

# *Under Cross-Examination, Gotti Witness Admits to Lying*



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By **Julia Preston**

Aug. 26, 2005

A former Gambino crime family captain who is an important government witness in the racketeering trial of John A. Gotti, a scion of the family, has described himself as a gangster, a killer and a rat.

But the turncoat witness, Michael DiLeonardo, was more reluctant yesterday as he admitted under cross-examination that he had cheated flamboyantly on his wife, lied to one of his lawyers, worn a hidden F.B.I. wire into his dying mother's hospital room, and betrayed a fellow mobster to federal prosecutors even as he wrote the man letters saying he loved him like a brother.

The grilling of Mr. DiLeonardo by Mr. Gotti's defense lawyer, Jeffrey Lichtman, seemed intended to persuade the jury that he was a particularly duplicitous serial liar and that none of his testimony could be trusted. Mr. DiLeonardo, known as Mikey Scars, was once one of the closest associates of Mr. Gotti, the son of John J. Gotti, the late Dapper Don who was the Gambino boss.

In testimony this week in Federal District Court in Manhattan, Mr. DiLeonardo said that the younger Mr. Gotti ordered two 1992

## The New York Times

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assaults on Curtis Sliwa, the Guardian Angels founder and radio talk show host. He said Mr. Gotti oversaw a string of other racketeering crimes for a decade after 1992, when he became an acting Gambino street boss, according to Mr. DiLeonardo, after his father went to prison on a life sentence for racketeering.

Simmering tension over Mr. DiLeonardo's testimony erupted in the courtroom yesterday when Mr. Lichtman homed in on Mr. DiLeonardo's claim that anguish over his betrayal of Mr. Gotti led him to attempt suicide in December 2002, just after he agreed to cooperate with the government. He testified that his last thoughts were of Mr. Gotti just before he tried to kill himself with an overdose of sleeping pills.

In a series of questions, Mr. Lichtman showed that Mr. DiLeonardo had many other reasons to be depressed at the time: his wife wanted to divorce him; his oldest son, Michael, was not speaking to him; his mistress was not taking his calls; and he was facing a possible life sentence on federal murder charges. Mr. DiLeonardo also acknowledged that he had not spoken to Mr. Gotti for five years.

Referring to Mr. Gotti, his client, Mr. Lichtman said, "You are about to swallow two bottles full of pills, and this guy's face pops into your mind?"

Mr. DiLeonardo replied angrily, "You better believe it, brother." Turning to look directly at Mr. Gotti, he said: "I am calling you brother. I thought about you." Mr. DiLeonardo rose from his seat and pointed at Mr. Gotti, who glared back but remained silent, while murmurs of dismay rose from the gallery.

"Please," Mr. Lichtman said derisively. "You weren't on good terms with John at this time, were you?"

"I fought with my brother," Mr. DiLeonardo admitted. "Don't you?"

Judge Shira A. Scheindlin called an abrupt end to the exchange, but Mr. Gotti's mother, Victoria, rushed forward to call out to her son: "John, he loves you, but he's getting you 30 years. Imagine if he didn't love you, he'd get you the death penalty."

Mr. Lichtman also showed that Mr. DiLeonardo, while he was in jail after mid-2002, had sent dozens of handwritten letters to an associate, Noel Modica, asking him to take care of his estranged older son.

Mr. DiLeonardo signed one letter to Mr. Modica from "Your brother Michael, with love," and added in a postscript: "Backstabbers, open your eyes, watch for them." Soon after, Mr. DiLeonardo had his first meeting with federal prosecutors, where he linked Mr. Modica to crimes.

Mr. DiLeonardo also described how he had decided to have a child with a mistress, identified in court by her first name, Madelina.

Mr. DiLeonardo explained that he moved Madelina and his son Anthony, now 5, to a home on Staten Island a few miles from the

He acknowledged that he lied "every day" to his wife, denying that he was having an affair, and had invited many of their friends to a christening party for his new son, confident they feared him too much to tell his wife.

# NEW DONNIE BRASCO'S 2 YEARS UNDER COVER PAY OFF FAMILY GOES BUST

Yesterday, the Daily News began the saga of the FBI agent who went under cover as a gangster named Jack Falcone. Using more than 3,000 pages of FBI documents, The News detailed how Falcone infiltrated the Gambino crime family. Today, we tell how the two-year odyssey of the FBI agent known as the new Donnie Brasco led to major arrests:

ON A MUGGY DAY in August 2004, the gangster drove his shiny black PT Cruiser through suburban streets, discussing the prospects of the new guy, Jack Falcone.

The gangster was Greg DePalma, a capo in the Gambino crime family. Falcone was his new "earner," and DePalma was considering proposing him as a member of the Mafia.

"He's a strange guy," DePalma admitted. "How does he make his money?"

DePalma and a companion pulled into the parking lot of Michael's Italian Family restaurant in Westchester County and headed straight for the air conditioning inside. The sky overhead threatened thunderstorms.

"Find out his family history," DePalma said to the companion. He needed to make sure Falcone was 100% — the right guy.

DePalma admitted that for a time, he believed Falcone might be an agent.

Boy, was he right.

Twenty years after FBI agent Joseph Pistone, as Donnie Brasco, infiltrated the mob, the FBI had done it again. Jack Falcone was the new Donnie Brasco.

By August 2004, Falcone had been working for DePalma for more than a year, providing the mob with a steady supply of "stolen" goods — actually purchased by the FBI.

Watches, pinkie rings, plasma TVs — Jack the Jeweler had all the swag in the world.

DePalma never seemed to stop talking on the "free" cell phone Falcone gave him. That pleased the FBI, which had installed a bug inside.

Every day, Falcone picked up another Mafia task. He got "stolen" 42-inch flat-screen TVs DePalma could hand out to his bosses. He ran a sports betting operation with reputed DePalma soldier Bobby Vaccaro.

Whatever DePalma needed, Falcone was there.

And so was the FBI.

Sept. 2, 2004. Eastchester Odyssey Diner, 11 a.m. DePalma has a problem. The man the FBI calls the new Gambino boss, Arnold Squitieri, wants him to take care of a gangster's brother-in-law who is accused of sexually assaulting his own stepdaughter.

Sitting in the diner, DePalma calls the gangster.

"They told me, 'Hit him with the golf club on the head,'" he says. "That's what

## SPECIAL REPORT BY GREG SMITH DAILY NEWS STAFF WRITER

you got to do with this guy."

The gangster is reluctant. But DePalma says the boss insists.

Then DePalma asks the gangster if his brother-in-law would give his home to the mob if he was paid \$50,000 and allowed to live.

The gangster agrees to this. The accused rapist loses his house but keeps his life. The boss is happy, DePalma is happy, the gangster is happy.

The FBI is happy, too. DePalma has just implicated the boss of the Gambino crime family in an assault conspiracy.

New Year's Eve 2003, 9:09 a.m. DePalma called Mrs. Victoria Gotti of Howard Beach, Queens. He asked John Gotti's widow about her son, John A. (Junior), at that time jailed and set for release in the fall of 2004.

"With him it's a day-by-day thing," Gotti said of her son. "They are always trying to find something to keep him in."

She then referred to a new informant, Michael DiLeonardo, as "this other mutt." She predicted DiLeonardo would be worse than Salvatore (Sammy Bull) Gravano, who put her husband away.

"The way Sammy turned on them, this guy'll be right behind," she said.

Everybody who comes in contact with Greg DePalma gets dirty. He's the Typhoid Mary of the Gambino crime family.

DePalma talks at length about three Westchester doctors who gave him prescription drugs like Viagra to sell or give to friends. He freely discusses mob business with Dr. Stephen Klass.

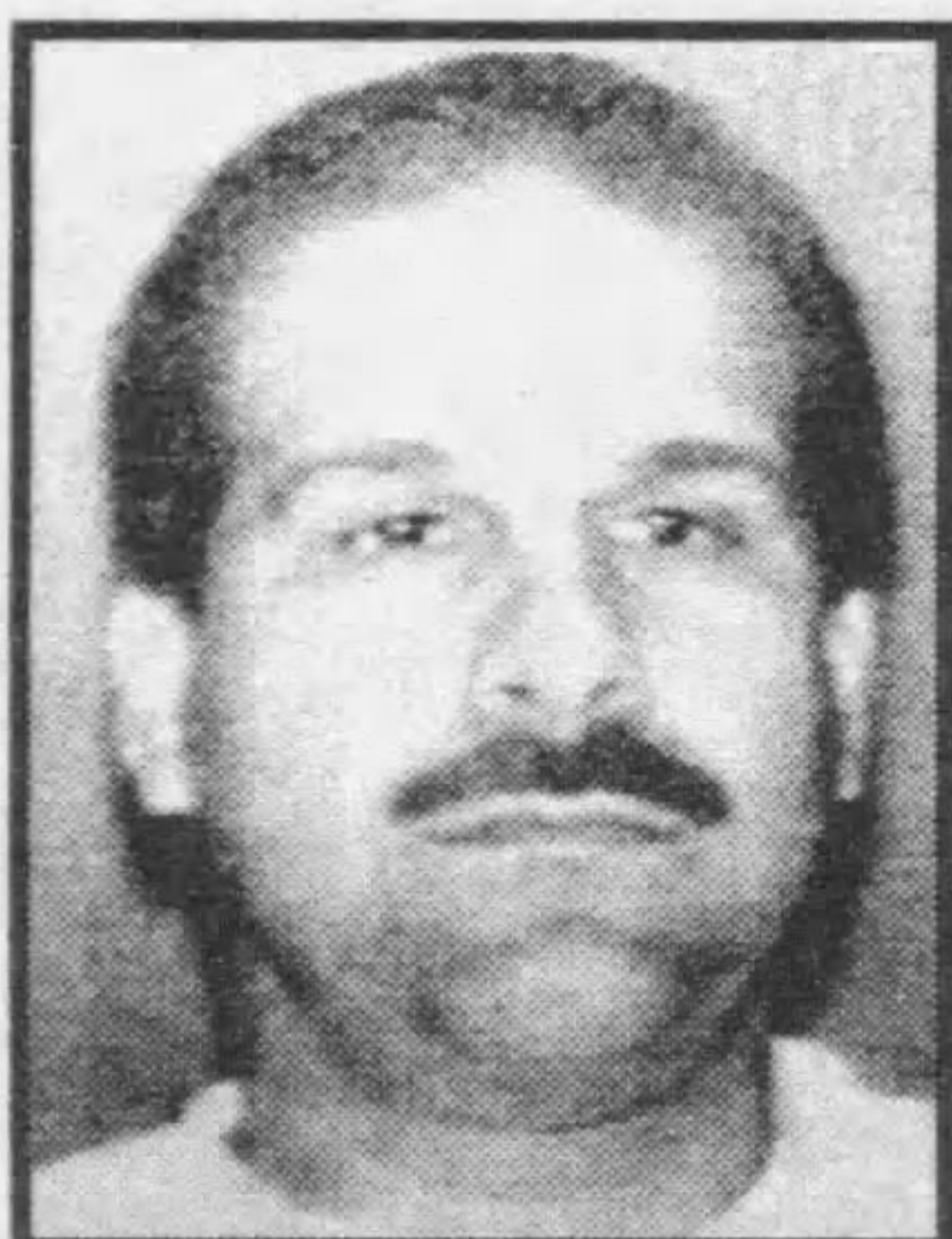
He complains to Klass that a gangster nicknamed Vinnie Gorgeous is not made of the same stuff as the old-timers like Carlo Gambino.

"They made him the acting boss. What a garbage can he is. I wouldn't even sit down with him."

When Dr. Klass says, "You got to understand..."

DePalma interrupts: "Understand what, Doc? That there's nobody like me around no more? That's what I got to understand."

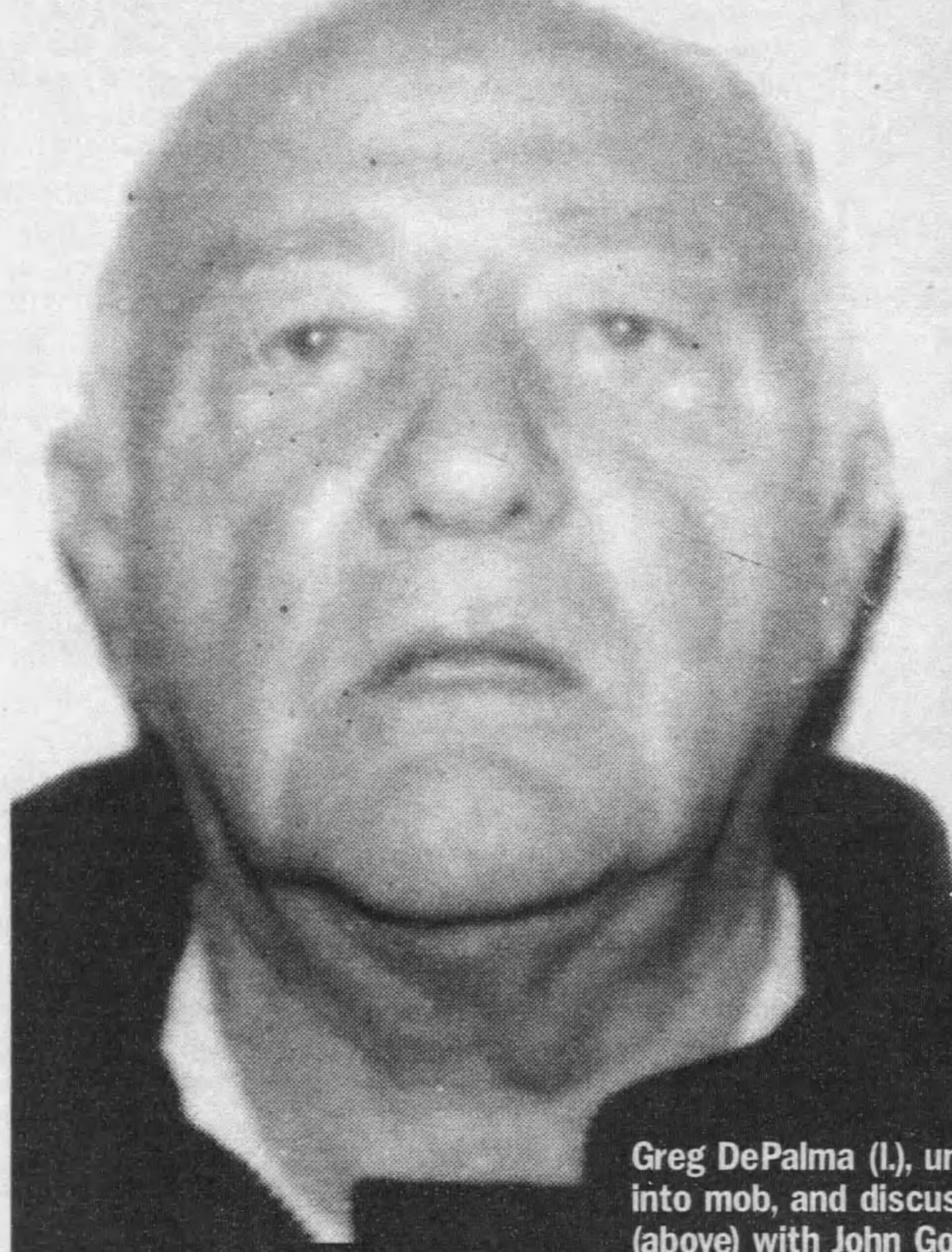
"You got to understand," says Klass, "that it's a changed world."



Bobby Vaccaro

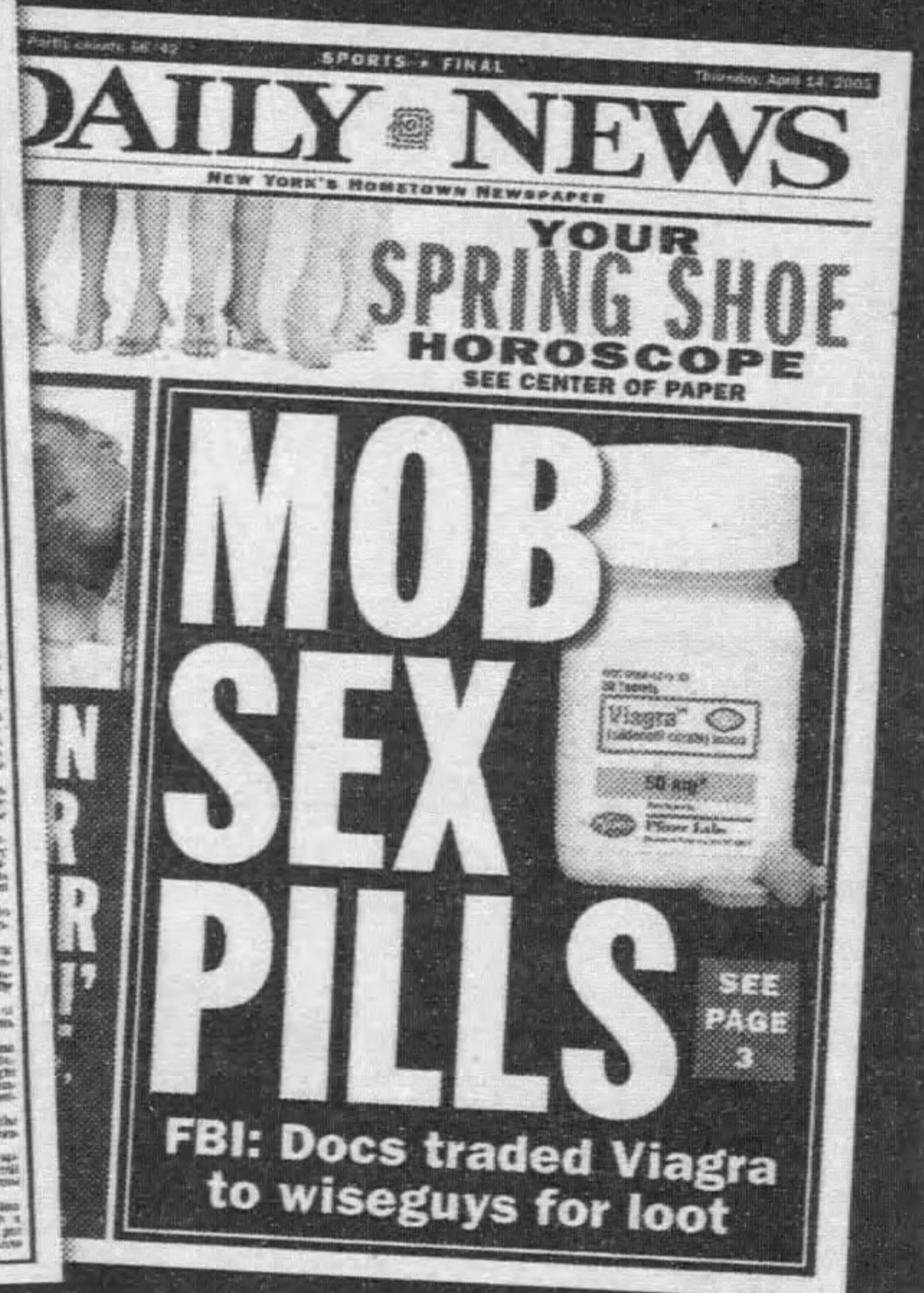
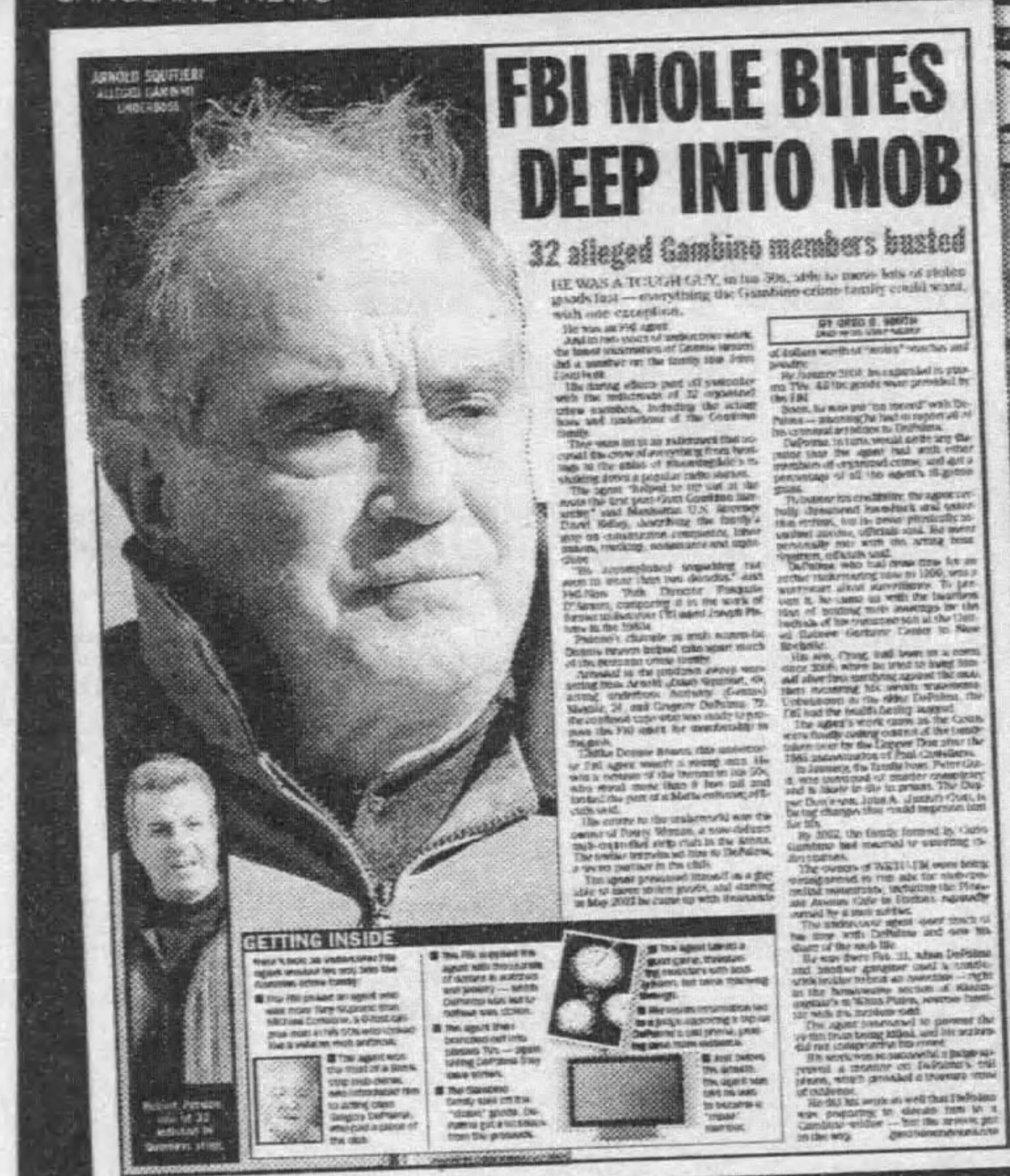


John A. Gotti Jr.



Greg DePalma (l), unwittingly let FBI mole into mob, and discussed Michael DiLeonardo (above) with John Gotti's widow. Below, News stories about bust of alleged mobsters.

GANGLAND NEWS



February 2005: Jack Falcone stood in the housewares section of Bloomingdale's in White Plains near the display of crystal candlesticks.

DePalma and Vaccaro were discussing etiquette with a guy.

The guy was a made man in the mob, so by mob rules he was obligated to meet with Vaccaro upon demand. The guy had repeatedly refused such meetings.

Vaccaro picked up one of the candlesticks and began beating the guy on the head.

Falcone was in a tough spot. He was an FBI agent, so his first reaction was to make an arrest. If he did, his nearly two years of undercover work would come to a crashing halt.

Falcone compromised. He grabbed DePalma by the arm and said, "There are people all over. Let's get out of here."

As the trio began to leave, the beating victim picked himself up and begged forgiveness. Vaccaro turned and hit him again, knocking him to the ground.

The performance was over. At 6 a.m. on March 9, hundreds of agents and NYPD cops began the sweep. Their first stop was leafy Kahn St. in Englewood Cliffs, N.J., to Squitieri's home.

In all, the FBI made 32 arrests, including alleged underboss Anthony Megale, Vaccaro and a host of captains, soldiers and associates.

In Tuckahoe, they picked up Greg DePalma, age 73. He put on a dirty gray sweatshirt and used a cane to get to the car. In court, DePalma was told he faced 772 years in jail.

"Oh, come on," he said, rolling his eyes as he was led away.

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Michael DiLeonardo, far left, is testifying at the trial of John A. Gotti, second from right. They are shown with two unidentified men in photo used as evidence.

# Mobster says he duped lawyer

■ **At Gotti trial, ex-Gambino captain says he didn't tell his own attorney that he was an informant**

BY ANTHONY M. DESTEFANO  
STAFF WRITER

Usually, attorney Eric Franz's clients, some of them reputed organized-crime figures, are the ones in the spotlight.

But last week, during the trial of reputed Gambino mobster John A. Gotti, Franz was in the uncomfortable position of seeing his name come up — in testimony that made him cringe.

During cross-examination, former Gambino crime captain Michael "Mikey Scars" DiLeonardo, 50, said that in late 2002, he pushed a reluctant Franz to schedule a meeting with another reputed Gambino mobster. This was all done, DiLeonardo testified, while he himself was working as a cooperating witness for prosecutors without Franz's knowledge.

Ultimately, the meeting of DiLeonardo with the other man, reputed Gambino consigliere Joseph "Jo-Jo" Corozzo, never happened.

But the attempt by the government witness to use Franz to set up the mobster tete-a-tete has outraged some defense



**'I had a client who I perceived asked me to do something unethical.'**

— Attorney Eric Franz, about DiLeonardo, who asked him to arrange meeting with another alleged mobster

attorneys.

Legal experts said the circumstances also have raised ethical and policy questions about the government's reliance on organized-crime figures to manipulate their own lawyers.

"I had a client who I perceived asked me to do something unethical," Franz, 36, said in a statement to Newsday after DiLeonardo testified. "I rejected his request and was shocked to learn that with the government's backing, he was attempting to use me unknowingly in an operational capacity."

DiLeonardo, a well-coiffed Brooklyn-born gangster with a clipped, rapid-fire way of talking, was on the witness stand on Wednesday, Thursday and Friday. He implicated Gotti in

the attempted kidnapping of Guardian Angels founder Curtis Sliwa, and alleged that Gotti, son of the late mob boss John J. Gotti, was involved in the crime family's affairs into 2002.

The younger Gotti, often called by the nickname "Junior," maintains he dropped out of crime family matters when he went to prison in 1999.

DiLeonardo was cross-examined by defense attorney Jeffrey Lichtman about a brief period in November 2002 when the witness was given a special two-week compassionate bail arranged by U.S. District Court Judge Richard Casey. The bail was quickly granted by Casey after DiLeonardo agreed to cooperate with prosecutors against the Gambino family.

During the two-week period, DiLeonardo taped a few reputed mobsters at the hospital bedside of his critically ill mother. He also testified that he called Franz, who had won an acquittal for him in 2001 in a federal racketeering case in Atlanta, to try and set up a meeting in order to tape Corozzo.

Franz didn't know DiLeonardo was cooperating with the FBI, DiLeonardo said, although Franz's co-counsel did. DiLeonardo said he believed he needed to keep Franz out of the loop to protect Franz from harm.

"Eric knew nothing," DiLeonardo testified. He also admitted to duping Franz to pass a coded message to a mob friend that the attorney had no way of understanding.

DiLeonardo testified that when he asked Franz to set up the meeting with Corozzo, Franz refused on ethical grounds. He then said he called Franz back.

"I pushed him" to set up the meeting, DiLeonardo said.

He said he didn't remember shouting at Franz, but sources said the mobster essentially gave the attorney an order. He said Franz was being used because Corozzo would feel more comfortable in an attorney's office.

Franz agonized about what to do and felt unable to report his client without violating attorney-client privilege, sources said.

While Franz set up the meeting, it didn't occur, according to court records. (By that time, rumors were circulating that DiLeonardo was an informant).

Franz said had he known of DiLeonardo's attempt to use him to set up a meeting to tape Corozzo, he never would have participated.

A spokesman for the U.S. attorney's office in Manhattan said no official there would comment because of the pending Gotti trial. But defense attorneys contacted were angered.

"It is really enraging," said Gerald Lefcourt, a Manhattan defense attorney. Lefcourt said the action sets a terrible precedent.

James Cohen, a professor at Fordham University School of Law, said there is no ethical rule barring a lawyer from setting up a meeting for a client unless he believes it is to further commission of a crime. The problem Cohen saw is that it seems the government was involved in a situation that created distrust of a lawyer for a client.

Attorney Gerald Shargel said he was outraged by what happened to Franz. DiLeonardo was inveigling Franz, with implicit government approval, to act in a way he wouldn't have if he knew the facts, Shargel said.

Franz said that the lesson he learned was to "stick to your ethics and don't compromise your integrity."

## 9/11 RESCUERS

### In their own words

*This is one in a series of excerpts from the FDNY oral histories of the World Trade Center attack. The excerpts will appear until the fourth anniversary of the attack on Sept. 11.*

#### Lt. John Mendez Bureau of Health Services

"Around a quarter to 9, maybe 8:30-ish, I went up to the seventh floor. . . . When I got up there, Chief Ganci came running out of this office saying that a plane had hit the building. . . .

So I went to the window on the seventh floor, and I observed the Trade Center on

fire. . . .

The next thing you know, we saw another plane hit the building. A ball of flame came out, and actually the concussion shook our building. Nine Metrotech, yes. . . .

It felt like we left right away, but evidently we didn't, because as we drove over the Brooklyn Bridge, we actually picked up a probationary firefighter with his gear walking

over the bridge. . . .

The building had collapsed, although we don't realize the building had collapsed, because there was just so much smoke we couldn't see anything. . . .

We were going towards Broadway. . . . We made a left away from the Trade Center down Fulton Street. . . . We could see one of the buildings was down and the other one was still standing. But then all

of a sudden, that building started to collapse. . . .

So we got into the car, started it up, and this huge wave of debris caught up to us as we were driving away. . . .

Eventually we ended up stopping at the South Street Seaport. That's where we ended up, on the sidewalk there. . . .

We got out of the car, and we just hung out and hugged each other."

# Mob killer turned informant freed from jail

## Authorities praise former Gotti friend's efforts

By Larry Neumeister

Associated Press

NEW YORK — A former close friend of John Gotti Jr. who confessed to conspiring to kill three people was freed from jail after earning praise at his sentencing Friday for helping law enforcement jail 80 members of organized crime.

Authorities described the cooperation of 56-year-old Michael "Mikey Scars" DiLeonardo as revolutionary in the annals of mob history, saying it led to convictions that included 20 high-level, dangerous mobsters. He testified

at 14 trials, including Gotti's, and investigators praised his encyclopedic knowledge of mob life. Gotti remains free after the government dropped its charges when juries repeatedly deadlocked at trials over several years.

U.S. District Judge John Koeltl in Manhattan cited the praise as he sentenced DiLeonardo to time served, freeing him after three years in custody, though he is likely to remain in the federal witness protection program for now.

Prior to the announcement of the sentence, DiLeonardo addressed the

court, calling La Cosa Nostra a "living, breathing beast."

"I was born into an ideology. ... I was not a victim of it. I created victims for it," he said. DiLeonardo also apologized to society for himself and his forefathers, saying his family's life in organized crime goes back hundreds of years.

Assistant U.S. Attorney Elie Honig told Koeltl that DiLeonardo's cooperation was "nothing short of historic."

He said it was instrumental in bringing to justice "dangerous mobsters who had spent decades

dodging the bullet of imprisonment."

He said those mobsters included many of organized crime's most influential leaders, forcing the Gambino family to scramble to refill its ranks.

Afterward, DiLeonardo shook hands and hugged law enforcement personnel throughout the courtroom. But he got a cold reception from Curtis Sliwa, the radio personality and Guardian Angels founder who was shot in a mob hit in 1992. The assailant was a masked gunman crouched in the front seat of a cab that was rigged to keep Sliwa from escaping.

"He could see I was cold as ice," Sliwa said of DiLeonardo's effort to in-

clude Sliwa in his celebration. "This guy had no problem planning a hit on me. ... He murdered three people. ... I will never forgive. I will never forget."

Authorities charged that Gotti ordered Sliwa's kidnapping to silence his daily on-air verbal assaults on Gotti's late father, Gambino boss John Gotti.

During one of the younger Gotti's trials, DiLeonardo testified that the elder Gotti had a child with a mistress, causing Gotti's widow to blame the testimony about the man known as the "Dapper Don" on "dirty government politics as usual."

He compared his relationship with the younger Gotti to that of the most notorious Gambino cooperator, Salvatore "Sammy the Bull" Gravano, who had been Gotti's father's confidant and his

enforcer before he became a government witness.

The grandson of a gangster, DiLeonardo testified at trial that he committed three murders and "extorted everybody I could."

Gotti was in prison on a 1999 racketeering conviction when DiLeonardo was arrested and jailed in 2002. He testified that he was shocked to learn the Gambinos cut off his income and stripped him of his rank as captain.

After agreeing to cooperate and entering the witness protection program, he testified that he became so distraught by the thought of betraying his "brother John" that he tried to kill himself by overdosing on sleeping pills.

"John and I had a special bond in this life, and I always said I'd have undying loyalty to that man," he said. "I love that guy."

Brake Special

