

4 Convicted in Corruption At Union for Transit Police

By John Sullivan

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A Federal jury convicted four men yesterday of corrupting the union that once represented the city's transit police officers.

After a three-month trial and two days of deliberations, the former union president, two lawyers and a negotiator were convicted of charges related to the payment of bribes to obtain union work. The case in United States District Court in Manhattan involved many of the senior figures in the defunct Transit Police Benevolent Association, either as witnesses or defendants.

The union, which represented the city's 3,000 transit officers, merged with the city Patrolmen's Benevolent Association when the two departments were merged in May 1995. The transit officers are now members of the P.B.A.

Ronald Reale, 44, the former president of the transit officers' union, was convicted yesterday of arranging the payment of more than \$300,000 in kickbacks in exchange for multimillion-dollar contracts for legal business. Mr. Reale, who served as a transit police officer for 15 years, was also convicted of tax evasion and attempting to defraud the city's Campaign Finance Board during his 1993 campaign for public advocate. On the most serious count, racketeering, Mr. Reale faces up to 20 years in prison.

Mr. Reale's co-defendants were the two lawyers and an insurance broker who benefited from the racketeering scheme. Richard Hartman, 57, the insurance broker and a well-known labor negotiator, was convicted of racketeering conspiracy and wire fraud. The lawyers, James Lysaght, 50, and Peter Kramer, 43, were convicted of racketeering conspiracy.

Other charges, including racketeering, against the two lawyers and Mr. Hartman were dropped earlier in the trial.

Federal prosecutors presented evidence that Mr. Reale and other union officials arranged for the kickbacks to be paid in exchange for \$2 million in legal contracts that were awarded to the Manhattan law firm of Lysaght, Lysaght & Kramer.

The jury found that by assisting Mr. Reale in carrying out the bribery scheme and by arranging for kickbacks to be paid to union officers, the co-defendants assisted in the racketeering. On the most serious count, racketeering conspiracy, the three men face up to 20 years in prison.

Lysaght & Kramer also represents the much larger P.B.A. on general matters, including legal defense and general legal services for police officers. Jim Goodman, a spokesman for the union, said last night that the union was reviewing the status of its contract with the firm in light of yesterday's verdict.

Defense lawyers said yesterday that they planned to ask the judge, Deborah A. Batts, to set aside the verdict. If that does not happen, the lawyers said they planned to appeal. Gerald Shargel, who represents Mr. Hartman, said that he would argue that even if his client paid a kickback, which he denied, it would not be racketeering. He said that the charge was incorrect and "this was never a Federal case to begin with."

In addition to the legal issues, Mr. Shargel said he planned to "make arguments that the verdict is not supported by the weight of the evidence."

Throughout the trial, the defense lawyers attacked the credibility of the main prosecution witnesses, union officials who testified after pleading guilty to other charges. Most of Mr. Shargel's closing arguments focused on inconsistencies in the prosecution witnesses' accounts during the trial.

"What is so disappointing about this verdict is that the jury was so willing to accept the testimony of these people," Mr. Shargel said. "The lack of corroboration is stunning."

But in an interview after the trial, a juror said the jury considered the prosecution witnesses to be credible. "We felt the Government did a good job in presenting its case," said the juror, Scott Wilson, who works for American Express.

Mr. Wilson said the jurors were aware that the witnesses also faced criminal charges, but found their stories to be sensible and backed up by the evidence.

"The consistencies outweighed the inconsistencies," Mr. Wilson said. "We felt they had been telling the truth."

"You had to listen to and decipher what they were saying," he said. "Whether or not you liked them, you believed them."

Mr. Wilson said the jurors were surprised by the defense lawyers' decision not to present their own case, but to rest after the prosecution's case finished. He said that jurors believed that the prosecution had made its case, and saw nothing from the defense to dispute that conclusion.

"This case was about greed," he said. "That is what it came down to."

Correction: Jan. 31, 1998

An article on Tuesday about a Federal jury's conviction of four men in a corruption scheme involving New York City police unions referred imprecisely to the relationship between the Transit Police Benevolent Association and the Patrolmen's Benevolent Association. After the city police force merged with the transit police force, the P.B.A. absorbed the membership of the transit police union, but the two unions did not formally merge.

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