AIM REPORT

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FERRARO FOUNDERS ON FINANCES

Geraldine Ferraro's free ride from Big Media crunched to a halt in mid-August after she revealed on August 12 that husband John Zaccaro would not be releasing his tax returns. Rep. Ferraro had issued a statement on July 24 promising that Zaccaro's returns as well as her own would be released. That statement said: "I plan to include my husband's financial holdings in that disclosure because my husband and I believe that it is in the public interest to do so and because the office of vice president is one of high public trust."

Ferraro first revealed her withdrawal of that promise on August 10 when she met with the Texas congressional delegation in Washington. It was reported in one sentence in the third paragraph of a story on Page A7 in the Washington Post the next day. Neither the reporter nor the editors realized that Ferraro had dropped a bombshell. They illustrated the story with a photo of Ferraro with this caption: "Rep. Geraldine Ferraro . . . plans to release her tax forms." On August 12, Ferraro dropped the bombshell again in a quickie press conference at National Airport in Washington as she was departing on her West Coast campaign tour. This time it exploded. It made all the network news broadcasts that night, and it was on the front pages of many papers the next day, although The New York Times relegated it to page A16.

Both The New York Times and The Washington Post ran editorials the next day criticizing this flip-flop. The Post said bluntly, "It won't do." The Times said: "Mrs. Ferraro's husband, like Caesar's wife, must be above suspicion." The Wall Street Journal caught up with the trend on August 15 with a long editorial recapping the many questionable things that had been revealed about Rep. Ferraro and her husband's business in the preceding three weeks. The Journal's editorial pointed out that these developments had been tracked by The New York Tribune, The Washington Times, Human Events, Accuracy in Media and the Washington Legal Foundation. It then said: "For those of you who may not be regular readers of these publications, a checklist of the issues they have developed and the doubts Ms. Ferraro must lay to rest" follows.

The Journal proceeded to list most of the problems dogging Rep. Ferraro—the failure to disclose her husband's sources of income, assets, etc. on her congressional financial disclosure forms, the illegal campaign loans and the suspicious way in which the money was raised to pay them back, and the rental of space to a distributor of pornography connected with organized crime. These were discussed in the August-A AIM Report, "Protecting Ferraro." The Journal editorial said: "The heavyweight press has, of course, been aware of these matters and is doing its own investigation, and Ms. Ferraro's reneged promise proved the trigger for the news cascade."

The Heavyweights Were Sleeping

For over a week before the Wall Street Journal editorial appeared, AIM had been trying to find out why those media heavyweights were giving so little attention to the scandals boiling up around Ferraro's skirts. We were particularly curious about the lack of reporting by television network news. CBS News flatly refused to respond to anything but a written inquiry. (Can you imagine the CBS News reaction if the White House, members of Congress, businessmen and others insisted that all questions from CBS be submitted in writing?) They promised a prompt reply to our written questions, but they failed to deliver on that promise. ABC and NBC executives assured AIM that they were intensely interested in the story, but their actions belied their words.

On August 6, AIM chairman Reed Irvine called the new president of NBC News, Larry Grossman, to get his views on why NBC and the other networks had been silent on the growing Ferraro scandal. Mr. Grossman, was unaware of the story broken by The New York Tribune on July 24 about the major pornography distribution center located in a building managed and partly owned by John Zaccaro. This operation was said by police to be under the control of Robert diBernardo, described as a "capo" in the Sam DeCavalcante organized crime family of New Jersey. It was said to be a joint operation with the Gambino mafia mob. Although the building, 200 Lafayette Street, is on the same block as the office of the Zaccaro-Ferraro real estate company, P. Zaccaro Co., Inc., Zaccaro claimed not to know the "exact" use the tenant, Star Distributors Ltd., was making of the premises. This claim came after his office had at first denied having any connection with the