there to observe, denied that Stein had ever planned to come to the meeting. "It's just not right to seek an en-

## Green: 'Post woefully inaccurate'

"Woefully inaccurate" was the description by Rep. Bill Green of the N.Y. *Post* article claiming that creditors of investor Justin Colin were seeking \$105 million from Mr. Green and other members of his family. "No creditors of Colin have suggested that anyone in my family is responsible for Colin's debts," said the Congressman, "and the dollar figures are absurd."

"The story has the facts turned inside-out," said Green's aide, Hank Roden. "The Green family lost money as a result of Colin's activities and they are among a group of creditors seeking legal redress."

Another inaccuracy was the *Post* claims that Green was an investor in two specified hotels. Green was not an investor in either. The story also contained two contradictory statements. One, that calls to Green's staff went unanswered, the second that Roden spoke to the *Post* but could not reach Green.

"The paper called at about 6:00 p.m.," Roden said, "and I explained that Bill was enroute from Washington to New York and that I would call them back. I called them again about a half hour later and told them he was not yet home and I would call later. When I reached Bill, I called the *Post* twice more. I

relayed Bill's statement that the \$105 million claim was 'absurd' and recommended that they check the facts with one of the lawyers, giving the name of the firm. Obviously, that was not done. I do not know who the sources were for this story, but the reporters may have been misled by someone. As a former reporter, I understand deadline pressures, but facts need to be checked out," Roden said.

The *Post* article said: "Bill Green is embroiled in a multi-million dollar bankruptcy case that could cost him and his family a cool \$105 million, according to federal court

Please turn to Page 10

# Editorial

## What's the Truth, Andy?

The reluctance of Andrew Stein to make full disclosure of his campaign committee's finances and its expenses only add up to one thing: There is something very wrong. Stein's father, Jerry Finkelstein, has gone almost berserk in his attempt to suppress our investigation. Stein and Finkelstein call it a "hatchet job" (whatever that means) which is their terminology for anything that might be embarrassing. Six years ago, Stein used it when the *Village Voice* ran a disparaging story about his using his office as Borough President to aid large real estate contributors. One realtor even lent him a sumptuous summer home in Southampton for free.

And this week, we were told that Manufacturers Hanover policy was not to discuss any loan with third parties, even with approval from the borrower. Stein's loan from the bank is very questionable; interest

Please turn to Page 4

**Loan**

Continued from Page 1

water in reference to his getting back more money from his campaign committee, Stein '81, than he put in. His lawyer said it was for interest. However, Stein's figures show that no interest payments had ever been made to Manufacturers Trust. Stein refused to answer any questions about interest payments.

Stein's campaign committee called Stein '81 (the year he was elected Borough President) may have violated Federal election laws in the past year as it collected over \$500,000 in contributions, repaid \$300,000 to Stein, and spent \$140,000 as if Stein were running for the congressional seat in the 15th C.D. which encompasses the area.

Federal election law limits individual contributions to congressional campaigns to \$1000 per primary or general election. Corporations and union contributions are strictly prohibited. Once a person

spends over \$5000 under Federal law, he officially becomes a candidate.

Stein's campaign committee has both received many contributions over the \$1,000 federal limitation and spent in excess of the \$5,000 to become a candidate. The Stein committee is, though, organized under state law where no limitation for contributions exists.

The contributions in the last year were extraordinarily high with one family giving the Stein fund about \$100,000. Nathan H. Mager, a former employee of Stein's father, Jerry Finkelstein, gave \$33,000; his daughter, Alison R. Mager, contributed \$31,500, and his son, Peter Mager, chipped in with \$32,500. Other contributions, mostly wealthy realtors and corporations gave huge amounts (see lists inside). None of the contributions are deductible expenses according to the Internal Revenue Service.

Stein denies that any money collected was used to further his congressional am-

bitions, although his disbursements during the period reads like a major campaign.

Jerry Finkelstein, Stein's father, has threatened editor and publisher, Charles G. Hagedorn, personally and Town & Village, if T&V didn't lie down and make peace.

**Green**

Continued from Page 1

documents obtained by The Post.

The case involves the 1982 collapse of Colin, Hochstein Co., the Wall Street brokerage firm controlled by broker and entrepreneur Justin Colin, estranged husband of Green's sister Cynthia.

"Creditors claim that Green, the liberal Manhattan Republican, and his family were effectively full partners in Colin's ventures, which include two now defunct West Coast commuter airlines.

"If the court finds they were Colin's partners, it would mean that they would have to share Colin's losses.

"The full extent of the creditor's claims against Colin total \$190 million.

"Green and his family have told the bankruptcy court that, far from being partners, they are actually victims.

**ANDY STEIN CLAMS UP • TELEPHONE LOG •**

THURSDAY, April 26 at 2:45 p.m. — Not in. Not expected. Left word to call Town & Village.

FRIDAY, April 27 at 10:40 a.m. — Uptown at meeting. Will have him call Town & Village.

MONDAY, April 30 at 3:15 p.m. — Not in office.

TUESDAY, May 1 at 1:45 p.m. — Not in. Told to call his public relations man, Martin McLoughlin.

TUESDAY, May 1 at 3:45 p.m. — Called PR man McLoughlin. Told that Stein would not answer any further questions on campaign finances.

**Andy Stein using same 'hatchet job' line**

From the Village Voice, September 10, 1979.

Andrew Stein — the self-proclaimed champion of the aged, the poor, the distressed — has some explaining to do. Since Stein became borough president of Manhattan in January of 1978, he has accepted more than \$75,000 in political donations from builders, real estate developers and brokers, and construction companies. Several of these corporations have either sought contracts from or have had projects approved by the city's Board of Estimate, of which Stein is a voting member.

Moreover, Stein enjoyed a spectacular vacation house in Easthampton during June and July of this summer which he admits was made possible by Seymour Cohn, who, with his brother-in-law Sylvan Lawrence, is a principal in the Sylvan Lawrence Company, a real estate corporation which owns many buildings in Lower Manhattan and leases space to the City of New York. At last count the Sylvan Lawrence Company held nearly \$3 million in city leases.

Although there is some question as to whether or not this or the other gifts con-

stitutes a crime, Section 2004 (b) of the New York City Charter makes a misdemeanor punishable by removal from office the acceptance of "any valuable gift, whether in the form of service, loan, thing, or promise or in any form from any person, firm, corporation, or other entity which to his knowledge is interested directly or indirectly in any manner whatsoever in any...business dealings with the city or any city agency."

Stein said about his 1978 contributions said... "s—I will get legitimate stuff together and the Village Voice will ignore it. It will be a hatchet job."

From N.Y. Post, April 30, 1984

— Just one day after news broke that Stein had privately decided to run in the "Silk Stocking" 15th District — with a front-page story in Town and Village, an East Side neighborhood weekly.

The six-page "special report" contends that Stein for the past year has been us-

ing "Stein '81," the campaign committee that served his last BP race, against David Dinkins, for his congressional race. Stein '81 "may have violated federal election laws in the past year as it collected over \$500,000 in contributions, repaid \$300,000 to Stein, and spent \$140,000 as if Stein were running for the congressional seat in the 15th C.D.," the story alleges.

Stein spokesman Marty McLoughlin called the story a "hatchet job."



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Admission: Free

**WED., MAY 9, 7:30 PM**  
**DANCE RECITAL**  
**CARA GARGANO** assisted by other professional dancers and selected advanced students. Also appearing will be Judith Ann Cummings, as the Reader in Anna's Requiem, a ballet to the poem by Anna Akhmatova. The program is a varied one ranging from Opera Dances with singers from the CW Post Opera Workshop to very modern works.  
Admission: Free

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# Here she is - Miss New York

MAILING LABEL

Melissa Manning, the reigning Miss New York State, was in the community last Wednesday on a goodwill visit to the Manhattan VA Hospital at 24th Street and First Avenue, after which she stopped in for dinner at P.J. Reynolds, Second Avenue and 20th Street.

The 24-year-old beauty queen finds visiting the state's VA Hospitals one of the most rewarding tasks of her tenure. "They love it when Miss New York visits because it makes them feel remembered."

According to her official state chaperone for USO functions, Gail Young, "the part she enjoys most is going from ward to ward visiting the patients." Manning delighted the veterans by handing out chocolate bars which had been donated for the occasion and signing autographs on pictures of herself. Her chaperone said "they love her, we were constantly having to pull her away from the patients, because they didn't want her to leave."

Manning, an accomplished pianist currently on leave from Montclair State College in Upper Montclair, New Jersey where she majors in

music, performed several classical pieces for the veterans. She said they were the "best audience and very appreciative" because "it's not often that they have the chance to be exposed to Ger-shwin, Chopin, and Kahat chaturian."

She has been Miss New York State since last October, when she was crowned by Vanessa Williams who went on to be Miss America.

After a day spent cheering up patients, Manning, Young, and CDR Robert F. Wixom, USN, Executive Officer of Naval Station NY in

Continued on Page 17



Melissa Manning

## \$25 Winner

This week's winning number is 122-34-1960. See page 17 and find out how you too can win the \$25 weekly prize and a top prize of one month's free rent.

## Weekly Thought

"No one can make you feel inferior without your consent."  
- ELEANOR ROOSEVELT



# Town & Village



VOL. 37, NO. 22

NEW YORK, NEW YORK, APRIL 26, 1984

25 CENTS

## Stein ducks all questions on \$525,000 bank loan



**SUNRISE SERVICE AT STUY OVAL:** A special mass held early last Sunday morning. The men leading the residents in prayer are from left to right: Naresch Garasia; Pastor P. Schoepflin, Christ Church; Father Louis Glora, St. Sebastian's Church; and Pastor John Drzik, Holy Trinity Slovak Church.

Manhattan Borough President Andrew Stein remained silent this week on details surrounding his state campaign fund which may have violated federal election laws.

Stein and his public relations firm refused to answer specific questions on a \$525,000 loan to Stein by Manufacturers Hanover Bank and the campaign's repayment to Stein plus interest, of \$567,077. Stein continued to hide items on how his campaign committee had spent \$140,000; and he failed to disclose the nature and substance of all of his mailings.

Seven calls throughout the week by Town & Village to Stein's office were not returned. Marty McLoughlin, who used to be employed by Stein in the Borough President's office and who is now with the firm of Latham and McLoughlin, said that he would answer questions on Stein's behalf but did not respond.

Last week, Town & Village revealed that Stein's campaign committee, called Stein '81, has continued operations into 1984, raising over \$500,000 and accepting contributions over \$1,000, which if used in a federal campaign, would violate federal law.

Continued on Page 17

Dear Mr. Stein and Mr. Finkelstein  
Question: Permit Town & Village to speak to the loan officer and get information about Stein's loan of \$525,000 from the Manufacturers Hanover Bank which he then loaned to his campaign committee and was repaid more money than he loaned.

Question: Let Town & Village see and discuss all mailings of Stein '81 this past year.

Question: Let us speak to David Sawyer about the extra \$40,000 paid to him this past year (besides the \$60,000 which was given as a settlement of a dispute).

Question: Give us the names and addresses of the score of people that were on the Stein '81 payroll so we can find out what they did.

Question: Let us speak to your computer services for which Stein '81 paid thousands and allow them to tell us what they did.

## Candidates react

The people Borough President Andrew Stein will face in his run for Congress, if he decides to announce his candidacy, reacted strongly to Town & Village's Story on Stein's campaign finances last week. Betty Lall, one of two Democrats officially entered in the campaign said "Stein owes it to his constituency as Borough President to give a much better explanation and a clearer accounting of how the money was spent." She questioned the propriety of raising substantial sums of money while in an elected office. "I think he ought to come out and make a statement because it's too full a story to ignore," she added.

Continued on Page 17

## Editorial

### Questions and threats

Andrew Stein, Borough President of Manhattan, apparently is in hot water over his campaign expenses and disbursements. Last week Town & Village revealed that his campaign committee, called Stein '81, may have violated Federal law as it collected in the past year over \$500,000 in contributions, repaid \$300,000 to Stein personally and spent \$140,000 in questionable expenses.

We met with Stein and his lawyer for about 90 minutes before the original story ran. We were promised that we would be supplied with

material and answers to some of our questions. The lawyer later sent us some gobbledygook papers which posed more questions than they answered.

Then, Stein's father, Jerry Finkelstein, stepped in. He threatened that he would hurt us personally and financially if we didn't lie down and "make peace." He called us twice, and each time we asked for permission: to talk to the loan officer at Manufacturers Hanover Bank; to know what a score of people who were listed on

Continued on Page 4



**BULLDOZERS AWAY:** Workers clearing rubble from the former home of the Transit-Mix cement company on the East River at 20th Street. The company has been ordered to restore the site to its original condition and the N.Y.C. Department of Ports and Terminals reports that "work is going smoothly."



**Miss New York**

Continued From Page 1  
 Brooklyn, went to P.J. Reynolds where they were the special guests of co-owner Tom Reynolds.  
 Manning normally wouldn't go to a place with a bar because she doesn't drink or smoke, but she made an exception at P.J. Reynolds because "it is a really special neighborhood kind of place, and the employees and patrons were all very nice." She said she will "definitely be back there" with her friends because "the food was really out of this world."  
 Tom Reynolds said Manning was "a very warm and talented person" and that aside from her personal beauty he admired her willingness "to help others who are less fortunate. Most of the people who found out that she was visiting V.A. hospitals were quite surprised and thought very highly of her."  
 Young said that Miss New York loves meeting people and signing autographs "all you have to do is smile at Melissa and she'll give you an autograph."

When asked if anyone at P.J. Reynolds invited her out on a date Manning said the Miss America rules stipulates that she "can't accept a date" while at an official appearance.  
 Reynolds said that as Miss N.Y. was thanking everybody and getting ready to leave for her Dobbs Ferry home "all the waitresses offered to switch places with her."  
 Another of Manning's duties which brings her to the city is to act as an official greeter whenever a naval ship, foreign or U.S., pulls in to New York harbor and docks at the passenger ship terminals on Manhattan's west side. The Navy "always gives me the royal treatment," she said.  
 The best part of being Miss New York, she says, "is meeting all the wonderful people and being able to see the State of New York." She has traveled extensively making appearances throughout the state.  
 Miss New York teaches piano and accompanies other musicians, works frequently as a model, and also is a part-time waitress at a restaurant in the Bronx.

**Letters**

Continued from Page 4  
 totally ineffective as the roaches are all back in full force the following day. I have had the exterminator here on a few occasions to no avail.  
 Summer is here and so are the roaches.  
 Name withheld  
 Upon request

**"OFF THE POT"**  
 Permit me to suggest that the "Get off the pot" heading to your April 18th editorial is undignified and denigrates the reputation of your newspaper and the intended message of your editorial. Yours for the elimination of double entendre headings,  
 Meyer Poses  
 41 East 20th Street

**Stein**

Continued from Page 1  
 Stein has denied that any money collected was used to further his congressional ambitions, although his disbursements during the period reads like a major campaign.  
 The New York Post reported last week that Stein would announce his candidacy soon.  
 One instance of contributions to Stein's state committee well in excess of the \$1,000

federal prohibition was a single family that gave nearly \$100,000. Nathan H. Mager, a former employee of Stein's father, Jerry Finkelstein, gave \$33,000; his daughter, Alison R. Mager, contributed \$31,500, and his son, Peter Mager, chipped in with \$32,500.  
 Other contributions, mostly wealthy realtors and corporations gave huge amounts. None of the contributions are deductible expenses according to the Internal Revenue Service.

Stein borrowed \$525,000 in July, 1981, from Manufacturers Hanover Trust Company at 1 percent over a commercial rate loan.  
 Stein was paid back \$567,077 from his campaign fund, although he had only put in \$520,000. The extra \$47,077, his lawyer says, is interest costs. The lawyer, Thomas J. Schwarz of the firm of Skadden, Arps, Slate, Meager & Fiom, 913 Third Avenue, who is reputed to be a leading election law specialist, said last week

"Since not all of the loan (\$520,000) from Manufacturers to Mr. Stein was further loaned by Mr. Stein to Stein '81 (campaign fund) not all of the interest on the loan would be reimbursed by Stein '81 to Mr. Stein."  
 Stein and his lawyer would not permit this newspaper to talk to Manufacturers about any aspect of the loan and whether the loan and interest was repaid and who may have guaranteed the personal loan for Stein.

**Candidates**

Continued from Page 1  
 Bob Tembeckjian, who will be up against Andrew Stein and Betty Lall for the Democratic party's nomination if and when Stein announces, said "I expect all

the candidates in this election to obey the law, and I will not hesitate to call potential violations to the attention of the Federal Election Commission."  
 Congressman Bill Green, the Republican incumbent,

said he "thought the story was a fine piece of journalism that obviously raised some questions that Mr. Stein will have to answer publicly." He added: "I do question someone's running up an enormous deficit in a campaign in

which he was already outpacing his opponent, making it necessary to continue receiving contributions while in office from the very people doing business with the city. It raises some ethical questions," he added.

**Murphy calls for tough sentencing**

Justice Francis T. Murphy Jr. of the New York Supreme Court's Appellate Division, at 25th Street and Madison Avenue, who called for an end to the drug trafficking in Madison Square Park last month, is now working to make sure serious criminals are sent to prison even if there is not enough space.  
 As President of the Federation of the New York State Judges, Murphy released a resolution last week declaring that with crime remaining at high levels in the state, judges can no longer afford to take the shortage of prison

space into account when they mete out sentences. The state's prison system now houses more than 32,000 inmates — 116 percent of capacity.  
 The streets of New York have become "lawless marches of robbers, rapists and felons of every kind," in part because of a "true and common perception of a failing criminal-justice system," the resolution said. The organization represents more than 2,000 judges, including those in State Supreme Court, Criminal Court, Family Court and the four Appellate

Divisions of the Supreme Court.  
 Justice Murphy said in an interview that in the past judges had sometimes been "reluctant" to send people to overcrowded prisons and instead had approved plea bargaining. He declined to estimate how many criminals had avoided incarceration in this fashion.  
 In his statement accompanying the resolution, Justice Murphy said that the climate of fear in New York would have been "unthinkable" only a generation ago.  
 "If then someone had said

that in 1984 hundreds of thousands of apartment windows in New York City would be covered with metal gates, and that private security guards would patrol the lobbies, hallways and rooftops of apartment buildings, we would have thought him insane," he said.  
 Ordinary men and women, he continued, "tell us that criminals have taken the city, that crime has beaten government to its knees, that the moral passion for justice has been drained out of society and, in its place, there is an overwhelming sense of helplessness."

**The Medical Page**

**LASER BEAM FOOT SURGERY**

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**Imagine Knifeless Surgery!**



**LASER SURGERY IN PODIATRY.**

In my practice of Podiatric medicine and surgery, I have maintained continuous study and research so that I could provide treatment for my patients with the latest techniques and most up-to-date equipment. The ultimate objective is to relieve and correct the discomfort and disabling effects of foot problems by the most efficient and effective means — usually reducing treatment pain, often avoiding or minimizing hospital confinement, enabling the patient to move about comfortably at the earliest possible time.

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**FOOT PROBLEMS LATEST TARGET OF LASERS.**

A recent adaptation of the medical laser technique is in the treatment of various foot problems, requiring removal of diseased or damaged tissues. Now in most cases the knife (scalpel) is discarded in favor of a ray of light: the laser beam. Imagine "knifeless surgery!" That's exactly what the procedure involves. In most cases instead of a scalpel's cut to get at the root of the trouble, the laser beam does it by penetration. In simple, non-technical terms, a laser beam of light is aimed and projected to the troubled area in



seconds and in some cases micro-seconds, the problem causing condition is often eliminated. It does so by vaporizing the faulty cells and at the same time sterilizes and coagulates the surrounding tissue and coagulates the blood vessels to control bleeding, prevent infection and scarring.  
 There is no danger of radiation exposure. The power emitted by a laser ray in medicine is no more than an ordinary light bulb. Your TV set or microwave oven emits more radiation than a laser. Many supermarkets now tally prices on packaged items, marked with black and white, vertical stripes, by passing the package over laser equipment connected to the cash register. The calculation is instantaneous, demonstrating the speed of the laser process.

**PODIATRIC APPLICATIONS**

In Podiatry, a considerable variety of foot ailments can be treated with the laser. Some of the conditions now successfully being treated by laser include:

**FUNGUS NAILS**

Vaporizing the nail root is simpler and quicker, while the laser ray sterilizes and destroys the fungus in most cases.

**WARTS**

They grow internally, on the under side of the foot. Instead of cutting or burning, the beam evaporates the growth. Laser may be helpful to warts that have been resistant to other forms of treatment.

**POROKERATOSIS**

Deep root calluses with plugged up pores, creating a hardening, sensitive, painful area, frequently removed and cleaned up by laser.

**INGROWN NAILS**

Laser vaporizes the corners of the nail.

**NEUROMA**

Grows between the toes, laser vaporizes the nerve. Also used in treatment of patients who have had previous nerve (Neuroma) surgery and now have startle (tibia) and nerve entrapment.

**MOST INSURANCE PLANS ACCEPTED**

**Dr. Arthur D. Freiberg, DPM, FAAFP**

310 First Ave. (Cor. 40th St.)  
 In Stuyvesant Town

Diplomate, International Society of Podiatric Laser Surgery  
 Diplomate, National Board of Podiatric Examiners  
 Fellow, Academy of Ambulatory Foot Surgery  
 Member, American Podiatric Association  
 Member, Academy of Ambulatory Foot Surgery

**777-7998**

Mr. George McDonald  
211 East 31st Street  
New York, New York 10023

84640463860



The Federal Election Commission  
1325 K Street, N.W.  
Washington, D.C. 20543

**RETURN RECEIPT  
REQUESTED**

**CERTIFIED**  
P 449 938 852  
**MAIL**



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

May 11, 1984

Thomas K. Schwarz, Esquire  
Skadden, Arps, Slate, Meagher  
& Flom  
919 Third Avenue  
New York, New York 10022-9931

Re: Pre-MUR 123

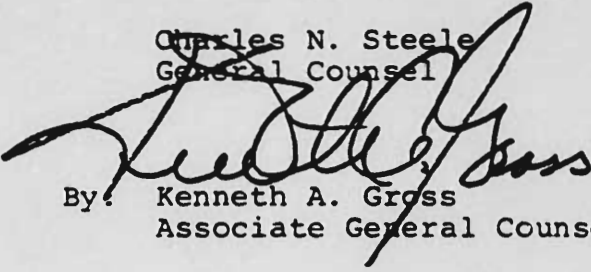
Dear Mr. Schwarz:

This is to acknowledge receipt of your letter dated May 4, 1984 pertaining to alleged violations of the Federal Election Campaign Act by Andrew Stein and his committees.

In response to your request for a meeting, Thomas Whitehead, Assistant General Counsel, and Anne Weissenborn, attorney, have been assigned to this matter. Their telephone number is (202) 523-4000. Anne will give you a call setting up a mutually agreeable time. If you have any questions, please let us know.

Sincerely,

Charles N. Steele  
General Counsel

  
By: Kenneth A. Gross  
Associate General Counsel

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OGE copy 1



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

**SENSITIVE**

MEMORANDUM TO: THE COMMISSION

FROM: MARJORIE W. EMMONS/SUSAN M. TEIR *SMT*

DATE: MAY 8, 1984

SUBJECT: ORIGINAL COMPLAINT - PRE-MUR 123

The attached has been circulated for your information.

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Attachment

SKADDEN, ARPS, SLATE, MEAGHER & FLOM  
919 THIRD AVENUE  
NEW YORK 10022-9931

CABLE ADDRESS  
"SKARSLAW NEW YORK"  
TWX: 710 501 3014  
TELEX 645000  
TELECOPIER:  
(212) 752 1084

(212) 371-6000

ONE BEACON STREET  
BOSTON, MASSACHUSETTS 02108  
(617) 552-6000  
819 EIGHTEENTH STREET, N.W.  
WASHINGTON, D.C. 20006  
(202) 463-8700  
ONE RODNEY SQUARE  
WILMINGTON, DELAWARE 19801  
(302) 429-9200  
815 SOUTH FIGUEROA STREET  
LOS ANGELES, CALIFORNIA 90071  
(213) 498-4800

May 4, 1984

BY HAND VIA WASHINGTON OFFICE

Kenneth Gross, Esq.  
Associate General Counsel  
Federal Election Commission  
1325 K Street, N.W.  
Washington, D.C. 20463

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110:32

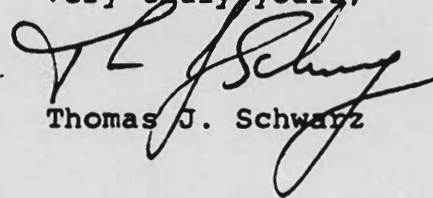
Dear Mr. Gross:

Pursuant to our discussion after your receipt of my letter of April 30th with respect to Andrew Stein, enclosed please find a memorandum and exhibits thereto concerning alleged violations of the Federal Election Campaign Act by Mr. Stein and his committees. Included are the articles from Town & Village newspaper.

I would appreciate an opportunity to meet with you or your designee after you have reviewed the enclosed materials.

Thank you for your cooperation.

Very truly yours,

  
Thomas J. Schwarz

Encs.

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PRELIMINARY STATEMENT

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This memorandum is submitted on behalf of the Stein '81 Committee, a non-federal committee which is registered pursuant to the New York State Election Law, and the Stein for Congress Committee, an authorized committee registered with the Federal Election Commission. The two Stein committees request that the Federal Election Commission investigate whether any violation of the Federal Election Campaign Act, as amended, has arisen by virtue of (i) the expenditure of surplus campaign funds by Stein '81, (ii) the repayment of an obligation to D.H. Sawyer & Associates Ltd. which performed services for Stein'81 and (iii) a loan, the proceeds of which were used in the 1981 campaign which loan was then repaid. This request arises as a result of an article appearing in the April 19th issue of Town & Village under the headline "Special Report - Stein Election Group May Have Violated Federal Law", and a follow up article in the April 26th issue, copies of which are enclosed. Because of the attention which this article has received in the 15th Congressional District, Mr. Stein is being tried in the local press, even though this Agency, which has jurisdiction over violations of the Federal Election Campaign Act, has not reviewed the alleged violations. It is therefore respectfully requested that a Pre-MUR number be assigned and that the Commission find "no reason to believe" that a violation has occurred.

BACKGROUND FACTS

Andrew Stein was elected Borough President in November of 1981.

As of that time his State Committee, Stein '81, owed Mr. Stein \$520,000. Commencing in February 1982, repayments were made in small amounts so that by the beginning of July 1983 there remained owing in excess of \$208,000. A fund-raiser in July of 1983 raised in excess of \$128,000, another fund-raiser in November of 1983 raised an additional \$135,000 and additional contributions continue to come in from time to time from the two fund-raisers. As a result a surplus existed in the Stein '81 fund. Under New York State Law, as with respect to federal law, surplus campaign funds may be used for any lawful purpose in connection with the official duties of an officeholder. See Opinion of N.Y.S. Board of Elections 1979-3. As discussed below, each of the mailings was consistent with that principle of New York law.

The mailings which appear to be at issue are as follows and are included as an appendix to this memorandum:

1. Reprint of the New York Times, August 28, 1982, "Beyond Loving New York" - approximately 1,800 pieces.
2. Reprint of the New York Times, March 20, 1983, "Wanted. Ideas for New York City" - approximately 15,000 pieces.
3. Reprint of the New York Times, April 24, 1983, "Get Ready for Phone Bills to Double" - approximately 11,000 pieces.
4. Reprint of the New York Times, May 23, 1983, Letter to the Editor, "Ill Chosen Approach to Rising Health Costs" - approximately 900 pieces.
5. Reprint of the New York Post, June 3, 1983, "Rent Hikes Should be Modest Again" - approximately 8,700 pieces.

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6. Reprint of the New York Post, September 1, 1983, "Let's give the MTA Back to the People" - approximately 2,900 pieces.

7. Reprint of the New York Times, February 18, 1984, entitled, "Preservation Laws Should Apply Equally" - approximately 1,000 pieces.

All of the above pieces were mailed to past contributors, community leaders throughout the borough, political leaders throughout the borough, past supporters and past campaign volunteers throughout the borough and the city, elected public officials throughout the borough and city, tenant organizations, block and civic associations, religious and fraternal organizations, veterans organizations and political clubs around the borough.

Additionally, the following mailings were sent:

1. Andrew Stein's Tenant Newsletter - approximately 26,000 copies mailed to people on the West Side of Manhattan (not in the 15th Congressional District), in November 1983.

2. Approximately 82,700 copies of a newsletter which was mailed throughout the borough concerning telephone divestiture, in November, 1983.

3. Upper East Side Historic District Letter (January 1984) - approximately 7,000 copies sent to the Upper East Side calling upon the public to attend a hearing on landmark preservation issues on the Upper East Side.

4. 421A Tenant Alert (March 9, 1984) - approximately 6,000 letters sent to tenants throughout the borough who would lose certain tenant protection during 1984-1985.

5. Murray Hill Historic District letter (March 1984) - approximately 5,000 copies were sent to people in the Murray Hill area requesting attendance at a public hearing dealing with local historic preservation efforts.

6. Joint Andrew Stein/Carol Bellamy mailing (March 1984) on a hearing concerning women's rights in the workplace - 60,000 pieces were mailed to neighborhoods in the Upper West Side, West Side, Greenwich Village and the East Side, many more of which were mailed outside than inside the 15th Congressional District.

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7. Title I Tenant Alert (April 1984) - approximately 6,450 letters were sent to tenants in Title I buildings on the West Side and the Upper West Side of the borough.

Additionally, the Stein Committee paid for approximately 6,200 Jewish New Year's greeting cards and approximately 9,100 Christmas greeting cards which went to past contributors, community leaders and religious leaders, political leaders, political supporters and past campaign volunteers and elected and appointed officials throughout the borough and the city.

The nature of these mailings and the characteristics of the recipients underscore the fact that each of these mailings were done for a lawful purpose in connection with the official duties of the Borough President.

In addition to the mailings, a portion of the \$520,000 debt to the candidate remained outstanding through early 1984 and payments were made to D.H. Sawyer & Associates Ltd. ("Sawyer"), which had performed services for Mr. Stein in connection with the 1981 Borough President election. As of the end of the 1981 election, there was a dispute with Sawyer as to the amount of the fee owed, and after the July 1983 fund-raiser, additional payments were made. These payments were in resolution of the dispute arising out of the 1981 election. D.H. Sawyer has performed no services for Stein or any committee connected with Mr. Stein since the 1981 Borough President election nor has D.H. Sawyer been retained in connection with any federal election nor is it expected that D.H. Sawyer will be retained in connection with any federal election. See the enclosed letter from D.H. Sawyer. Given the fact that Sawyer has not and will not be retained in connection with any federal election, there could not have been a violation of the Federal

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Election Campaign Act.

With this factual discrepancy resolved, the only federal issue remaining for legal analysis relates to the use of the surplus funds for the mailings.<sup>1</sup>

ANALYSIS

As is clear from the above, the mailings related to issues relevant to the duties of the Office of the Borough President. Indeed, most of the mailings related to purely New York City local issues. Moreover, dissemination was Boroughwide and not limited to the 15th Congressional District (East Side-Manhattan) for which Mr. Stein has filed a Statement of Candidacy. The Stein '81 Committee and the Stein for Congress Committee do not believe there has been any violation of the Federal Election Law for the reasons stated below.

New York State Law, as indicated above, clearly permits the use of campaign funds as has occurred in this case. Furthermore, federal law, as it has evolved through various Advisory Opinions and Matters Under Review, permits such expenditures

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<sup>1</sup> As discussed below, the mailings do not implicate the FECA and, therefore, the loan from the candidate does not raise a federal issue.

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even where someone is a "candidate" for federal office (which did not even occur here until at least February 17, 1984)<sup>2</sup>. if there is another non-federal election purpose for the activity.

Thus, for example, in AO 1978-15 the Commission held that a candidate may act as a chairman of a fund-raising operation for a charity where there was no mention of his candidacy made in the charitable organization's materials and there was no solicitation, making or acceptance of contributions to the federal campaign nor any communication which expressly advocated the nomination or election to federal office or the defeat of any other candidate. Similarly, in AO 1982-15 the Commission held that a law firm can continue to conduct its business and advertise when one of its members is a candidate for federal office if the advertisements did not publicize the candidacy. In AO 1982-56, the Commission held that the appearances of a federal candidate in a television advertisement for a state candidate did not constitute a contribution from the state

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<sup>2</sup> While a Statement of Candidacy was filed on that date, the activities occurring were clearly in the nature of "testing the waters" expenditures. Thus under 11 CFR Sections 104.1 and 100.3, the voluntary filing did not trigger candidacy. Indeed, no contributions were received until February 27, 1984 and the \$5,000 contribution level was not passed until March 13, 1984. At the same time, disbursements of the Committee have not yet risen to the \$5,000 limit for anything other than "testing of the waters", consultants and polling.

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officeholder to the federal since the advertisement was not for the purpose of influencing the federal election and did not mention the federal candidacy. See also AO 1978-4 (A testimonial dinner may be held without regard to limits if no solicitation or contributions and no express advocacy); AO 1977-42 (radio broadcasts not contributions if no solicitation and no advocacy); AO 1981-37 (Congressman may receive assistance from corporations in connection with matters relating to his duties of office if no advocacy or solicitation, making or receipt of contributions).

MUR determinations by the Commission, as set forth in the various General Counsel reports, also support the absence of any federal violation here. Thus, MURs have made it clear that the "major purpose test" is not met and no violation occurs where there is another purpose to the expenditure under attack and there is no solicitation or receipt of contributions and no express advocacy. In MUR 1619 the issue was raised as to whether Rev. Jesse Jackson's trip to Syria involved campaign related activity. Because there was ample evidence of diplomatic qualifications and participation in the negotiations of one of Rev. Jackson's assistants (Tom Porter), the General Counsel concluded and the Commission (5-0) agreed that there was no evidence that the trip was campaign related. Obviously, as is well-known, Rev. Jackson's trip to Syria had a significant impact on his Presidential campaign but none of the other indicia of campaign activity was present.

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Similarly in MUR 1476 an allegation was made that a Senior Citizen Advisory Council picnic was a campaign event or activity. Citing AO 1980-89, 1980-22 and 1980-16 concerning appearances by Congressmen during re-election campaigns, the Commission determined no contribution or expenditure was involved because of the absence of any communication expressly advocating the nomination or election of the candidate or the defeat of another candidate and there was no soliciting, making or acceptance of any campaign contributions.

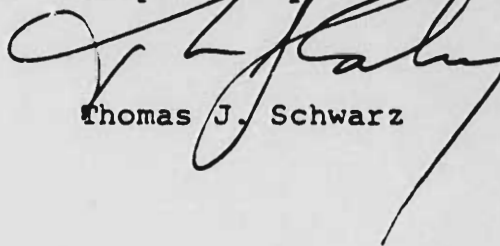
Similarly in MUR 1458 an allegation was made that expenditures for travel, lodging, polling and telephone services were made in connection with a federal election. With respect to travel and lodging, it was held that the appearances were in connection with the state officeholder's position even though they overlapped with the congressional district in which the state officeholder was a candidate and that any benefit to the congressional campaign was incidental. However, with respect to polling, it was determined that since certain questions would clearly be an aid to the federal campaign that there should have been an allocation. In this case, all polling in connection with the federal campaign has been paid for by Stein for Congress. Similar analyses appear in MUR 1283 involving the Readers' Digest, MUR 1372 and MUR 1298 ("public exposure by an individual as a candidate will not be presumed to be for

the purpose of influencing an election, provided that it can be shown that the appearance had some alternative justification").

CONCLUSION

For the foregoing reasons, it is respectfully submitted that there is no "reason to believe" a violation of the Federal Election Campaign Act, as amended, has occurred. Either a Pre-MUR or a MUR number should be assigned and, based upon the information set forth, a finding made that neither Stein '81 nor Stein for Congress violated the FECA as a result of the activities herein described.

Respectfully submitted,



Thomas J. Schwarz

May 3, 1984

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# 'Best mom' contest is now underway

MAILING LABEL

T&V's annual "Mother of the Year" contest is in it's second week, and entries are pouring in from local best. She's never been a post, she takes good care of me, on this we all agree" rhymes eight-year-old Rachel Passarelli, 150 East 20th Street. May 4 is the deadline for all entries. The winning mother will be announced in T&V just prior to Mother's Day.

In order to enter the contest, write in 200 words or less "why you consider your Mom to be the best." Send all letters to Town & Village, 235

Park Avenue South, New York, N.Y. 10003. All entries must include the names, addresses and phone numbers of both the writer and his or her nominee for "Mother of the Year."

Among the many prizes to be awarded to the winning mother are these gifts, donated by local merchants: 2 HOT KOSHER BARB-QUED CHICKENS Zesty's Delicatessen, 189 3rd Ave (16-17 St.); \$25 GIFT CERTIFICATE, Bloom & Krup, 288 First Ave (12-13 St.); \$10 GIFT CERTIFICATE, H

Deitman Shoes, 235 First Ave., at 14 St.; \$45 PERM OR BODY WAVE & RESTYLING, Mark's Hair Stylists, 334 1st Ave., at 19 St.; DENIM GARDEN, Flowers by Twilight, 354 East 20th St (at 1st Ave.); G.E. AUTOMATIC CITRUS JUICER, Vercesi Hardware, 152 East 23rd St (at 3rd Ave.); BRUNCH FOR TWO, P J Reynolds Restaurant, 345 Second Ave., (20th St.); COMPLETE LUNCH FOR TWO, Frank's Trattoria, 347 First Ave (20-21 St.); DINNER ENTREES FOR TWO,

Cafe Del Prado, 328 E. 14th St. (1st-2nd); STYLING, CUT, SHAMPOO & SET, Chas-Vito Hairstylists, 288 Second Ave. (12-25 St.); \$10 GIFT CERTIFICATE, Gramercy Pharmacy, 343 First Ave. (19 St.); \$10 GIFT CERTIFICATE, M.H. Lameton, Inc., 275 Third Ave. (21-22 St.); 9 PIECE FAMILY DINNER, Rago's Feast, 288 First Ave. at 18th St.; \$10 GIFT CERTIFICATE, Gramercy Park Flower Shop, 222 Third Ave. (cor. 21st St.); \$20 GIFT CERTIFICATE.

Continued on Page 16

Win month's free rent

Starting this week a lucky area resident will have a chance to win \$25. All you need is your Social Security number.

Even if you don't win \$25 you still have a chance to win T&V's top prize - one month's free rent. It's exciting game. For details see pages 20 and 21.



# Town & Village



VOL. 37, NO. 21

NEW YORK, NEW YORK, APRIL 19, 1984

25 CENTS

## SPECIAL REPORT

# Stein Election Group May Have Violated Federal Law

Manhattan Borough President Andrew Stein's campaign committee called Stein '81 (the year he was elected Borough President) may have violated Federal election laws in the past year as it collected over \$200,000 in contributions, repaid \$300,000 to Stein, and spent \$240,000 as if Stein were running for the congressional seat in the 15th C.D. which encompasses the area.

Federal election law limits individual contributions to congressional campaigns to \$1,000 per primary or general election. Corporations and union contributions are strictly prohibited. Once a person spends over \$2000 under Federal law, he officially becomes a candidate.

Stein's campaign committee has both received many contributions over the \$1,000 federal limitation and spent in excess of the \$5,000 to become a candidate. The Stein committee is, though, organized under state law where no limitation for contributions exists.

The contributions in the last year extraordinarily

high with one family giving the Stein fund about \$100,000. Nathan H. Kager, a former employee of Stein's father, Jerry Finkeinstein, gave \$33,000; his daughter, Alison R. Mager, contributed \$31,500, and his son, Peter Mager, chipped in with \$32,500. Other contributions, mostly wealthy realtors and corporations gave huge amounts (see lists inside). None of the contributions are deductible expenses according to the Internal Revenue Service.

Stein denies that any money collected was used to further his congressional ambitions, although his disbursements during the period reads like a major campaign.

A media consultant during Stein's race for Borough President in 1981 was paid a whopping \$146,000. The same media consultant, D. Sawyer, was paid in the last year \$40,000 besides \$80,000 in 1982. Stein claims that the payment in 1982 was for disputed bill left over from his campaign back in 1981 for Borough President against David Dinkens who he narrowly defeated after spending over \$1

million.

The 1981 campaign did not cost Stein anything as he has been repaid by the campaign fund for any money that he expended. Stein borrowed \$25,000 in July, 1981, from Manufacturers Hanover Trust Company at 1 percent over a commercial rate loan.

Stein was paid back \$267,077 from his campaign fund, although he had only put in \$530,000. The extra \$42,077, his lawyer says, is interest costs. The lawyer, Thomas J. Schwarz of the firm of Skadden, Arps, Slate, McLaughlin & Flom, 913 Third Avenue, who is reputed to be a leading election law specialist, said, "Since not all of the loan (\$530,000) from Manufacturers to Mr. Stein was further loaned by Mr. Stein to Stein '81 (campaign fund) not all of the interest on the loan would be reimbursed by Stein '81 to Mr. Stein."

Stein and his lawyer would not permit this newspaper to talk to Manufacturers about any aspect of the loan and whether the loan and interest was repaid and who may have guaranteed the personal loan for Stein. Three requests by Town & Village were made and rejected. Stein said there were no guarantors who would be responsible if he did not pay back Manufacturers. It is bank policy not to discuss financial dealings of a customer

Continued on Page 32

WEDNESDAY, APRIL 18, 1984

## STEIN TO RUN FOR CONGRESS

By GEORGE ARBY  
Manhattan Borough President Andrew Stein has decided - after two weeks of second thoughts - to run for Congress in Manhattan's East Side "15th District" district.

Friends said Stein finally decided to make the race after taking a poll that showed him behind but within striking distance of incumbent Republican S. William Green.

"A second look was taken, and everyone agreed this was the right thing to do as we're moving ahead on a schedule."

Stein still has many opponents near the 15th District.



The New York Post reported in its Wednesday edition that Manhattan Borough President Andrew Stein had ended a two week period of second thoughts and decided to officially enter the Democratic primary for Congress in the 15th district.

The Post reported, "Friends said Stein finally decided to make the race after taking a poll that showed him behind but within striking distance of incumbent Republican William S. Green"



Borough President Andrew Stein

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# Stein Election Group May Have Violated Federal Law

Continued from Page 1

without permission of the individual involved.

In June, 1981, the Sterling National Bank and Trust Company, 540 Madison Avenue, lent Stein's campaign \$230,000 that was guaranteed by ten men including Donald Trump, Edward R. Downe, Jerry Finkelstein, Michael Forrest, Sylvan Lawrence, Arthur Emil, Steven Greenberg, Saul P. Steinberg, Irving Fingeritt, and Sherman Cohen. In addition, most of these men contributed heavily in cash.

Trump and his real estate corporations contributed \$24,000; Saul Steinberg, \$30,000 and Emil \$7500. Emil just last week bought the former Police Headquarters on Centre Street.

Although Stein says that he is vehemently anti-lordlord, he has sought and obtained extremely large contributions from many real estate magnates in Manhattan. One real estate man, who did not give to the Stein campaign who wanted to remain anonymous, said, "Sure, he is disliked by the smaller real estate apartment owners who are locked in, but the moguls got out of rent-control years ago. Now, they want tax easements, city favors on zoning and whatever a vote on the Board of Estimate is worth."

Each Borough President has one vote on the Board of Estimate making five votes. The Mayor, the Comptroller, and the City Council President has two each. Each Borough President for the most part goes along with a "home-rule vote" and do not

contest each other. The decisive vote is usually with the other three members of the Board of Estimate. Besides his Board of Estimate vote and issuing proclamations, the Borough President has little to do. However, he can help in tax-exemptions and using his position to get a friendly hearing.

Mayor Koch in his book "Mayor" tells how Stein sought to aid Donald Trump with a tax-exemption with Trump Tower.

The Mayor said "On acquiring the 56th Street property, the younger Trump announced a project commensurate even with his own ambition. The Trump Organization, he said, would raise the nine-story Bonwit Teller Building, a great favorite of Art Deco aficionados, and construct in its place a sixty-eight-story steel-and-glass tower containing 320 condominium units and vast areas for commercial use on the lower floors. To be called "The Trump Tower," it would cost, he said, \$155 million to build. The \$407,000 one-bedroom condos and the Trump Tower's jewel, its \$3 15-million triplex, would both be ready for occupancy in late 1982. For this Donald Trump wanted an estimated \$30-\$40-million tax exemption under the Section 421-A program.

"Anthony Gliedman was my Commissioner for Housing Preservation and Development. Gliedman, like Trump, had his roots in Brooklyn. He knew the Trump Organization from its gigantic Trump-Warbase and Trump Village subsidized

housing complexes in the Coney Island section of Brooklyn. And Gliedman was no newcomer to politics. He knew, as well, the considerable generosity of the Trumps when campaign-contribution time came around.

"When Trump's 421-A application was filed, there was soon a call from Manhattan Borough President, Andrew Stein. Stein had, earlier, been the subject of damaging news stories as a result of his accepting the use of a sumptuous summer house in the Hamptons free of charge from another Manhattan real estate baron, Sylvan Lawrence. In that call Stein arranged a meeting with Trump to which he invited Tony Gliedman to discuss the 421-A exemption on the Bonwit Teller site."

Although Stein tried to help, Trump was turned down. The matter is still the subject of litigation.

At a meeting last Friday with Stein and his election lawyer, Schwartz, in the borough president's Municipal Building office, Stein was asked to explain what services were rendered by Election Computer Services and a firm, called O S I, both of which were paid a total of \$7,000 in October, 1983, and January, 1984. Stein and his lawyer declined to reveal what services were performed.

Margo Marabon, the owner of Election Computer Services and O S I, 575 Lexington Avenue, refused to answer questions relating to her work for the Stein campaign committee. She did confirm that

Continued on Page 33

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## for Mom.

**\$10 GIFT CERTIFICATE**  
FROM  
**THE Book Worm**  
Complete Selection Paperback & Hardback Books & Classical Cassette Tapes - Open 7 Days  
368 3rd Ave. (26-27 St.) 696-5785

**TWO LOBSTERS PARISIENNE**  
**MARCHE ST-PIERRE**  
The flavor is rich & the taste is excellent - Obviously the work of a professional - Florence Fabricant-NY Times 2 4 84  
238 E. 24 St. (off 2nd Ave.) 679-9599

**\$20 GIFT CERTIFICATE FOR FILM PROCESSING**  
(110, 126, 135 FILM)  
FOR  
**MOTHER OF THE YEAR**  
FROM  
**PHOTOMART INTERNATIONAL CORP.**  
Photo Finishing Done on Premier One Hour Processing Aerial.  
320 East 23rd St. 677-8240

**G.E. AUTOMATIC CITRUS JUICES**  
FOR  
**MOTHER OF THE YEAR**  
FROM  
**VERCESI HARDWARE**  
Plumbing • Tapes • Roomers • Appliances  
Electrical Supplies • GE Bulbs • Tools  
Batteries • Janitor Supplies • Locks • Paints  
152 East 23rd St. (Loc. 3rd Ave.) 685-1883  
DISCOUNT PRICES

**STYLING, CUT, SHAMPOO & SET**  
FOR  
**MOTHER OF THE YEAR**  
FROM  
**CHAZ-VITO HAIRSTYLISTS**  
386 2nd Ave. (23-23 St.) 473-2335

**\$10 GIFT CERTIFICATE**  
FOR  
**MOTHER OF THE YEAR**  
FROM  
**M.H. LAMSTON, INC.**  
"Always Friendly, Always Serving"  
275 Third Ave. (21-23 St.) 777-4840

**DINNER ENTREES FOR TWO**  
FOR  
**MOTHER OF THE YEAR**  
FROM  
**CAFE DEL PRADO**  
322 E. 14 St. (1st-2nd) 473-5953

**\$10 GIFT CERTIFICATE**  
FOR  
**MOTHER OF THE YEAR**  
FROM  
**H DELMAN SHOES**  
233 1st Ave. at 14 St. AL 4-4896

**\$10 GIFT CERTIFICATE**  
FOR  
**MOTHER OF THE YEAR**  
FROM  
**GRAMERCY PHARMACY**  
343 1st Ave. (20 St.) 777-6864

**G.E. FM/AM RADIO WITH TV SOUND - (\$40 VALUE)**  
FOR  
**MOTHER OF THE YEAR**  
FROM  
**COOPERTOWN HOUSEWARES**  
316 1st Ave. (18 St.) 983-8690

**BRUNCH FOR TWO**  
FOR  
**MOTHER OF THE YEAR**  
FROM  
**W.U. FLYWHEEL RESTAURANT**  
369 2nd Ave. (21 St.) 473-8908

**\$20 GIFT CERTIFICATE**  
FOR  
**MOTHER OF THE YEAR**  
FROM  
**BLOOM & KRUP**  
APPLIANCES, BEDDING & FURNITURE  
SERVING MOTHERS FOR 52 YEARS  
204 1st Ave. (12-13 St.) 673-2760



# Stein Election Group May Have Violated Federal Law

Continued from Page 32

her companies specialized in voting lists. Election Computer Services is well-known among politicians who use mailing lists and lists of voters for campaigns.

In January, 1983, the Stein '81 Committee filed with the State Board of Elections a financial disclosure statement which said that it had no liabilities. However, Stein admitted that it owed \$60,000 to a media consultant, D. Sawyer and that since the bill was in dispute it was not listed as a liability. Sawyer was paid the \$60,000 by Stein '81.

A veteran politician expressed amazement that the Stein '81 was still collecting huge amounts of money nearly three years after Stein was elected Borough President and that soliciting was being done to pay off Stein and at the same time that money was being spent in huge sums.

Stein was asked by Town & Village what 23 persons listed on the filings had done to earn salaries of \$210 each which was paid a few months ago. Mailing addresses are supposed to be listed, but there were none, Stein said. "I have no idea what they did."

Town & Village located Jean Shevlin of 5 Stuyvesant Oval, one of the women named on the list who earned \$210. She said that she had checked Board of Election lists for persons who had voted in certain years. She refused to elaborate. Stein refused to provide the addresses and phone numbers of the remaining names.

The Stein campaign committee recently spent \$20,350 for postage and \$14,000 in printing to mail material to voters. Stein declined to reveal the content of all the mailings, to which voters were the mailings made, and in what areas. Stein did supply one mailing concerning A.T. & T.

Listed on the January 15, 1984, filing of Stein '81 Committee was an expense to the Board of Elections, 131 Varick Street, for \$257.71 for voter lists. The Board of Elections sell voter lists at \$7 per thousand on a cash basis. Patricia Cortez of the Board of Elections says there were two purchases: one in May and one in July. Each time, she was told that it was for the Borough President's office and that she should send a bill. "They didn't pay the bill on time," she says. "It took until December 14, 1983 until Stein '81 paid the bill - six and eight months late."

Stein said that the lists purchased were for all over Manhattan. Cortez disagrees and remembers that "the lists were for downtown." The number of names was 38,000.

Lawrence Halloran, an attorney, yesterday said that "The Federal law says that anybody who spends more than \$1000 to influence a Federal election has to file with the Federal Election Commission and explain where the money came from."

Town & Village has printed the federal filings from Congressman William Green, Republican incumbent, and Betty Lall, candidate for the Democrat nomination.

## Seniors

Continued from Page 4

ters encourage minority older persons to use an area agency - and what factors deter them - the Andrus Foundation of the American Association of Retired Persons has just awarded a research grant to the Department of Sociology, Anthropology and Gerontology at the University of Arkansas at Little Rock.

Researchers will be studying both the extent and effectiveness of AAA

services to minority and non-minority elderly throughout the state of Arkansas.

Among the goals of the study is the development of a model strategy of service delivery to minority elderly.

The Andrus Foundation was founded in 1973 by AARP to promote research in the field of aging. Since its inception, the foundation has provided 100 research grants to 86 universities and colleges, totaling more than \$5 million. - Lloyd Wright.

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 ATTENTION: A CUBICK

# Here she is - Miss New York

Melissa Manning, the reigning Miss New York State, was in the community last Wednesday on a goodwill visit to the Manhattan V.A. Hospital at 29th Street and First Avenue, after which she stopped in for dinner at P.J. Reynolds, Second Avenue and 29th Street.

The 24-year-old beauty queen finds visiting the state's V.A. Hospitals one of the most rewarding tasks of her tenure. "They love it when Miss New York visits because it makes them feel remembered."

According to her official state chapereone for USO Jersey where she majors in

music, performed several classical pieces for the veterans. She said they were the "best audience and very appreciative" because "It's not often that they have the chance to be exposed to Garshwin, Chopin, and Kabalchaterian."

She has been Miss New York State since last October, when she was crowned by Vanessa Williams who went on to be Miss America.

After a day spent cheering up patients, Manning, Young, and CDR. Robert F. Wilson, USN, Executive Officer of Naval Station N.Y. in

Continued on Page 17



Melissa Manning

## \$25 Winner

This week's winning number is 120-30-1000. See page 13 and find out how you too can win the \$25 weekly prize and a top prize of one month's free rent.

### Weekly Thoughts

"No one can make you feel inferior without your consent."  
 - ELEANOR ROOSEVELT



# Town & Village



VOL. 37, NO. 22

NEW YORK, NEW YORK, APRIL 26, 1984

25 CENTS

## Stein ducks all questions on \$525,000 bank loan



**SUNSHINE SERVICE AT STUY OVAL:** A special mass held early last Sunday morning. The men leading the residents in prayer are from left to right: Marcech Gerasia; Pastor P. Schoepflin, Christ Church; Father Louis Glara, St. Sebastian's Church; and Pastor John Brzik, Holy Trinity Slovak Church.

Manhattan Borough President Andrew Stein remained silent this week on details surrounding his state campaign fund which may have violated federal election laws.

Stein and his public relations firm refused to answer specific questions on a \$525,000 loan to Stein by Manufacturers Hanover Bank and the campaign's repayment to Stein plus interest, of \$67,077. Stein continued to hide items on how his campaign committee had spent \$140,000; and he failed to disclose the nature and substance of all of his mailings.

Seven calls throughout the week by Town & Village to Stein's office were not returned. Marty McLaughlin, who used to be employed by Stein in the Borough President's office and who is now with the firm of Latham and McLaughlin, said that he would answer questions on Stein's behalf but did not respond.

Last week, Town & Village revealed that Stein's campaign committee, called Stein '81, has continued operations into 1984, raising over \$500,000 and accepting contributions over \$1,000, which if used in a federal campaign, would violate federal law.

Continued on Page 17

Dear Mr. Stein and Mr. Finkelstein

Question: Permit Town & Village to speak to the loan officer and get information about Stein's loan of \$525,000 from the Manufacturers Hanover Bank which he then loaned to his campaign committee and was repaid more money than he loaned.

Question: Let Town & Village see and discuss all mailings of Stein '81 this past year.

Question: Let us speak to David Sawyer about the extra \$40,000 paid to him this past year (besides the \$60,000 which was given as a settlement of a dispute).

Question: Give us the names and addresses of the score of people that were on the Stein '81 payroll so we can find out what they did.

Question: Let us speak to your computer services for which Stein '81 paid thousands and allow them to tell us what they did.

## Candidates react

The people Borough President Andrew Stein will face in his run for Congress, if he decides to announce his candidacy, reacted strongly to Town & Village's Story on Stein's campaign finances last week. Betty Lati, one of two Democrats officially entered in the campaign said "Stein owes it to his constituency as Borough President

to give a much better explanation and a clearer accounting of how the money was spent." She questioned the propriety of raising substantial sums of money while in an elected office. "I think he ought to come out and make a statement because it's too full a story to ignore," she added.

Continued on Page 17

## Editorial

### Questions and threats

Andrew Stein, Borough President of Manhattan, apparently is in hot water over his campaign expenses and disbursements. Last week Town & Village revealed that his campaign committee, called Stein '81, may have violated Federal law as it collected in the past year over \$500,000 in contributions, repaid \$300,000 to Stein personally and spent \$140,000 in questionable expenses.

We met with Stein and his lawyer for about 90 minutes before the original story ran. We were promised that we would be supplied with

material and answers to some of our questions. The lawyer later sent us some gobbledygook papers which posed more questions than they answered.

Then, Stein's father, Jerry Finkelstein, stepped in. He threatened that he would hurt us personally and financially if we didn't lie down and "make peace." He called us twice, and each time we asked for permission: to talk to the loan officer at Manufacturers Hanover Bank; to know what a score of people who were listed on

Continued on Page 4



**BULLDOZERS AWAY:** Workers clearing rubble from the former home of the Trembit-Mix cement company on the East River at 20th Street. The company has been ordered to restore the site to its original condition and the N.Y.C. Department of Ports and Terminals reports that "work is going smoothly."

8 4 0 4 0 4 6 3 8 7 6

**Miss New York**

Continued From Page 1  
 Brooklyn, went to P.J. Reynolds where they were the special guests of co-owner Tom Reynolds.  
 Manning normally wouldn't go to a place with a bar because she doesn't drink or smoke, but she made an exception at P.J. Reynolds because "it is a really special neighborhood kind of place, and the employees and patrons were all very nice." She said she will "definitely be back there" with her friends because "the food was really out of this world."  
 Tom Reynolds said Manning was "a very warm and talented person" and that aside from her personal beauty he admired her willingness "to help others who are less fortunate. Most of the people who found out that she was visiting V.A. hospitals were quite surprised and thought very highly of her."  
 Young said that Miss New York loves meeting people and signing autographs. "All you have to do is smile at Misses and she'll give you an autograph."

When asked if anyone at P.J. Reynolds invited her out on a date Manning said the Miss America rules stipulates that she "can't accept a date" while at an official appearance.  
 Reynolds said that as Miss N.Y. was thanking everybody and getting ready to leave for her "Dobbs Ferry home" all the waitresses offered to switch places with her.

Aside from Manning's duties which brings her to the city is to act as an official greeter whenever a naval ship, foreign or U.S., pulls in to New York harbor and decks at the passenger ship terminals on Manhattan's west side. The Navy "always gives me the royal treatment," she said.  
 The best part of being Miss New York, she says, "is meeting all the wonderful people and being able to see the State of New York." She has traveled extensively making appearances throughout the state.

Miss New York teaches piano and accompanies other musicians, works frequently as a model, and also is a part-time waitress at a restaurant in the Bronx.

**Letters**

Continued from Page 4  
 totally ineffective as the reaches are all back in full force the following day. I have had the exterminator here on a few occasions to no avail.  
 Summer is here and so are the roaches.

Name withheld  
 Upon request

**"OFF THE POT"**

Permit me to suggest that the "Get off the pot" heading in your April 18th editorial is unadvised and demotes the reputation of your newspaper and the intended message of your editorial. Yours for the elimination of double entendre headings.

Meyer Posen  
 441 East 28th Street

**Stein**

Continued from Page 1  
 Stein has denied that any money collected was used to further his congressional ambitions, although his disbursements during the period reads like a major campaign.

The New York Post reported last week that Stein would announce his candidacy soon.

One instance of contributions to Stein's state committee well in excess of the \$1,000

federal prohibition was a single family that gave nearly \$100,000. Nathan H. Mager, a former employee of Stein's father, Jerry Fischelstein, gave \$23,000; his daughter, Allison R. Mager, contributed \$21,500, and his son, Peter Mager, chipped in with \$32,500.

Other contributions, mostly wealthy realtors and corporations gave huge amounts. None of the contributions are deductible expenses according to the Internal Revenue Service.

Stein borrowed \$225,000 in July, 1981, from Manufacturers Hanover Trust Company at 1 percent over a commercial rate loan.

Stein was paid back \$67,977 from his campaign fund, although he had only put in \$639,000. The extra \$42,977, his lawyer says, is interest costs.

The lawyer, Thomas J. Schwars of the firm of Skadden, Arps, Slate, Meagher & Flom, 913 Third Avenue, who is reputed to be a leading election law specialist, said last week

"Since not all of the loan (\$639,000) from Manufacturers to Mr. Stein was further loaned by Mr. Stein to Stein '81 (campaign fund) not all of the interest on the loan would be reimbursed by Stein '81 to Mr. Stein."

Stein and his lawyer would not permit this newspaper to talk to Manufacturers about any aspect of the loan and whether the loan and interest was repaid and who may have guaranteed the personal loan for Stein.

**Candidates**

Continued from Page 1  
 Bob Tembeckjian, who will be up against Andrew Stein and Betty Lail for the Democratic party's nomination, and when Stein announces, said "I expect all

the candidates in this election to obey the law, and I will not hesitate to call potential violations to the attention of the Federal Election Commission."

Congressman Bill Green, the Republican incumbent,

said he "thought the story was a fine piece of journalism that obviously raised some questions that Mr. Stein will have to answer publicly." He added "I do question someone's running up an enormous deficit in a campaign in

which he was already outspending his opponent, making it necessary to continue receiving contributions while in office from the very people doing business with the city. It raises some ethical questions," he added.

**Murphy calls for tough sentencing**

Justice Francis T. Murphy Jr. of the New York Supreme Court's Appellate Division, at 25th Street and Madison Avenue, who called for an end to the drug trafficking in Madison Square Park last month, is now working to make sure serious criminals are sent to prison even if there is not enough space.

As President of the Federation of New York State Judges, Murphy released a resolution last week declaring that with crime remaining at high levels in the state, judges can no longer afford to take the shortage of prison

space into account when they mete out sentences. The state's prison system now houses more than 22,000 inmates — 116 percent of capacity.

The streets of New York have become "lawless marches of robbers, rapists and felons of every kind," in part because of a "true and common perception of a failing criminal-justice system." The resolution said. The organization represents more than 2,000 judges, including those in State Supreme Court, Criminal Court, Family Court and the four Appellate

Divisions of the Supreme Court.

Justice Murphy said in an interview that in the past judges had sometimes been "reluctant" to send people to overcrowded prisons and instead had approved plea bargaining. He declined to estimate how many criminals had avoided incarceration in this fashion.

In his statement accompanying the resolution, Justice Murphy said that the climate of fear in New York would have been "unthinkable" only a generation ago.

that in 1984 hundreds of thousands of apartment windows in New York City would be covered with metal grates, and that private security guards would patrol the lobbies, hallways and rooftops of apartment buildings, "we would have thought him insane," he said.

Ordinary men and women, he continued, "tell us that criminals have taken the city, that crime has broken government to its knees, that the moral passion for justice has been drained out of society and, in its place, there is an overwhelming sense of helplessness."

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# The Medical Page

## LASER BEAM FOOT SURGERY

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**FOOT PROBLEMS LATEST TARGET OF LASERS.**

A recent adaptation of the medical laser technique is in the treatment of various foot problems, requiring removal of diseased or damaged tissues. Now in most cases the knife (scalpel) is discarded in favor of a ray of light, the laser beam. Imagine knife-less surgery! That's exactly what the procedure involves. In most cases instead of a cut (incision) to get at the root of the trouble, the laser beam does it by penetration in simple, non-traumatic terms. A laser beam of light is aimed and pinpointed to the troubled area in



**PODIATRIC APPLICATIONS**

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**WARTS**

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**POROKERATOSIS**

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**INGROWN NAILS**

Laser vaporizes the corners of the nail.

**NEUROMA**

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# 777-7998

## Beyond ♥ing New York

By Andrew Stein

"New York is a tough place to do business."

From Port Washington to Seattle, Washington, business and political leaders repeat this phrase as if it were an ancient ritual born of tradition not reality. Whatever the reality, this impression shapes our future competitiveness within an increasingly cautious business community, and we must begin to soften our tough image by reshaping tax policies, reducing wasteful and useless bureaucratic tinkering and developing innovative educational programs geared to our future economic needs.

Based on the uncertainties and vagaries of doing business in a city as big as New York, its reputation as a tough place for business is partly born out of our past as a city run by crisis management, without long-range planning for a stable competitive business environment.

Eight years ago, the world business community watched warily as the city teetered on the edge of bankruptcy, hemorrhaging jobs, businesses and revenues. In the crisis, we played to our strength: our future as a business service economy. Real estate taxes were capped for five years. The city and state reduced or eliminated business taxes and created tax and zoning incentives to aid the construction of office space to house the white-collar industries that would become the backbone of our future economy.

The world watched as we slowly righted ourselves and began our recovery. For five or six years, there was certainty, predictability, direction and even a vague sense of promise and prosperity.

But a policy born of crisis breeds new crises. Fueled by the incentives, office buildings skyrocketed, real estate values soared and along with them rose a political hue and cry to tap this new wellspring of potential tax revenues — in effect, to repeat past mistakes. Real estate taxes were uncapped, assessments rose and with them commercial rents. Incentives for new offices became precarious, discretionary and nonexistent, as if the answer to our continuing need to build for a future service economy was to build less.

We now face an economy fraught with uncertainties. To survive the economic instability of the 1980's, New York must end its reactive crisis management and begin actively planning for a long-range, stable competitive business environment.

First, the City Planning Commission must be restructured to reduce the average 12 months of bureaucratic tinkering and review a project receives before it is certified for public discussion. Our vital and democratic uniform-land-use review procedure must remain intact. This procedure gives communities and city agencies six months in which to evaluate fully the merits of any project through extensive hearings before community boards, the City Planning Commission and the Board of Estimate. But a lot of bureaucratic wrangling occurs before the review process begins, involving many environmental, landmark, tax and zoning issues, and these should be streamlined into a single comprehensive procedure, without jeopardizing the integrity of the current process. This first stage should be required by law to take only six months, reducing by almost half the

time it takes a project to receive the green light from the city.

Second, our tax policies for commercial properties must be redesigned to give potential investors greater certainty. Instead of abatements that are granted, only to be revoked when the political winds shift, we should institute a "certain tax level," which guarantees an equitable tax rate for a specified number of years. This tax level should, in essence, be linked to a project's rental income. It would give investors a predictable tax rate and afford the city increased revenues as rental income increases. Thus, tenants will be able to look forward to long-term leases without significant, unanticipated rent increases based on mandated tax hikes. This formula is designed to meet the needs of the developer, the tenant and the city without causing undue uncertainty or sacrifice for any sector.

Finally, we must start to deal with the cruel mismatch between the available jobs within our new service economy and the skills of our labor force. We can no longer allow our service industry to import its work force simply because our citizens lack the skills to compete. The Board of Education must create training schools and programs geared to our new high-tech economy. Computer-skills training and management and office-skills programs must be expanded. Without these, our public education will become outdated and arcane.

We can no longer rely on slick promotional campaigns such as "I Love New York" to polish our image. While they are innovative and impressive, these campaigns do little to make New York competitive or to shape the economic realities in which our future lies.

Andrew Stein is Manhattan Borough President.

March 20, 1983

# WANTED: IDEAS FOR NEW YORK CITY

By Andrew J. Stein

"Clearly, the city and the region face several years of further job losses, eroding tax bases and increases in dependent population. But it is certainly difficult to ascertain any actions the city could take to avert or mitigate this downward trend."

That view of New York City, offered in 1975 in a study prepared for the Joint Economic Committee of Congress, reflected a common assumption among urban economists. New York was seen to be too congested, too old, too big and too cumbersome to accommodate the demands of modern commerce. The future, they said, would lie in more sprawling urban settings like Los Angeles or Dallas-Fort Worth.

There is no denying New York's problems. That "dependent population" is gigantic and growing. Our 935,000 elderly would constitute the nation's seventh-largest city. The number of our citizens living below the poverty line, defined in the last census as \$7,412 a year for a family of four, is greater than the entire population of Detroit. The public-transportation system has faced crisis after crisis, and the educational and criminal-justice systems are under constant attack.

Yet New York has confounded its fiscal Cassandras. Long-term debt service as a percentage of operating expenditures is at the historically low level of 10 percent, two-thirds of the ratio of five years ago. For the last two fiscal years, for example, the city had a surplus. The city's economic machinery, it turns out, was not crippled but merely shifting gears.

Since 1977, New York City has gained more than 200,000 new jobs, an average of nearly 40,000 per year. In rate of growth, New York is surpassed only by the Sun Belt cities of Dallas, Houston and Los Angeles. What is most significant of all, the growth is happening in those industries that represent the nation's economic future — finance, advertising, insur-

Manhattan's Borough President says new approaches are needed to nurture the city's growing service economy with its brokerages, banks and communication firms. He offers his own suggestions.

The densely packed population and its huge transit system, once viewed as among the causes of New York's economic woes, are now seen as competitive aids in attracting growth companies.

ance, accounting, communications, law, health. As America's economic base has shifted from manufacturing toward service, New York has emerged as the premier service provider for the world.

Ironically, some of the very reasons cited to explain the city's economic "demise" are now recognized as being among its unique strengths in a service economy — large, densely packed populations and the massive transportation and utility infrastructures that support them. As Matthew P. Drennan, a professor of economics at New York University, has pointed out, the benefits of having companies clustered include "easy and speedy access" to other businesses and business executives, both for communication and for marketing purposes. Further evidence of the New York advantage: Many of those dispersed cities often touted as the urban environments of the future have been moving in New York's direction — witness the new subway systems built by San Francisco and Washington and the rapid-transit plans announced by Houston.

Yet New York's future is far from assured. We must recognize that the city is, fundamentally, an economic entity and that the success or failure of our economic policies will determine the quality of our lives. That means we must evolve specific new programs that nurture our business community, particularly the service industries upon which we increasingly depend. It also requires that we find new ways to bring dependent citizens into the job market. At the same time, we need to develop new approaches to such problem areas as mass transit and crime, of critical importance to employers and employees alike.

In what follows, I have sought to present concrete examples of the kinds of initiatives our city needs. They range over the fields of land use, regulation, taxation and education. We have come a long way from the depths of 1975, but we are going to have to find new solutions for the problems of the next decade.

**ANDREW STEIN, Manhattan Borough President**

Every day, an army of data processors, key-punch operators, claims-payment cashiers, copy-machine operators and mail clerks descends upon the commercial and industrial parks of Long Island, Westchester, New Jersey and Connecticut. They make up the rank-and-file back-office staff of the service economy, processing information, money and paper for the corporations located in New York City. They work out there side by side with the employees of hundreds of small businesses ancillary to the service economy, such as food stores or office-supply shops.

Midtown Manhattan continues to attract the central offices of virtually every key component of the service economy, from communications and information enterprises to securities firms and banks. However, though corporate headquarters may polish the municipal image, they do not represent the principal source of future jobs — particularly the semiskilled jobs the city's residents most need. And New York City as a whole is losing out to our suburban neighbors in the competition for these jobs.

To a certain extent, many of the business decisions to move back-office and other enterprises out of New York City came during the mid-1960's and early 1970's, inspired by cheap gasoline, inexpensive and abundant open space and vigorous "poaching" campaigns by suburban communities. These decisions established a precedent: It is hard to convince a corporation that set up its first data-processing plant in Hicksville, L. I., that its second such plant should be built in Long Island City instead of Hicksville.

But as land and construction costs rise and the suburbs increase their tax rates to cope with a host of problems suburban officials never dreamed of a decade ago, New York City and other urban areas become increasingly attractive. One recent survey of construction and land costs suggests that office-space construction in Brooklyn or Queens now costs about the same as building in the suburbs.

To lure those companies that do not require prime Manhattan office space, New York should re-evaluate the zoning of various areas outside the city's center, particularly underutilized manufacturing areas. The vacant and boarded-up warehouses that dot the Queens shoreline along the East River are a prime example of a location close to the midtown business core that could be developed for back-office activity.

The city's land-development tools also include the power of condemnation and the right to lease or sell vacant city land and municipal facilities. New York does not lack for such land and facilities that would serve the city better if developed for data-processing centers, information-storage centers, commercial parks and the like. One example: the Brooklyn Army Terminal, where the city currently stores its dilapidated buses before they are scrapped.

New York should market such properties by taking a leaf from the book of our commercial real-estate concerns. We might ease the commercial tax burden for corporate residents willing to locate their back-office operations in the city, even pegging such tax relief to negotiated

commitments from the company — a low, 10-year tax rate to be renegotiated in the light of the company's record as to providing permanent jobs.



Ask almost anyone in business, from the hot-dog vendor on the corner of the Avenue of the Americas and 54th Street to the head of the New York Stock Exchange: "What's it like to start a business in New York?" He or she will tell you that it is tough — tougher than in other cities — in large measure because New Yorkers have an ingrained, negative attitude toward business development.

That attitude is summed up in the phrase "Guilty until proven innocent," and it has led to a daunting array of regulations embodied in building codes and land-use review procedures, labor codes and retail permits and financial reporting requirements, administered in an uncoordinated and duplicative fashion by a host of commissions, boards, councils, agencies and bureaus.

Consider the demands New York placed upon the companies competing for the franchises for cable television, a key technological element of the service-dominated economy. (To put it simply, cable transforms every household television set into a potential marketplace for everything from stock transfers to real estate to the latest in fashion.) Ever since Manhattan was "wired" for cable in 1968, the city has been trying to create a mechanism to allow cable companies into its other boroughs. What should have taken six or seven months for competitive bids and approval has taken two years as the city has demanded more and more paperwork and insisted upon additional programs of dubious value. The cost to the companies has risen so high that it is still uncertain whether New Yorkers, other than those in Manhattan, will get cable television.

Land-use regulation follows a similar pattern. For instance, why is a small restaurateur planning a sidewalk cafe of marginal impact subjected to the same extensive scrutiny given the most extensive housing development of the decade? Builders of large, expensive construction projects can and do pay handsomely for the legal talent to shepherd a project through the morass of municipal reviews, but a small entrepreneur, unable to afford such expertise, is thwarted at virtually every step. One result: Many small firms refuse to locate in the city, or languish when they do.

It is not a result we can afford. About half of all our jobs are with companies with fewer than 100 employees. To help such companies cope with city codes, New York should consider establishing a two-tiered system for some of its regulatory actions. An example of what can be accomplished is the Department of Buildings' streamlined permit and self-inspection program for small renovations. Multiple inspections are required for large projects by plumbers, electricians and the like. But under the streamlined program, the architect for an individual apartment is empowered to vouch for the condition of the renovation; his license is forfeit if he is found to have misstated the facts.

Under our Uniform Land Use Review Procedure, communities and city agencies are allowed six months in which to evaluate fully the merits of any project by means of extensive hearings before community boards, the City Planning Commission and the Board of Estimate. It is an approach that has proved itself. But before a project is certified by the Department of City Planning for the review procedure, it must pass through a bureaucratic gantlet of challenges from various agencies on environmental, landmark, tax and zoning issues. This review, often characterized by petty wrangling, takes an unconscionable average of 12 months per project. Once again, we cannot afford to throw such roadblocks in the path of companies seeking to settle here or to expand; the initial planning process should be performed within a single agency, and the time allowed should be limited, by law, to six months.



New York leads the nation in the diversity — and arbitrariness — of its tax structure. It seems almost designed to discourage new businesses from settling here. The list includes property taxes, a general-corporation tax, a financial-corporation tax, a commercial occupancy tax plus a host of minor, usually business-specific smaller taxes. New York City also has the nation's highest sales tax (it pushes retail sales to the suburbs) and a substantial personal income tax (it pushes upper-income employees to the suburbs).

What's more, the city's dependence upon business and sales taxes leaves us incredibly vulnerable to the fluctuation of the national business cycle. Some other cities rely more heavily on property taxes — in Boston, for example, they account for 70 percent of revenues, excluding state and Federal aid; the figure for New York is 27 percent.

Not only do we tax our businesses at a higher rate than virtually any other city — the average company pays about \$1,275 in taxes per year per employee — but we also play favorites among the different industries. Some taxes, like the financial-corporation tax, are targeted on our most dynamic growth industries.

Apparently, the notion is widespread that these strong sectors are "captive" and can be soaked for all they are worth. In fact, some of these "captives" have proved to be quite free, moving some of their operations out of the city and building new back-office, service facilities elsewhere. In the long run, the specialized business taxes retard the growth of our strongest industries and add to the impression within the business community that the city is hostile to the private sector.

That impression is heightened by inequities within the tax laws. A prime example is the occupancy tax, which is charged to owners who rent their commercial properties to other businesses. The International Business Machines Corporation and the American Telephone and Telegraph Company, among others, both on Madison Avenue, and both the sole occupants of their own buildings, pay no such tax. However, the First Boston Corporation, whose world headquarter-

## New York, says the author, should find ways to make vacant or little-used municipal properties available for development as data-processing centers or commercial parks.

ters is just a block away from J. B. M., leases out some space in the building and thus must pay an occupancy tax.

Such charges are inevitably passed on to commercial tenants in the form of higher rents, discouraging new companies from settling in the city and old companies from expanding here. One solution to the problem would be a single tax to replace current commercial and occupancy taxes. The level of that tax would be set as a percentage of a property's rental income and could be negotiated on a long-term basis, granting owners a predictable tax rate and tenants a constant long-term rent.

The reduction and reform of business-specific taxes cannot, of course, be accomplished overnight. But it must be begun, and an important first step would be a greater reliance on the property tax and other revenues that would be less harmful to business and less sensitive to swings of the economic pendulum.

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There are some 3.4 million jobs in New York City, but about 600,000 of them are performed by men and women who do not live here. Some experts claim this pattern is inevitable, that our growing service industries will continue to look to the suburbs simply because our residents lack the requisite education and skills to compete. In fact, there is nothing inevitable about it. The education and skills can be learned if the city is willing to expend the money and energy to make it happen.

New York does not lack educational facilities, the central job-training sites for the labor force of the future. Our public school system educates about a million children a year. It is not, however, prepared for the changing demands of the city's economy.

One problem is financial. New York spends an average of \$2,700 on each pupil, while suburban Westchester, Rockland and Nassau counties spend an average of \$3,500. The result: The small classes and individual attention so important for working with disadvantaged city students are enjoyed, instead, by middle-class suburban children. Even in times of recession, the educational system is not the place to stint on the basic reading and math skills required for entry-level posts in the service economy.

In addition, the Board of Education should begin to redesign secondary-school academic and vocational training programs so that pupils do not waste their time learning obsolete and dead-end job skills. Metal-working, welding and nautical training, for example, should yield to programs that give students the technical, mechanical skills needed by medical and dental aides, key-punch operators and graphic artists.

Some initiatives are needed, as well, in bringing city youth and the business community into closer contact. There is apprehension on both sides: Disadvantaged students have no experience in dealing with the corporate world, and many businessmen are reluctant to "take a chance" with the students. Work-study, apprenticeship and post-high-school placement programs must be greatly expanded.

The Summer Jobs for Youth Program, established by the New York City Partnership, a group of 120 leading business executives, might well be duplicated by the schools. Under the program, companies pledge to hire a fixed number of youngsters for the summer. The students who take part learn some new skills, but the chief benefit is the socialization process — the changed perceptions on the part of the businessmen as well as the students.

More elaborate approaches should be encouraged. With the financial support of Citibank, for example, the Board of Education has put together a curriculum aimed at developing skills useful in the banking industry. Similar programs should be developed with other industries.

New York might also profit by emulating a Boston initiative announced last year whereby the business community pledged to employ a minimum of 400 high-school graduates each year, on condition that the school system reduce its drop-out rate and improve its record in providing students with reading and math skills.

Though largely state-funded, the City University of New York still operates under shared city-state direction and could play a much larger role, working with the city's elementary and secondary schools. College students could tutor public-school pupils, for example, and remedial and enrichment programs could be made

available to secondary-school students during the university's summer session.

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When Harcourt Brace Jovanovich, a major New York publisher, announced a year ago that it was moving out of New York City, the company became the first corporate emigrant to cite the diminished quality of city services as a key factor in the decision. The publisher said its employees could not rely on the subways and buses to get them to work on time. All the multitude of municipal services contribute to the quality of life, but there are two components most essential to maintaining our economic edge: public transportation and criminal justice.

New York's economy thrives on density, and that means it must have a transportation system that can move masses of people efficiently. It is the only American city in which more people ride mass transit to work than get there by car. But the system is no longer adequately performing its job, primarily because much of its infrastructure — tracks, switches, elevated structures, tunnels — and its rolling stock are, literally, falling apart, victim of a legacy of deferred investment.

The M.T.A. plans to spend \$5.8 billion over the next five years for capital improvements on the city's public transport. Of that total, \$2.4 billion is to be spent on new subway cars and buses and, to a lesser extent, on a limited rehabilitation program.

That is exactly the wrong tack to take. Rather than buying new vehicles, the M.T.A. should initiate a major program to overhaul and reconstruct its cars and buses in its own yards. This would save large sums that could be spent on the crucial task of rebuilding the system's crumbling infrastructure. Given the authority's plan to purchase new cars from foreign nations, a reconstruction program would offer another bonus, providing additional jobs for its employees at home.

Yet the best-intentioned long-range plans are worth little unless the decline in riders and revenues can be halted. In the past, the authority has paid all too little attention to finding ways of attracting new riders. The recent proposal for a magnetic-card system to replace tokens is an example of the kind of imaginative approach that

must be nurtured. And there should be regular, routine re-evaluation and redesign of routes to meet demographic and other changes in the city — a practice that has been more honored in the breach.

Criminal behavior in New York is not so prevalent as some believe; we rank 12th among the nation's 25 largest cities in per-capita crime. Yet the criminal-justice system clearly must be improved if New York is to be perceived as a safe and secure place to live and work. Among our most pressing needs are more courts and court officials, so that once criminals are caught they will receive rapid punishment; today, it sometimes takes six months to a year before they are tried. Moreover, we need additional jail space; judges are now loath to hand down stiff sentences because there is simply no room for the convicted.

Perhaps the most popular, visible action, however, would be to put more police on the street. The roadblock in the way of such a step has been finding the financing, but two recent proposals offer, in tandem, a solution.

One idea suggests that college scholarships be offered residents who would agree that for three years after graduation they would patrol New York streets for a very modest salary. They would be trained for duty during the summers. To add 10,000 foot patrolmen would cost the city \$200 million a year, or about half the cost of a similar complement of regular city police. The funding for such a program could be provided by modifying another idea — a \$2-a-week payroll tax, split between employer and employee, that would be dedicated to a crime-trust fund. The city would receive some \$350 million annually, enough to fund 10,000 foot patrolmen — with money left over for new court personnel and a start on some new jails.

The dark days of New York's fiscal crisis have lightened since 1977. The city is no longer a national symbol of urban economic decline. Yet its resurgence has been a kind of unguided missile, fueled by explosive growth in business services and the financial industry but without significant governmental direction. As the other cities of the nation move more forcefully into the service-economy era, New York will have to quicken its pace. Now is the time to plan for that event. ■

# Business Forum

## THE PRICE OF THE A.T.&T. BREAKUP

# Get Ready for Phone Bills to Double

By ANDREW J. STEIN

**O**N Jan. 1, 1984, the telecommunications industry as we know it today will come to a swift end, when the American Telephone and Telegraph Company divests itself of its 22 local operating companies.

Much has been written about the myriad opportunities for the Bell System once it is freed from the limitations imposed on its operations and enters the age of free-wheeling competition. Unfortunately, too little attention on the national and local level has been paid to the effect that divestiture will have on the average residential and business users of local telephone services. And preliminary financial material from local operating companies suggests that the breakup will be costly, in some cases tripling the average telephone bill.

The essential challenge for local regulators and rate-setting bodies is clear: scrutinize the consequences of the divestiture on local users and design future rate structures to mitigate the cost to average consumers.

Following the announcement of the settlement between A.T.&T. and the Justice Department there was no lack of dire predictions about the effect on local rates. Federal, state and local government agencies issued statements about the impending impact of divestiture. The United States Senate's Commerce and Judiciary panels, the House Judiciary Committee and the Subcommittee on Telecommunications Consumer Protection and Finance as well as various state regulatory agencies ordered inquiries into the breakup.

Some of these hearings have been completed; others have yet to be initiated. But for all the talk, no legislation has been enacted, nor new rate structures designed. And with only eight months remaining in the predivestiture period, state regulatory action appears to be the consumer's only line of defense against almost certain soaring phone rates.

When the telephone umbilical cord between Ma Bell and its local operating companies is severed, most telecommunications experts agree that the operating companies will need to raise enormous amounts of revenue to

Andrew J. Stein is the Borough President of Manhattan.



offset the loss of profit-making services such as long lines, customer premises equipment and Dial-It.

Most industry analysts note that the bulk of revenues will come from increased access charges and increased rates. Although A.T.&T. officials calmly assure the public that regulatory authorities will be able to set access fees high enough to protect local rates, state regulators are concerned about losing their own authority in this and other areas, primarily because the language of the settlement does not provide for how state regulators will set local rates or access charges.

In the absence of clear answers or specific actions by state regulators to assert their authority over local rates, the Bell operating companies will not hesitate to seek rate-setting decisions from the F.C.C. — undoubtedly a more sympathetic ear. Thus, the public will have forfeited valuable local powers. The result could mean astronomical increases within the next several years, doubling and in some cases tripling the cost of local telephone service to the consumer.

For example, according to testimony by Dwight Kellogg, Assistant Controller for the New York Telephone Company, the company says it will need \$2.9 billion in additional revenues by the end of 1985. That amount alone is greater than all the rate increases the company has re-

ceived in the last 13 years. Moreover, such a rate increase will probably increase the cost of the average consumer's bill by 50 percent to 70 percent. Combined with a potential increase in deposits and installations, this rise in local rates could price the telephone out of the market for tens of thousands of elderly and low-income New Yorkers.

**O**THER states are in a similar bind. Pennsylvania rates will double by the fifth year of divestiture, increasing nearly \$190 million a year, according to a spokesman for the state's utility commission. A spokesman for Southwestern Bell said that in anticipation of divestiture the company expected to file for a \$1 billion rate rise in late May, more than doubling its request of a year ago. According to a spokesman for the Florida Public Service Commission, the average residential flat rate for Southern Bell users is \$10.65, but as a result of divestiture and the recent F.C.C. decision raising local users' fees for long-distance service, the new rate will be \$31.15.

These predictions don't reflect the true situation or the full impact on the consumers. For instance, New York Telephone, in its most recent rate increase request, is seeking to maintain a 16.85 percent return on equity. Its explanation for the request, according to its Brief on Exceptions to the Public

Service Commission, is that "the investment community will be scrutinizing this decision to ascertain whether the company will be in sound financial condition as it approaches divestiture." In essence, New York Telephone is already seeking higher revenues from its customers to prepare itself for divestiture.

Additionally, the impact of investor confidence in the new local operating companies is an as yet unmeasured cost. But investment services are already casting a wary eye. Last month, Moody's downgraded the bond rating of many of the operating companies — mostly from Aaa to Aa3. As a result, local rates will rise to meet the operating companies' higher cost of money and investors will become even more skeptical of the financial stability of the companies after they are divested from A.T.&T.

The cost of local telephone service will be affected by a host of other issues as well — depreciation schedules, the value of transferred equipment, the assignment of book depreciation reserve, leasing arrangements and debt transfer, to cite only a few.

To insure that consumers are not overwhelmed by the potential cost of divestiture, state regulators will have to establish clearly their authority over these issues and delineate policies that balance the integrity of the settlement and the interests of the local telephone customers.

The local regulatory agencies must first assert their control over intrastate access charges by setting rates and fees at a premium for long-distance operators. To assure their control, the agencies must challenge any F.C.C. actions that usurp their ability to set local rates.

Regulators should also consider requiring operators to phase-in any cost of divestiture over five to 10 years to ease the burden on the public.

Finally, they should permit local operating companies to create new sources of revenue such as its own Dial-It services and Yellow Pages. By charging premiums for special services such as call forwarding, radio pagers and cellular mobile telephone systems they could also help offset the basic cost of the telephone.

With divestiture around the corner, the time to act is now. And how the state regulators meet this challenge will determine whether the telephone remains means of communication available to everyone.

**ANDREW STEIN, Manhattan Borough President**



## Letters

### Ill-Chosen Approach to Rising Health Costs

To the Editor:

The Reagan Administration's legislative package for controlling health-care costs, cited in a May 12 Op-Ed article by Dr. Robert J. Rubin, Assistant Secretary in the Department of Health and Human Services, has two flaws: It's unfair and it won't work.

It's unfair because, like so many other Reagan initiatives, it places a heavy burden on our poor, our elderly and our working people by limiting access to services they need through the simple expedient of reducing their ability to pay.

It won't work because it is based on the erroneous notion that health care, like shoes or potatoes, falls in price as demand falls.

Dr. Rubin asserts that two bills now in Congress would create incentives among consumers for cheaper, "more efficient" health care. Just how the bills would do this he doesn't say.

In reality, the proposal to tax health benefits would only force workers to negotiate for fewer and fewer benefits to keep the Government from taking bigger and bigger bites out of their real income. That's not cost containment.

And it is hard to imagine how higher Medicare co-payments will provide an added incentive for an elderly person not to slip on ice or fall in the bathtub. But he or she will pay five times as much for that six-week hospital stay for a broken hip: \$1,526 instead of \$304. This is exactly the kind of devastating hospital cost that Medicare was designed to prevent.

Equally serious, both schemes would drive up deductibles — the

money an individual pays before an insurer begins to foot part of the bill. With higher deductibles, many people will defer visits to a doctor until their



medical problems become overwhelming. In cases in which early detection is crucial, this could be a fatal decision. In dollars and cents, higher deductibles are a mistake because delayed diagnosis often leads to the need for acute care, inflating the cost of medical treatment.

The problem with the schemes is that they are based on the faulty theory that consumer demand can dictate the price of health care. They do not address the real problem, which is the profligate habits of our health-care providers. If these bills are enacted, they will increase the per-patient cost of health care, not reduce it.

For example, if a hospital builds a new wing or purchases a new CAT scanner, it will still be obliged to pay the debt service on the investment. With reduced consumer demand, the hospital will simply divide the cost among a smaller patient pool. Similarly, physicians will raise their fees to maintain the income to which they are accustomed.

Dr. Rubin's assertion that our medical care is the "world's best" is not quite correct. It's only the world's most expensive.

We rank 18th in infant mortality, 15th in longevity. Tens of millions of our citizens go without needed treatment simply because they cannot afford it. Yet our nation is first in the world in the percentage of gross national product devoted to health care.

Something is inflating our health-care costs, and it is not the coverage the Government provides for our poor and elderly. Dr. Rubin was quick to dismiss the role of the provider in the escalating costs of health care, but the evidence suggests that it is this group which plays the crucial part.

What we have to do is start chipping away at what makes health care in this country so expensive, not merely cut the money the Government is willing to spend for its citizens. We have to attack the root of the problem: hospital charges and physician's fees. At the same time, we must persevere in our efforts to expand coverage so that all of our citizens have adequate and affordable health care.

ANDREW STEIN  
Manhattan Borough President  
New York, May 13, 1983

**ANDREW STEIN, Manhattan Borough President**

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# NEW YORK POST

FRIDAY, JUNE 3, 1983

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AMERICA'S FASTEST-GROWING NEWSPAPER

## Rent hikes should be modest again

By ANDREW STEIN  
*Manhattan Borough President*

THE annual month-long display of disaffection between the city's rent-stabilized tenants and their landlords begins Monday when the Rent Guidelines Board takes public testimony to determine this year's rent increases.

Last year, these 600,000 tenants won significant concessions — smaller-than-average rent increases and an end to vacancy allowances.

But even these improvements in rent equity may be eroded this year in the rush to compensate building owners for the increased cost of refinancing mortgages.

However, if the Guidelines Board is to set fair rents for the coming year, three key factors indicate another round of modest rent rises is in order.

First, the increasing costs of owning rent-stabilized apartment buildings — those built since 1947, or older apartments no longer regulated by rent control — slowed this year, rising only 2.6 per cent compared to last year's 2.8 per cent. This alone suggests increases should be no greater than last year.

Secondly, the board has no justifiable rationale to raise a vacancy allowance — a surcharge

sometimes as high as 15 per cent previously given to landlords when an apartment was vacated. Simply put, it was a bold-faced giveaway that promoted tenant harassment.

The costs a landlord incurs in re-letting his vacated apartment are accounted for in the survey of operating costs that the board commissions every year. Adding a vacancy allowance on top of this is just plain double-dipping.

More importantly, tenant organizations throughout the city report that tenant harassment has decreased somewhat since the board abolished vacancy allowances.

In the past, the board justified a vacancy allowance as one way to compensate owners for the cost of refinancing their buildings. Actually, apartment vacancies have nothing to do with the cost of money or the benefits an owner gains from refinancing.

Now the real, unbrooding question to be asked is: what factor in this year's cost-of-living survey would justify the question of a vacancy allowance? Surely a building owner whose financials are in the red is not entitled to a vacancy allowance.

is refinanced. Today, higher interest rates raise average loan payments per apartment by 75 per cent and increase from 16 to 25 per cent the portion of an owner's operating budget dedicated to loan payments.

But merely reciting statistics misses the point: refinancing is an individual decision between an owner and a lending institution carried out for a host of reasons many of which may have little to do with the owner's operation of the building.

The Guidelines Board's study of mortgage financing shows that 27 per cent of the city's landlords refinance their properties to make capital improvements. Under the current rent stabilization system, owners already receive increases for these types of improvements — surcharges that continue even after the improvement is paid for. Compensating these owners is another form of double-dipping.

Finally, 44 per cent of the city's landlords refinance their properties to take advantage of lower interest rates. They do this because they see fit to refinance. If the market rate is 10 per cent, the owner will refinance at 10 per cent. If the market rate is 15 per cent, the owner will refinance at 15 per cent.

of the building owner is unconscionable.

Furthermore, interest rates fluctuate wildly from lending institution to lending institution, borough to borough, and neighborhood to neighborhood, and fewer than 10 per cent of the city's buildings face refinancing problems in any year.

To compensate every owner with across-the-board increases would hurt landlords who pay higher-than-average interest rates and unreasonably profit those who don't refinance or who pay lower-than-average interest rates.

The most equitable way to address the question is to develop a mechanism at the Conciliations and Appeals Board to compensate an individual owner when he refinances his property. The process could be similar to the CAB's procedures for hardship and capital-improvement rent increases.

This way, owners who actually face the difficult situation of refinancing their rent-stabilized properties will receive equitable compensation, without unduly burdening their tenants.

Despite the ballyhoo over the cost of mortgage refinancing, equity dictates that this year's rent increases follow the modest rise set for last year.

ANDREW STEIN, Manhattan Borough President

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# NEW YORK POST

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THURSDAY, SEPTEMBER 1, 1983

## Let's give the MTA back to the people

By **ANDREW STEIN**  
*Manhattan Borough President*

THE RECENT resignations of Richard Ravitch and John Simpson present Gov. Cuomo with a prime opportunity to make the unwieldy bureaucracy that runs our subways, buses and trains more accountable to the public it is mandated to serve.

For the past 15 years, it has been the particular misfortune of New York City and its metropolitan area that its single largest public service, used by nearly 5.5 million people a day, is utterly outside the public's electoral control; and the result has been devastating.

This August, as a result of seriously deteriorating subway tracks, 60 percent of the system's subways were either late or cancelled. The average time for a ride increased 30 percent and the number of collisions or derailments rapidly approached record numbers — 13 since January.

But the recent track crisis is only the latest in the 15 year legacy of MTA unaccountability.

From the start, the MTA Board, out of touch with the system's needs, set out on an ambitious new routes building program, even though the system was beginning to deteriorate from neglect

Nearly 60 percent of all capital money through 1977 was spent on new routes. But for all the money spent, it will still take \$4.8 billion to complete the two survivors of the program, the Queens Trunk Line and the Second Avenue subway.

In 1971, the MTA Board agreed to purchase the single largest subway car order in the system's 75 year history: 784 R-46 subway cars with 1568 untested, unproven, and unknown undercarriages. These were the infamous undercarriages that cracked, forcing New York City to sue the manufacturers to recover damages worth \$80 million, about half of the cost of the original purchase.

But the price the riding public paid for the R-46 debacle pales by comparison to the fleetwide devastation the board mandated when it voted to cut preventive subway car maintenance in 1975 during the city's fiscal crisis. Trains were late and runs were cancelled with increasing frequency. By January 1981, an average of 430 cars a day either never left the terminal or broke down in mid-route and were cancelled — a condition that could take another five to seven years to be remedied.

The riding public seems

to suffer for decades for the single decision of an unaccountable MTA Board.

The condition is true today, with the MTA's much-touted five-year capital plan, as it was for the new routes program, the R-46 subway car debacle and subway car maintenance.

From the outset the MTA's five year plan discarded the sound logic of replacing components at the end of their useful economic life in favor of investments in crowd pleasing: cosmetic improvements such as shiny new cars and bright stations. The discrepancies between what the system's infrastructure needs — track work, repairs on line equipment, tunnels and elevated structures — and its planned levels of capital investment are staggering.

By its own assessment, the MTA is spending \$80 million less than it needs for the next five years to repair its tracks and \$250 million less than it needs for tunnels, elevated lines and line equipment.

It doesn't take a genius to predict that the shortfall in track spending will precipitate a serious rise in derailments and an abrupt deterioration in service. Nor does it take much insight to predict

more frequent and lengthy emergency closures of parts of the system to repair such structural problems as the Lenox Avenue Line, Flushing tunnel, Franklin Street and Manhattan Bridge if these shortfalls in spending persist. And if more money isn't spent on the system's infrastructure, we may witness more serious accidents.

The riding public can no longer endure the plagues visited upon them by the MTA Board and politicians should no longer enjoy the luxury of having their unaccountable surrogates manage the system.

The decisions that ultimately affect the quality and performance of the nation's largest transportation system are made by surrogates appointed by one or more various political leaders. Neither the mayor nor the governor are responsible for the daily operations of the system. It is a structure set up to pass the buck for the deplorable conditions of the system.

But if Gov. Cuomo merely changes the names and faces of the system's leaders, without taking active steps to make elected officials more responsible for the system, he will continue the legacy of unaccountability.

**ANDREW STEIN, Manhattan Borough President**

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# The New York Times

NEW YORK, SATURDAY, FEBRUARY 18, 1984

## Preservation Laws Should Apply Equally

By Andrew Stein and Lynn Forester Stein

The New York State Legislature is seriously considering a measure that would strike a body blow at the ability of the state and city to preserve irreplaceable architectural landmarks.

The proposed legislation, which has acquired prominence because of the dispute over St. Bartholomew's Church in New York City, is designed to prohibit the application of any local landmark preservation regulation to property owned by religious organizations without their consent. Its supporters contend that the landmark preservation laws, applied to buildings used for religious purposes, violate the prohibition against state interference with the free exercise of religion guaranteed by the First Amendment of the Constitution.

However, the public's interest in the use and disposition of valuable landmarks requires a mechanism to insure that invaluable architecture is not indiscriminately sacrificed for commercial gain. Landmark laws provide just such a mechanism.

Two immutable principles should govern the debate over any legislation that would limit landmarks-preservation regulations. First, landmarks preservation should continue to be recognized as a proper and highly desirable function of government. Second, the treatment of commercial development should not differ because of the identity of the owner or the purpose to which the profits from the commercial activity will be put.

Public policy and legal precedent support the use of government regulations to protect landmarks. The blanket exemption that would be granted religious organizations by the proposed legislation is a direct challenge to the right of the public to

be involved in the protection of its architectural treasures.

Our courts have repeatedly held that land-use regulations, including landmark preservation, are a legitimate use of governmental powers. The public's interest in protecting irreplaceable art and architecture demands public scrutiny of decisions to change or destroy such resources.

Landmarks laws permit such public involvement and, at the same time, are responsive to the needs and interests of the property owners. In particular, the current landmarks laws provide for relief in cases of hardship.

The debate surrounding the proposed legislation has revealed the very serious and legitimate problems facing religious organizations. However, New York City's "hardship" provision is designed to address this issue. For example, the New York City Landmarks Commission found hardship with respect to property owned by a church in the Fort Greene Historic District and, on an expedited basis, authorized the demolition of the church-owned building. The commission's recent decisions with respect to the Mount Nebo Synagogue and the Marymount School reveal that a workable procedure is in place and the opportunity for relief exists. In both cases, the commission allowed the institutions involved to alter their structures so they could remain economically viable.

Of course, we can and should improve our laws and their administration where necessary. Fair and equitable administration of them is not impossible. But a flat prohibition against public participation in decisions affecting the preservation or destruction of buildings owned by reli-

gious organizations is entirely unwarranted.

The First Amendment does not give religious organizations a right to engage in commercial activity without abiding by the same regulations that govern others. Moreover, religious organizations are subject to an assortment of laws including zoning and health and safety regulations. It is unacceptable to suggest that commercial activity is transformed into religious expression because the proceeds from a commercial real estate development will be used to advance the activities of a religious organization. All owners of commercial real estate should play by the same rules. As the United States Supreme Court said in 1982: "When followers of a particular sect enter into commercial activity as a matter of choice, the limits they accept on their own conduct as a matter of conscience and faith are not to be superimposed on the statutory schemes which are binding on others in that activity."

Landmark preservation and religious expression are allies, not enemies. The protection of both is a vitally important goal. We can, with sympathy, understanding and economy, administer our landmark preservation laws. But our landmarks are too precious to permit their destruction without public scrutiny. The beauty of our landmarks was lovingly and carefully created; it must be lovingly and carefully preserved.

Andrew Stein is Manhattan Borough president. Lynn Forester Stein, a lawyer, is a member of the Municipal Arts Society, a civic organization devoted to landmark preservation.

**ANDREW STEIN, Manhattan Borough President**

NOT AT GOVERNMENT EXPENSE.

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# Andrew Stein UP Tenant Newsletter

## NEW RENT GUIDELINES

The Rent Guidelines Board has approved increases for rent stabilized apartments effective October 1, 1983 to September 30, 1984. The guidelines are the same as last year; 4 percent for a 1 year lease and 7 percent for a two year lease. For tenants whose electricity is included in the rent (Stuyvesant Town and Peter Cooper Village) the guidelines are 3 percent for a 1 year lease and 6 percent for a 2 year lease. Due to a law passed by the state legislature the three year lease provision has been eliminated.

Units renting for \$200 or less, in addition to the mandated increases, will have a \$10 monthly additional allowance. Rents in these units are not to exceed \$208 and \$214 for a 1 or 2 year lease respectively.

The RGB has also approved a three-tiered vacancy allowance ranging from no increase to 15 percent depending upon when the last vacancy occurred.

I am encouraged by the Board's decision on the basic guideline of 4 and 7 percent because the cost of operating a rent stabilized building increased only slightly above last year. But re-imposing a vacancy allowance is unjustified and gives landlords an incentive to harass existing tenants to move.

## SENIOR CITIZEN RENT INCREASE EXEMPTION (SCRIE)

The state legislature recently passed legislation which would allow the City Council to authorize cash payment to landlords whose Senior Citizen Rent Increase Exemption credits were greater than their property taxes. SCRIE allows senior citizens, 62 or older who have annual incomes of under \$10,000 and pay at least one-third of their incomes for rent, to apply for exemption from further rent increases. The landlord gets a property tax credit for the amount of the exemption.

The New York State Supreme Court ruled the program to be unconstitutional because in some cases rent increase exemption amounts were greater than the property taxes, thus depriving the owner of rightful income. The City Council now has to act for the program to comply with the court order. You can help by writing your council representative and urging them to support SCRIE.

## BRINGING THE LANDLORDS TO TRIAL

In October 1980 I filed a class action lawsuit, along with the New York State Tenant and Neighborhood Coalition, charging the New York City Rent Guidelines Board with violating the spirit and the intent of the Rent Stabilization laws. The suit contends that, when it sets annual rent increases, the Board doesn't fully analyze all the economic factors that determine the profitability of housing. Instead it analyzes just the annual increases in prices for goods and services, only one factor in the housing market. The case is now moving toward trial and I am confident about its success. A fundraising effort to support the continuing legal battle is now underway.

IF YOU HAVE A HOUSING PROBLEM, CALL BOROUGH PRESIDENT STEIN'S HOUSING UNIT FOR ASSISTANCE - 566-4105.

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# UPDATE...

# ON THE NEW EMERGENCY TENANT PROTECTION ACT



During the 1983 session, the State Legislature revised the Emergency Tenant Protection Act (ETPA). Some changes are pro-tenant; others are pro-landlord. The major changes are described below. If you have any questions or any problems with your landlord, call the Borough President's Housing Office at 566-4105.

### STATE OPERATION OF RENT CONTROL AND RENT STABILIZATION

On April 1, 1984, the State Division of Housing and Community Renewal (DHCR) will begin administering rent stabilization and rent control. By July 1, 1984, landlords must register each apartment's rent with DHCR. This will establish the initial registered rent. A copy of each apartment's registration must be sent to its tenant. A tenant has 90 days to challenge the initial registered rent's legality.

Landlords found guilty of willfully overcharging after April 1, 1984 will be liable for damages equalling three times the amount of the overcharge.

DHCR will also enforce the laws against tenant harassment. Landlords found guilty of harassment can now be fined up to \$1,000 for the first offense and up to \$2,500 for subsequent offenses.

### APARTMENT SHARING

In May, 1983 the State Court of Appeals ruled that landlords may evict unrelated tenants sharing an apartment without the landlord's consent. The Legislature subsequently revised the law to permit one additional occupant (a person not on the lease nor related to the tenant) and the additional occupant's dependent children.

### SUBLETTING AND ASSIGNING

The revised ETPA explicitly gives tenants the right to sublet their apartments and prohibits landlords from "unreasonably withholding consent." If a landlord unreasonably withholds consent or does not respond to the sublet request, the tenant may proceed with the sublet. However, a tenant's lease may not be assigned without the landlord's consent, even if that consent is unreasonably withheld. Defining "good reason to withhold consent" has been left to the courts.

### TENANTS OF NON-PROFIT INSTITUTIONS PROTECTED

Tenants in buildings owned by non-profit institutions are now covered by rent stabilization. Institutional landlords are now prohibited from evicting tenants to use their apartments for residential purposes if (1) the tenant has occupied the premises for five years and had not been informed of the institution's right to evict, or (2) the tenant had occupied the apartment prior to the institution's ownership.

### OVERCHARGE APPEAL DEADLINE

Tenants who suspect they are being overcharged should file a complaint with the City's Conciliation and Appeals Board (CAB) before the April 1, 1984 State takeover. Currently, a tenant whose complaint is verified may recover all overcharges. After the State takeover, a statute of limitations will prevent the recovery of overcharges made more than four years prior to the complaint.

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**ANDREW STEIN, Manhattan Borough President**

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# Andrew Stein's Newsletter

## DIVESTITURE: WHAT TO DO?

On January 1, American Telephone & Telegraph will divest itself of its operating companies, including New York Telephone Company. AT&T will be responsible for long distance calls and customer premises equipment. New York Telephone will provide local calling service. The divestiture will radically change our telecommunication system.

The divestiture's effects on local telephone rates deeply concern me. I recently completed a study indicating the telephone company will need \$2.9 billion over the next two years to pay for this process. Telephone officials predicted local rates could more than double in the next three to five years.

Telephone customers, however, have various options for cutting their telephone bills:

- 1) Buy your own equipment - Most customers currently rent their equipment from New York Telephone Company. However, equipment, as well as future rental fees will revert to AT&T. Now, customers can own their equipment by purchasing it from AT&T or other telephone companies. You can thus avoid the monthly rental charges of \$4 to \$12 for standard equipment. You will recover your investment after several years. However, once you purchase the equipment, you are responsible for its maintenance and upkeep. Therefore, purchase high quality equipment, so costly repairs will not be frequently required.
- 2) Survey the Long Distance Market - As of January 1, long distance will no longer be provided by New York Telephone Company. Thereafter, consumers will be able to choose amongst a variety of providers of long distance service including AT&T, MCI, SPRINT and other carriers. Thus, for the first time, there will be a competitive market for your long distance dollar. The best advice is to shop around for the best long distance service that will give you the service you use or need at the best possible price.
- 3) Use local Telephone Directories - Directory Assistance charges, for both local and long distance service, will increase as services are priced on a competitive basis. Therefore, consumers should seek to obtain telephone directories from the counties they most often call, so that operator assisted directory service can be avoided.

Telephone service will be changing significantly as of January 1. Consumers, however, have the capability to hold down their own rates by shopping around for the best possible service and equipment. Now that competition has entered into the telephone industry, we should take advantage of all avenues of service.

## ACCESS FEE POSTPONED

The American Telephone and Telegraph Company had proposed to charge all of its customers a \$2 monthly access fee-- no matter how much money they spent on long distance calls. This charge could rise to \$6 per month at a later date.

After months of discussion, however, the Federal Communications Commission has decided to put the new fee on hold for at least three months. Hopefully, we, along with other telephone intervenors, can convince the FCC to reject the proposal, and base all residential long distance rates on actual usage. This monthly charge is unnecessary and unfair to the telephone ratepayer.

## HOW TO COMPLAIN ABOUT YOUR TELEPHONE BILL

Many telephone customers want to know where to complain about problems with their bill or service. The first step is to contact the telephone company. Your customer service representative will try to solve your problem.

However, if the telephone company doesn't satisfy you, call the New York State Public Service Commission-- toll free. The PSC will investigate the problem. You are entitled to a formal hearing on any billing dispute and to appeal an adverse decision to the Commission itself.

The toll free number for the PSC is (800) 342-3355. If you wish to contact the Commission by mail, write to:

Public Service Commission  
Empire State Plaza  
Albany, New York 12223

## STEIN OPPOSES NY TEL'S \$1.1 BILLION RATE INCREASE

On August 1, 1983, New York Telephone asked the New York State Public Service Commission for a \$1.1 billion rate increase. This increase, most of which would become effective next summer, is the first post-divestiture increase.

As in the last four telephone rate cases, I have formally intervened in the proceedings to represent the interests of the people of the Borough of Manhattan. Hearings began September 22. My utilities consultant has been questioning New York Telephone Company's figures and gathering witnesses to convince the PSC that this rate increase is unjustifiable.

I have been successful in keeping some of the telephone company's increases within reason. For the past three years, we have led the battle to keep the pay telephone rate at 10 cents. New York Telephone has tried to increase the cost of a pay call to 25 cents, but we have successfully defeated this increase.

Last year, we helped organize a coalition of municipal consumers which fought the last telephone increase request. The final result was that the PSC gave the telephone company only half of what it wanted.

This year's increase request is the largest sought by a New York State utility. The following are highlights of the increase and my position on them:

**PAY CALL** - This time, the New York Telephone Company is seeking a 30 cent pay telephone call. This would be the highest rate in the nation, yielding an extra \$186.9 million. I want to keep the 10 cent call so that those who cannot afford a home telephone will still be able to communicate with the outside world at a reasonable rate.

**DIRECTORY ASSISTANCE** - Currently, the residential telephone customer gets three free monthly Directory Assistance calls, and is then charged 35 cents for each successive request. In this rate case, New York Telephone wants to reduce the allowance to two free monthly calls and increase the charge for any additional requests to 40 cents. I oppose any increase in Directory Assistance charges. Remember, you can obtain any telephone directory from the phone company free of charge just by calling your local business office.

**CONNECTION CHARGES** - New York Telephone wants \$52.6 million more for connecting telephone service. The proposed new connection charge totals \$132, excluding the actual installation. In 1970, consumers paid \$8.75 to have service connected. This increased to \$18 by 1975 and has increased rapidly since (it is \$98.25 this year). I oppose further increases; average middle class consumers can now barely afford the cost of a service connection.

**LATE PAYMENT CHARGE** - For the first time ever, the telephone company is seeking a late payment charge if payment is more than one month late. The Company wants to assess customers a 1½ percent late charge on all unpaid bills at the time the next telephone bill is prepared. This charge, which would be charged as a percentage of the amount owed less one month's local service charge, would apply to both residential and business customers. I oppose this charge, as the largest share of delinquent accounts come from major business customers rather than residential ratepayers.

Of course, there are many other issues in this rate case, including increased wire charges, increases for local message calling, higher exchange rates, and higher private line costs. I will be fighting all these increases over the next six months. I hope to stop the increase from taking effect in its entirety.

### WHO IS THE PUBLIC SERVICE COMMISSION?

Many people wonder who makes up the Public Service Commission and how it operates. The PSC regulates utility rates in our state. It is responsible for setting rates for electric, telephone, water, and gas companies who do business in New York. Of course, it is also responsible for insuring safe and adequate service.

The PSC has seven members, appointed by the Governor with the State Senate's approval. The members serve for six years, with staggered terms. There are no actual qualifications for membership, but the last two Governors reserved two seats for consumer representatives.

I am unhappy with the way the PSC has conducted its business. Its rate awards have been excessive and contrary to the consumers' best interests. An elected PSC, directly accountable to the people would serve us better.

---

**ANDREW STEIN, Manhattan Borough President**

HAVE A PROBLEM WITH CITY SERVICES? NEED HELP?  
CALL BOROUGH PRESIDENT ANDREW STEIN'S OFFICE - 566 - 4300.



**THE PRICE OF THE A.T.&T. BREAKUP**

**Get Ready for Phone Bills to Double**

By **ANDREW J. STEIN**

**O**N Jan. 1, 1984, the telecommunications industry as we know it today will come to a swift end, when the American Telephone and Telegraph Company divests itself of its 22 local operating companies.

Much has been written about the myriad opportunities for the Bell System once it is freed from the limitations imposed on its operations and enters the age of free-wheeling competition. Unfortunately, too little attention on the national and local level has been paid to the effect that divestiture will have on the average residential and business users of local telephone services. And preliminary financial material from local operating companies suggests that the breakup will be costly, in some cases tripling the average telephone bill.

The essential challenge for local regulators and rate-setting bodies is clear: scrutinize the consequences of the divestiture on local users and design future rate structures to mitigate the cost to average consumers.

Following the announcement of the settlement between A.T.&T. and the Justice Department there was no lack of dire predictions about the effect on local rates. Federal, state and local government agencies issued statements about the impending impact of divestiture. The United States Senate's Commerce and Judiciary panels, the House Judiciary Committee and the Subcommittee on Telecommunications Consumer Protection and Finance as well as various state regulatory agencies ordered inquiries into the breakup.

Some of these hearings have been completed; others have yet to be initiated. But for all the talk, no legislation has been enacted, nor new rate structures designed. And with only eight months remaining in the predivestiture period, state regulatory action appears to be the consumer's only line of defense against almost certain soaring phone rates.

When the telephone umbilical cord between Ma Bell and its local operating companies is severed, most telecommunications experts agree that the operating companies will need to raise enormous amounts of revenue to offset the loss of profit-making services such as long lines, customer premises equipment and Dial-It.

Most industry analysts note that the bulk of revenues will come from increased access charges and increased rates. Although A.T.&T. officials calmly assure the public that regulatory authorities will be able to set access fees high enough to protect local rates, state regulators are concerned about losing their own authority in this and other areas, primarily because the language of the settlement does not provide for how state regulators will set local rates or access charges.

In the absence of clear answers or specific actions by state regulators to assert their authority over local rates, the Bell operating companies will not hesitate to seek rate-setting decisions from the F.C.C. — undoubtedly a more sympathetic ear. Thus, the public will have forfeited valuable local powers. The result could mean astronomical increases within the next sev-



**Telephone Rates Out of Control?**

Below are recent rate increases requested by the New York Telephone Company plus

the company's projected revenue shortfall for 1984 and 1985  
 Figures in millions

Source: New York State Consumer Protection Board, New York State Public Service Commission



Scott MacPhail

eral years, doubling and in some cases tripling the cost of local telephone service to the consumer.

For example, according to testimony by Dwight Kellogg, Assistant Controller for the New York Telephone Company, the company says it will need \$2.8 billion in additional revenues by the end of 1985. That amount alone is greater than all the rate increases the company has received in the last 13 years. Moreover, such a rate increase will probably increase the cost of the average consumer's bill by 50 percent to 70 percent. Combined with a potential increase in deposits and installations, this rise in local rates could price the telephone out of the market for tens of thousands of elderly and low-income New Yorkers.

**O**THER states are in a similar bind. Pennsylvania rates will double by the fifth year of divestiture, increasing nearly \$100 million a year, according to a spokesman for the state's utility commission. A spokesman for Southwestern Bell said that in anticipation of divestiture the company expected to file for a \$1 billion rate rise in late May, more than doubling its request of a year ago. According to a spokesman for the Florida Public Service Commission, the average residential flat rate for Southern Bell users is \$10.65, but as a result of divestiture and the recent F.C.C. decision raising local users' fees for long-distance service, the new rate will be \$31.15.

These predictions don't reflect the true situation or the full impact on the consumers. For instance, New York Telephone, in its most recent rate increase request, is seeking to maintain a 16.88 percent return on equity. Its explanation for the request, according to its Brief on Exceptions to the Public Service Commission, is that "the investment community will be scrutinizing this decision to ascertain whether the company will be in sound financial condition as it approaches divestiture." In essence, New York Telephone is already seeking higher revenues from its customers to prepare itself for divestiture.

Additionally, the impact of investor

confidence in the new local operating companies is an as yet unmeasured cost. But investment services are already casting a wary eye. Last month, Moody's downgraded the bond rating of many of the operating companies — mostly from Aaa to Aa3. As a result, local rates will rise to meet the operating companies' higher cost of money and investors will become even more skeptical of the financial stability of the companies after they are divested from A.T.&T.

The cost of local telephone service will be affected by a host of other issues as well — depreciation schedules, the value of transferred equipment, the assignment of book depreciation reserve, leasing arrangements and debt transfer, to cite only a few.

To insure that consumers are not overwhelmed by the potential cost of divestiture, state regulators will have to establish clearly their authority over these issues and delineate policies that balance the integrity of the settlement and the interests of the local telephone customers.

The local regulatory agencies must first assert their control over intrastate access charges by setting rates and fees at a premium for long-distance operators. To assure their control, the agencies must challenge any F.C.C. actions that usurp their ability to set local rates.

Regulators should also consider requiring operators to phase-in any cost of divestiture over five to 10 years to ease the burden on the public.

Finally, they should permit local operating companies to create new sources of revenue such as its own Dial-It services and Yellow Pages. By charging premiums for special services such as call forwarding, radio pagers and cellular mobile telephone systems they could also help offset the basic cost of the telephone.

With divestiture around the corner, the time to act is now. And how the state regulators meet this challenge will determine whether the telephone remains means of communication available to everyone.

Andrew J. Stein is President of Manhattan.

MANHATTAN BOROUGH PRESIDENT

ANDREW STEIN

**“Telephone divestiture  
can cause your  
phone bill to double.  
You can fight back.”**

2050 MUNICIPAL BUILDING  
NEW YORK, N.Y. 10007



# Important news concerning the Telephone Company divestiture that will directly affect you.

Dear Constituent,

I have received many complaints about telephone service, billing, and the American Telephone & Telegraph divestiture.

Divestiture will occur on January 1, 1984. The telecommunications industry will then undergo the most rapid and comprehensive changes in its history. Although telephone service will essentially remain the same, telephone rates, telephone bill format and the providers of certain services will change. For example, New York Telephone will continue providing local telephone service, but stop providing customer premises equipment and long distance service. Customers will have a choice of services and equipment widely unavailable before the AT&T breakup.

I have been directly involved in the issue of telephone service and rates for many years. I participated in the last four New York Telephone rate cases and succeeded in saving the 10 cent pay phone call. Furthermore, we filed comments with the Federal Government on the divestiture and monitored the case.

This newsletter will provide you the latest information on telephone rates and divestiture. I hope you find it helpful as divestiture approaches. If I can be of aid to you, please call me at 566-4300.

Sincerely,

*Andrew Stein*

ANDREW STEIN





ANDREW STEIN  
PRESIDENT

PRESIDENT OF THE BOROUGH OF MANHATTAN  
CITY OF NEW YORK  
NEW YORK, N. Y. 10007

January 27, 1984

Mr. William H Ransom  
115 E 87 St, #14e  
New York, NY 10028

Dear Mr. Ransom,

I am writing to invite you to join me at a community meeting which will consider the question of whether the Upper East Side Historic District should be extended from 79th Street up to 96th Street.

Date: Sunday, February 5th  
Place: The Dalton School  
108 East 89th Street  
(Between Park and Lexington)  
Time: 1:00 PM

You will have an opportunity to present your views as well as listen to the comments of such people as Kent Barwick, Chairman of the Municipal Art Society, Preservationist Brendan Gill, and Gene Norman, Chairman of the Landmarks Preservation Commission. Councilwoman Carolyn Maloney will join me in cosponsoring the event.

The issue of extending the Upper East Side Historic District is of enormous personal importance to me. My wife Lynn and I live in the area and both share a strong belief that the area from 79th to 96th has unique architectural characteristics that must be preserved. There has been a tremendous amount of development all over the East Side and it is important that the low density and the striking facades of many of the buildings be preserved against further encroachment.

If you are unable to make the community meeting but would still like to keep informed of what we are doing on the issue of historic preservation and the extension of the Upper East Side Historic District, please return the enclosed paid card to me.

Please call Laura Toole at 566-6237 if you are interested in making your views heard at our community meeting on February 5th.

Sincerely,

ANDREW STEIN

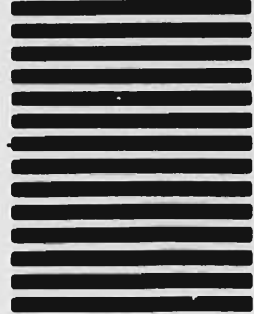
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YOU CAN'T MAKE OUR COMMUNITY MEETING

ADMISSION TICKET



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IF MAILED  
IN THE  
UNITED STATES



ADMISSION TICKET

COME TO OUR COMMUNITY  
MEETING TO DISCUSS THE PROPOSED  
EXTENSION OF THE UPPER EAST SIDE  
HISTORICAL DISTRICT

**BUSINESS REPLY MAIL**

First Class Permit No. 8587, New York, N.Y.

Postage will be paid by addressee

Mr. Andrew Stein

1 Centre Street

New York, New York 10007

DATE: Sunday, February 5th

PLACE: The Dalton School  
108 East 89th Street

TIME: 1:00 PM

84040463994

ADMISSION TICKET

RETURN THIS CARD IF YOU CAN'T MAKE OUR COMMUNITY MEETING

COME TO OUR COMMUNITY MEETING TO DISCUSS THE PROPOSED EXTENSION OF THE UPPER EAST SIDE HISTORICAL DISTRICT

Dear Mr. Stein

Please keep me informed about what you are doing in regard to the extension of the proposed Upper East Side Historic District and on landmark preservation in general.

DATE: Sunday, February 6th

Name: \_\_\_\_\_

PLACE: The Dalton School  
108 East 89th Street

Address: \_\_\_\_\_

TIME: 1:00 PM

Telephone: \_\_\_\_\_



BUSINESS REPLY MAIL

84040465895

Mr. Andrew Stein  
1 Centre Street  
New York, New York 10007



ANDREW STEIN  
PRESIDENT

PRESIDENT OF THE BOROUGH OF MANHATTAN  
CITY OF NEW YORK  
NEW YORK, N. Y. 10007

March 9, 1984

Mr. Stephen Balderston  
2025 Broadway, Apt. 12K  
New York, NY 10023

Dear Mr. Balderston,

No one enjoys delivering bad news.

However, I think that it is important that you know that your rent may be significantly increased unless we do something to change the current law.

As I am sure you know, your building is presently rent stabilized. As a result, your rent can only be raised by a fixed percentage each year.

But if the current law is not changed, your building will no longer be rent stabilized after July 1, 1988. This is because your building was constructed as part of the "421 a" program. This program, designed to encourage construction of residential buildings, granted owners a declining tax abatement for ten years but made the new buildings subject to rent stabilization for the same ten year period.

The ten years is just about up for the first buildings constructed under this program and we can only anticipate a sharp rise in rents.

Fortunately, there is a remedy. Together we can work to amend the legislation covering "421 a" buildings.

Last year the state assembly passed such an amendment but the Republican controlled state senate rejected the proposal.

I am convinced that we can win the fight this year and I am working with the 421 a Coalition and other Manhattan tenants to form a committee to take our message directly to the Republican majority leader of the state senate, Warren Anderson.

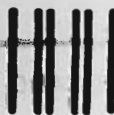
I urge you to return the enclosed postage paid card to me so that I can keep you informed and show the Republican leaders how many people support our cause. If you would like more information please call Elizabeth Wright in my housing unit at 566-4105.

Sincerely,

ANDREW STEIN

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TO KEEP INFORMED ON THIS ISSUE



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IF MAILED  
IN THE  
UNITED STATES

**BUSINESS REPLY MAIL**

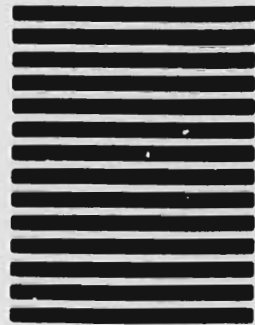
First Class Permit No. 8587, New York, N.Y.

Postage will be paid by addressee

**Mr. Andrew Stein**

**1 Centre Street**

**New York, New York 10007**



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**RETURN THIS CARD TO KEEP INFORMED ON THIS ISSUE**

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Dear Mr. Stein:

**Yes, I want to work with you to preserve rent stabilization for tenants in 421 a buildings. Keep me informed of further developments on this issue and of any activities I can participate in with you.**

Name \_\_\_\_\_

Address: \_\_\_\_\_ Apt. \_\_\_\_\_

New York, New York Zip Code \_\_\_\_\_

Telephone \_\_\_\_\_

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ANDREW STEIN  
PRESIDENT

PRESIDENT OF THE BOROUGH OF MANHATTAN  
CITY OF NEW YORK  
NEW YORK, N. Y. 10007

March 20, 1984

Ms. Theresa C Terenzetti  
108 E 38 St Apt. 18B  
New York, NY 10016

Dear Ms. Terenzetti,

I am writing to invite you to attend a community meeting to discuss a proposal to the Landmarks Preservation Commission to designate the area from 34th to 39th Street between Madison and Third Avenue as the Murray Hill Historic District.

Date: Wednesday, March 28  
Place: The Community Church Hall of Worship  
40 East 35th Street  
(Between Madison and Park)  
Time: 7 p.m.

You will have the opportunity to present your views as well as listen to the comments of Preservationist Brendan Gill and Gene Norman, Chairman of the Landmarks Preservation Commission. The Murray Hill Committee is co-sponsoring the event.

The designation of a historic district in Murray Hill is of enormous importance. The area has unique architectural characteristics and a distinct atmosphere that should be preserved. It is important that the low density, residential character, and unique buildings be protected from further encroachment.

If you wish to express your views at our community meeting, please call Elizabeth Wright at 566-3246.

If you are unable to attend this meeting but would like to be informed of further developments regarding historic preservation and the proposed Murray Hill Historic District, please return the enclosed paid postcard.

I hope you can join us on March 28.

Sincerely,

ANDREW STEIN

84040463899

KEEP INFORMED ON THIS ISSUE



**BUSINESS REPLY MAIL**

First Class Permit No. 8587, New York, N.Y.

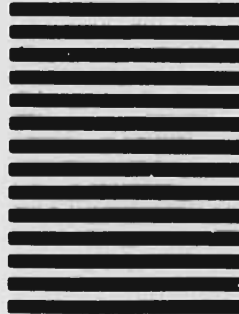
Postage will be paid by addressee

**Mr. Andrew Stein**

**1 Centre Street**

**New York, New York 10007**

NO POSTAGE  
NECESSARY  
IF MAILED  
IN THE  
UNITED STATES



**ADMISSION TICKET**

**COME TO OUR COMMUNITY  
MEETING TO DISCUSS THE PROPOSED  
MURRAY HILL  
HISTORICAL DISTRICT**

**DATE: Wednesday, March 28th**

**PLACE: The Community Church Hall  
of Worship  
40 East 35th Street  
(between Madison and Park)**

**TIME: 7 P.M.**

84040463900

**ADMISSION TICKET**

**RETURN THIS CARD TO KEEP INFORMED ON THIS ISSUE**

**COME TO OUR COMMUNITY  
MEETING TO DISCUSS THE PROPOSED  
MURRAY HILL  
HISTORICAL DISTRICT**

Dear Mr. Stein,

Please keep me informed about what you are doing in regard  
to the proposed Murray Hill Historic District and on other  
landmark preservation projects.

**DATE:** Wednesday, March 28th

**Name:** \_\_\_\_\_

**PLACE:** The Community Church Hall  
of Worship  
40 East 35th Street  
(between Madison and Park)

**Address:** \_\_\_\_\_ **Apt.** \_\_\_\_\_

**New York, New York** Zip Code \_\_\_\_\_

**TIME:** 7 P.M.

**Telephone:** \_\_\_\_\_

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**Andrew Stein**  
Manhattan Borough President



**Carol Bellamy**  
President of the City Council

THE CITY OF NEW YORK

March 22, 1984

Ms. Janet Boorky  
755 West End Av Apt. 5B  
New York, NY 10025

Dear Ms. Boorky,

We are writing to invite you to the second hearing we are holding on sex-based discrimination in the market place.

Date: Sunday, April 1  
Place: High School of Art and Design  
1075 Second Avenue  
(Between 56th and 57th Street)  
Time: 11 a.m.

The hearing will focus on three aspects of the problem:

- (1) Pay equity: equal pay for equal work and for work of comparable value,
- (2) Discriminatory hiring and promotional practices, and
- (3) Economic disincentives: e.g., inequities resulting from the absence of adequate child care and unfair retirement and health benefits.

A number of experts will testify concerning the scope of these problems and possible solutions. But we are most interested in hearing about your experiences. A number of people have already asked to speak at the hearing. As space is limited, we ask that you call Laura Toole, 566-6237, at your earliest convenience to arrange a time to testify.

We recently held a hearing at City Hall on one aspect of sex-based discrimination — the absence of equal pay for work of comparable worth. A copy of the New York Times article on the hearing is enclosed. As you can see, we are taking steps to address the issue, but more must be done.

Of course, we welcome you to attend the hearing whether you choose to testify or not. If you cannot come but would like to remain on our mailing list, please return the enclosed self-addressed postage-paid card.

We look forward to seeing you on April 1.

Sincerely,

Andrew Stein  
Manhattan Borough President

Carol Bellamy  
President of the City Council

P.S. Child care will be provided at the High School for anyone who needs it.

84040463902

## Imbalances in Pay for Women Examined by City



By SETH MYDANS

Is a legal secretary as important as a carpenter? Is a kindergarten teacher as important as a zookeeper?

Not if New York City pay scales are taken as the measure, a City Hall hearing into discrepancies in pay between predominantly female and predominantly male jobs was told last week.

The hearing, headed by City Council President Carol Bellamy and Borough President Andrew J. Stein of Manhattan, marked the city's first public exploration of salary imbalances, an issue known as comparable worth.

One witness said that nationally there was an annual average difference of \$8,000 between full-time female and male workers.

The witness, Pamela Stone Cain, an assistant professor of sociology at Hunter College, said three-fourths of all women in the country remained segregated in the "pink-collar ghettos" of clerical, retail and low-level service jobs, and that even those who had risen to higher positions remained for the most part in the "semi-professions" of teaching, social work and health care workers.

### Computers as 'Women's Jobs'

Though some jobs, such as taxi driver, are opening up to women, she said, others are becoming more male dominated. Some newly emerging professions like computer operator are falling into the old stereotypes and becoming "women's jobs," she added.

Ronnie J. Steinberg, a specialist in women's employment at the State University of New York at Albany, said she

had determined that the jobs of carpenters and legal secretaries were comparable, based on standard measures that include skill, effort, responsibility and working conditions.

A carpenter working for New York City earns \$1,440 a month, compared with a legal secretary's \$665, she said, for an annual difference of \$4,500.

Witnesses warned that if the city did not begin at least to study the issue it might face a lawsuit of the type that led two months ago to an \$838 million assessment in wage raises and back pay against the State of Washington. That judgment is being appealed.

### Change Called 'Inevitable'

In my view it's inevitable — either be dragged kicking and screaming as happened in Washington State or begin moving in that direction of your own terms," said Nina Rittich, chief commissioner of Comparative Relations for Minnesota. "That state has been a leader in wage arbitration and salary pay discrepancies.

Districts 11 and 12 of the American Federation of State, County and Municipal Employees, representing 4,000 New York City clerical, professional and support workers, has made a similar comparison between its jobs and those of the city's police and fire departments, and negotiations in April and May may begin Jan. 27.

The hearing took place at a contract negotiation session for the city, said Al Vanni, director of research and negotiations for the city, after addressing the hearing.

Speaking for the city, Personnel Director Juan B. Cruz said his office was studying the methods used elsewhere to study the issue in an effort to determine the best way to proceed. "We will continue our analysis and hopefully come up with some answers soon," he said.

### Less for Kindergarten Teachers

Ann Newman, the lawyer who won the case against Washington State, said that across the country, "Barbers get more than beauticians and zookeepers get more than people who take care of children.

In New York City, the contractual starting salary for kindergarten teachers, most of whom are women, is \$14,500, although the actual average starting salary is \$16,000. Most zookeepers, most of whom are men, are in a job category where the starting salary is \$13,400.

Kindergarten teachers are required to have a bachelor of arts degree. There is no educational requirement for zookeepers.

In the Washington case, a Federal District Court judge found that by paying women salaries for jobs predominantly held by men, the state was in violation of Title VII of the Civil Rights Act of 1964. That act includes requirements for equal employment opportunity.

The judge ordered the state to institute a 10 percent pay increase and pay back pay from September 1979 for 10,000 state workers.

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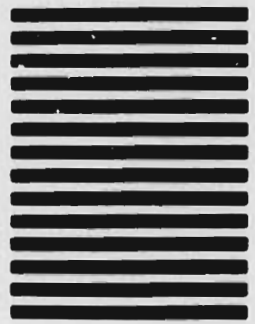
**Mr. Andrew Stein  
Ms. Carol Bellamy  
1 Centre Street  
New York, New York 10007**

**DATE: Sunday, April 1st**

**PLACE: High School of Art and Design  
1075 Second Avenue  
(between 56th and 57th Street)**

**TIME: 11 A.M.**

34040463904



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DISCRIMINATION IN THE MARKETPLACE**

**DATE:** Sunday, April 1st

**PLACE:** High School of Art and Design  
1075 Second Avenue  
(between 56th and 57th Street)

**TIME:** 11 A.M.

Dear Mr. Stein and Ms. Bellamy,

Please keep me informed about what you are doing in regard to women's rights and sex-based discrimination in the marketplace.

**Name** \_\_\_\_\_

**Address:** \_\_\_\_\_ **Apt.** \_\_\_\_\_

**New York, New York**    **Zip Code** \_\_\_\_\_

**Telephone** \_\_\_\_\_

34040463905



ANDREW STEIN  
PRESIDENT

PRESIDENT OF THE BOROUGH OF MANHATTAN  
CITY OF NEW YORK  
NEW YORK, N. Y. 10007

March 20, 1984

Ms. Theresa C Terenzetti  
108 E 38 St Apt. 18B  
New York, NY 10016

Dear Ms. Terenzetti,

I am writing to invite you to attend a community meeting to discuss a proposal to the Landmarks Preservation Commission to designate the area from 34th to 39th Street between Madison and Third Avenue as the Murray Hill Historic District.

Date: Wednesday, March 28  
Place: The Community Church Hall of Worship  
40 East 35th Street  
(Between Madison and Park)  
Time: 7 p.m.

You will have the opportunity to present your views as well as listen to the comments of Preservationist Brendan Gill and Gene Norman, Chairman of the Landmarks Preservation Commission. The Murray Hill Committee is co-sponsoring the event.

The designation of a historic district in Murray Hill is of enormous importance. The area has unique architectural characteristics and a distinct atmosphere that should be preserved. It is important that the low density, residential character, and unique buildings be protected from further encroachment.

If you wish to express your views at our community meeting, please call Elizabeth Wright at 566-3246.

If you are unable to attend this meeting but would like to be informed of further developments regarding historic preservation and the proposed Murray Hill Historic District, please return the enclosed paid postcard.

I hope you can join us on March 28.

Sincerely,

ANDREW STEIN

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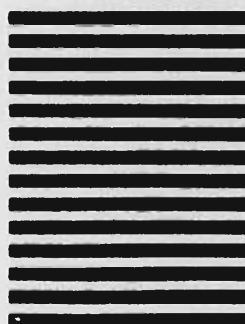
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Mr. Andrew Stein

1 Centre Street

New York, New York 10007

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**ADMISSION TICKET**

**COME TO OUR COMMUNITY  
MEETING TO DISCUSS THE PROPOSED  
MURRAY HILL  
HISTORICAL DISTRICT**

**DATE: Wednesday, March 28th**

**PLACE: The Community Church Hall  
of Worship  
40 East 35th Street  
(between Madison and Park)**

**TIME: 7 P.M.**

34040463907

ADMISSION TICKET

RETURN THIS CARD TO KEEP INFORMED ON THIS ISSUE

**COME TO OUR COMMUNITY  
MEETING TO DISCUSS THE PROPOSED  
MURRAY HILL  
HISTORICAL DISTRICT**

DATE: Wednesday, March 28th

PLACE: The Community Church Hall  
of Worship  
40 East 35th Street  
(between Madison and Park)

TIME: 7 P.M.

Dear Mr. Stein,

Please keep me informed about what you are doing in regard  
to the proposed Murray Hill Historic District and on other  
landmark preservation projects.

Name: \_\_\_\_\_

Address: \_\_\_\_\_ Apt. \_\_\_\_\_

New York, New York Zip Code \_\_\_\_\_

Telephone: \_\_\_\_\_

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ANDREW STEIN  
PRESIDENT

PRESIDENT OF THE BOROUGH OF MANHATTAN  
CITY OF NEW YORK  
NEW YORK, N. Y. 10007

March 9, 1984

Mr. Stephen Balderston  
2025 Broadway, Apt. 12K  
New York, NY 10023

Dear Mr. Balderston,

No one enjoys delivering bad news.

However, I think that it is important that you know that your rent may be significantly increased unless we do something to change the current law.

As I am sure you know, your building is presently rent stabilized. As a result, your rent can only be raised by a fixed percentage each year.

But if the current law is not changed, your building will no longer be rent stabilized after July 1, 1988. This is because your building was constructed as part of the "421 a" program. This program, designed to encourage construction of residential buildings, granted owners a declining tax abatement for ten years but made the new buildings subject to rent stabilization for the same ten year period.

The ten years is just about up for the first buildings constructed under this program and we can only anticipate a sharp rise in rents.

Fortunately, there is a remedy. Together we can work to amend the legislation covering "421 a" buildings.

Last year the state assembly passed such an amendment but the Republican controlled state senate rejected the proposal.

I am convinced that we can win the fight this year and I am working with the 421 a Coalition and other Manhattan tenants to form a committee to take our message directly to the Republican majority leader of the state senate, Warren Anderson.

I urge you to return the enclosed postage paid card to me so that I can keep you informed and show the Republican leaders how many people support our cause. If you would like more information please call Elizabeth Wright in my housing unit at 566-4105.

Sincerely,

ANDREW STEIN

84040463909

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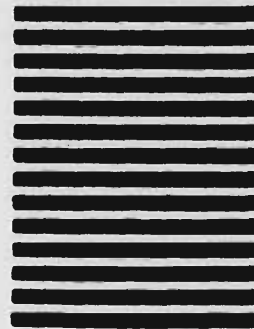
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Mr. Andrew Stein

1 Centre Street

New York, New York 10007



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**RETURN THIS CARD TO KEEP INFORMED ON THIS ISSUE**

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Dear Mr. Stein:

Yes, I want to work with you to preserve rent stabilization for tenants in 421 a buildings. Keep me informed of further developments on this issue and of any activities I can participate in with you.

Name \_\_\_\_\_

Address: \_\_\_\_\_ Apt. \_\_\_\_\_

New York, New York Zip Code \_\_\_\_\_

Telephone \_\_\_\_\_

84040463911

**Andrew Stein**  
Manhattan Borough President



**Carol Bellamy**  
President of the City Council

THE CITY OF NEW YORK

March 22, 1984

Ms. Janet Boorky  
755 West End Av Apt. 5B  
New York, NY 10025

Dear Ms. Boorky,

We are writing to invite you to the second hearing we are holding on sex-based discrimination in the market place.

Date: Sunday, April 1  
Place: High School of Art and Design  
1075 Second Avenue  
(Between 56th and 57th Street)  
Time: 11 a.m.

The hearing will focus on three aspects of the problem:

- (1) Pay equity: equal pay for equal work and for work of comparable value,
- (2) Discriminatory hiring and promotional practices, and
- (3) Economic disincentives: e.g., inequities resulting from the absence of adequate child care and unfair retirement and health benefits.

A number of experts will testify concerning the scope of these problems and possible solutions. But we are most interested in hearing about your experiences. A number of people have already asked to speak at the hearing. As space is limited, we ask that you call Laura Toole, 566-6237, at your earliest convenience to arrange a time to testify.

We recently held a hearing at City Hall on one aspect of sex-based discrimination — the absence of equal pay for work of comparable worth. A copy of the New York Times article on the hearing is enclosed. As you can see, we are taking steps to address the issue, but more must be done.

Of course, we welcome you to attend the hearing whether you choose to testify or not. If you cannot come but would like to remain on our mailing list, please return the enclosed self-addressed postage-paid card.

We look forward to seeing you on April 1.

Sincerely,

Andrew Stein  
Manhattan Borough President

Carol Bellamy  
President of the City Council

P.S. Child care will be provided at the High School for anyone who needs it.

34040463912

# The New York Times

SUNDAY, FEBRUARY 12, 1984

## Imbalances in Pay for Women Examined by City



By SETH MYDANS

Is a legal secretary as important as a carpenter? Is a kindergarten teacher as important as a zookeeper?

Not if New York City pay scales are taken as the measure, a City Hall hearing into discrepancies in pay between predominantly female and predominantly male jobs was told last week.

The hearing, headed by City Council President Carol Bellamy and Borough President Andrew J. Stein of Manhattan, marked the city's first public exploration of salary imbalances, an issue known as comparable worth.

One witness said that nationally there was an annual average difference of \$8,000 between full-time female and male workers.

The witness, Pamela Stone Cain, an assistant professor of sociology at Hunter College, said three-fourths of all women in the country remained segregated in the "pink-collar ghettos" of clerical, retail and low-level service jobs, and that even those who had risen to higher positions remained for the most part in the "semi-professions" of teaching, social work and health care careers.

### Computers as 'Women's Jobs'

Though some jobs, such as bus driver, are opening up to women, she said, others are becoming more male dominated. Some newly emerging professions like computer operator are falling into the old stereotypes and becoming "women's jobs," she added.

Ronnie J. Steinberg, a specialist on women's employment at the State University of New York at Albany, said she

had determined that the jobs of carpenters and legal secretaries were "comparable" based on standard measures that include skill, effort, responsibility and working conditions.

A carpenter working for New York City earns \$1,040 a month, compared with a legal secretary's \$665, she said, for an annual difference of \$4,500.

Witnesses warned that if the city did not begin at least to study the issue, it might face a lawsuit of the type that led two months ago to an \$87-million assessment in wage raises and back pay against the State of Washington. That judgment is being appealed.

### Change Called 'Inevitable'

"In my view it's inevitable — either be dragged kicking and screaming as happened in Washington state or begin moving in that direction on your own terms," said Nina Richardson, Commissioner of Employee Relations for Minnesota. That state has been a leader in wage studies and such pay disparities.

Thomas J. Conroy, 77, of the American Federation of State, County and Municipal Employees, representing 100,000 New York public employees, professional and nonpublic workers, has made government participation in a study of pay disparities one of its "most important" negotiations on work conditions jobs began Jan. 27.

"There's no way to get a contract without talking about this issue," said Al Berman, chief of the state's negotiations unit, which is addressing the needs

Speaking for the city, Personnel Director Juan U. Ortiz said his office was studying the methods used elsewhere to study the issue in an effort to determine the best way to proceed. "We will continue our analysis and hopefully come up with some answers soon," he said.

### Less for Kindergarten Teachers

Winn Newman, the lawyer who won the case against Washington State, said that across the country, "Barbers get more than beauticians and zookeepers get more than people who take care of children."

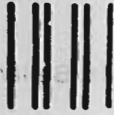
In New York City, the contractual starting salary for kindergarten teachers, most of whom are women, is \$14,500, although the actual average starting salary is \$16,000. Most zookeepers, most of whom are men, are in a job category where the starting salary is \$15,840.

Kindergarten teachers are required to have a bachelor of arts degree. There is no educational requirement for zookeepers.

In the Washington case, a Federal District Court judge found that by paying lower salaries for jobs predominantly held by women the state was in violation of Title VII of the Civil Rights Act of 1964, which includes requirements for equal employment opportunity.

The judge ordered the state to institute a 3.5 percent pay increase and pay back pay from September 1979 for 12,000 State workers.

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Ms. Carol Bellamy  
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**ADMISSION TICKET**

**COME TO OUR COMMUNITY  
MEETING TO DISCUSS SEX-BASED  
DISCRIMINATION IN THE MARKETPLACE**

DATE: Sunday, April 1st

PLACE: High School of Art and Design  
1075 Second Avenue  
(between 56th and 57th Street)

TIME: 11 A.M.

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RETURN THIS CARD TO KEEP INFORMED ON THIS ISSUE

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MEETING TO DISCUSS SEX-BASED  
DISCRIMINATION IN THE MARKETPLACE

Dear Mr. Stein and Ms. Bellamy,

Please keep me informed about what you are doing in regard to  
women's rights and sex-based discrimination in the marketplace.

DATE: Sunday, April 1st

PLACE: High School of Art and Design  
1075 Second Avenue  
(between 56th and 57th Street)

TIME: 11 A.M.

Name \_\_\_\_\_

Address: \_\_\_\_\_ Apt. \_\_\_\_\_

New York, New York Zip Code \_\_\_\_\_

Telephone \_\_\_\_\_

84040466915



ANDREW STEIN  
PRESIDENT

PRESIDENT OF THE BOROUGH OF MANHATTAN  
CITY OF NEW YORK  
NEW YORK, N. Y. 10007

April 23, 1984

Ms. Alta Nadelberg  
180 West End Ave. Apt. 5L  
New York, NY 10023

Dear Ms. Nadelberg,

As I am sure you know, the building you live in is known as a Title I project. While Title I has been the subject of recent litigation, your building is not directly involved. Nonetheless, because many of you have asked me about recent developments involving co-op conversions of Title I projects, I would like to share with you a review of my activities in this area.

On Thursday, September 15, 1983, I sponsored a resolution at the Board of Estimate putting it on record as solidly supporting the view that any conversion of a Title I project to a cooperative or condominium must be approved by the Board (resolution enclosed). I was very pleased when the Board of Estimate unanimously supported my resolution.

When legal challenges followed this action, I encouraged the Corporation Counsel of New York City and the Attorney General of New York State to support our position in the courts. In the initial case, unfortunately, the courts ruled against the city's position. This decision is now being appealed.

As the appeal is being heard, I want you to know that I will continue to be guided in my actions by an original concern which prompted me to offer my Board of Estimate resolution. That concern is a simple one: that the rights of tenants in all Title I projects be fully protected. Furthermore, while the current focus deals with three Manhattan projects, what is determined in these cases will set a precedent for all Title I conversion proposals.

For these reasons I will continue to work for and call for the requirement of Board of Estimate approval of any conversions in Title I projects.

Lastly, I would much appreciate any thoughts you have on this subject. If you would like to be kept informed, please return the enclosed card.

Sincerely,

Andrew Stein

84040463916

# CALENDAR

## Board of Estimate

No. 76

R-5430

IN THE MATTER OF a

COMMUNICATION dated August 11, 1983, from the President, Borough of Manhattan, transmitting the following resolution which would require that before the conversion of any Federal Title I redevelopment projects from rental to cooperative or condominium ownership, application must be made to the Board of Estimate for approval of such conversions:

WHEREAS, The federal Housing Act of 1949 provided for financial assistance, loans and grants to clear, replan, reconstruct and rehabilitate blighted neighborhoods throughout the nation including New York City; and

WHEREAS, Under Title I of the Act, the federal government provided capital grants to the City of New York to fund the acquisition of property throughout the City by condemnation proceedings; and

WHEREAS, The Board of Estimate of the City of New York exercised its power of eminent domain to assemble sites for developments, thereby displacing thousands of individuals and small businesses, and authorized the expenditure of millions of public dollars to make possible the development of these projects; and

WHEREAS, Section 509 of the agreement between the City of New York and Manhattantown, Inc., a Title I project located in the Borough of Manhattan (now known as Park West Village) dated May 22, 1952, states that "for a period of forty years from the completion of the project no change shall be made in such project as set forth in the redevelopment Plan attached hereto as Schedule A without the consent of the City Planning Commission and the Board of Estimate of the City"; and

WHEREAS, Section 510(b) of the agreement between the City of New York and Columbus Circle Apartments, a Title I project located in the Borough of Manhattan (now known as Coliseum Apartments) dated January 15, 1963, states that "for a period of forty (40) years from the completion of the housing project no change shall be made in the project as set forth in the Redevelopment Plan of the Area (Schedule A of this Agreement) without the consent of the City Planning Commission and the Board of Estimate of the City or of the respective successors of said Commission and Board"; and

WHEREAS, Section 510(c) of the agreement between the City of New York and New York University/Bellevue, a Title I project located in the Borough of Manhattan (now known as Kips Bay) dated September 23, 1954, states that "for the period of forty (40) years from the completion of the housing project no change shall be made in the housing project as set forth in the Redevelopment Plan contained in Schedule A of this Agreement, without the consent of the City Planning Commission and the Board of Estimate of the City or of the respective successors of said Commission and Board"; and

WHEREAS, The stated objective of each redevelopment plan was "to provide housing at the lowest possible rental which is consistent with sound financial planning" and to obtain this objective the Board of Estimate established below market sales prices for the land on which the aforementioned projects are situated by determining the capitalized value of the development described in the redevelopment plan of each project using projected per room rents substantially below the market value rentals, thus reducing the overall cost of each project to its sponsor; and

WHEREAS, It was the clear intent of the Board of Estimate to reserve its right to determine the appropriateness of any change in the redevelopment plans for these projects; and

WHEREAS, The three aforementioned Title I projects are at various stages in the process of attempted conversion from rental to cooperative or condominium ownership; and

WHEREAS, The Office of the Attorney General of the State of New York has halted any further processing of the conversions of certain of these developments pending City Planning Commission and Board of Estimate approval.

THEREFORE, BE IT RESOLVED that the Board of Estimate deems a conversion from rental to cooperative or condominium ownership in projects constructed under Title I of the Housing Act of 1949 to be a change in the Redevelopment Plan as adopted by the Board of Estimate; and

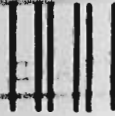
BE IT FURTHER RESOLVED that in order for a Title I rental development to convert to cooperative or condominium ownership Board of Estimate approval must be applied for and granted.

On August 18, 1983 (Cal. No. 289), the matter was laid over to this meeting.

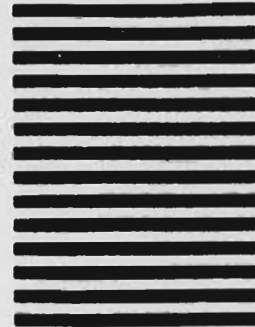
For consideration—one resolution.

THURSDAY, SEPTEMBER 15, 1983 (Volume No. 3)

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Mr. Andrew Stein

1 Centre Street

New York, New York 10007

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**KEEP INFORMED**  
**FILL OUT AND RETURN THIS POSTAGE PAID CARD.**

Dear Mr. Stein

Yes, keep me informed on the continuing effort to control co-op conversion of Title I buildings.

Name: \_\_\_\_\_

Address: \_\_\_\_\_ Apt. \_\_\_\_\_

New York, New York Zip Code \_\_\_\_\_

Telephone: \_\_\_\_\_

84040463919



FEDERAL ELECTION COMMISSION

1125 K STREET N.W.  
WASHINGTON, D.C. 20463

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