

By Leonard Levitt

Federal prosecutors have subpoenaed the financial records of attorneys awarded millions of dollars in Surrogate Court appointments by Judge Marie Lambert, part of a year-long probe into possible criminal conduct by the Manhattan judge.

According to sources close to the investigation, the probe includes an allegation that Lambert may have received kickbacks from attorneys in exchange for awarding them millions of dollars in court guardianships and other assignments.

Three separate sources told New York Newsday that federal prosecutors have subpoenaed the bank records of a small group of attorneys who, since the early 1980s, have received hundreds of appointments by Lambert worth millions of dollars.

Documents related to the probe and obtained by New York Newsday show that Lambert awarded appointments worth almost half a million dollars to an attorney who previously had been suspended because he stole money from a client and forged the client's signature.

These kinds of appointments — to the guardianship of infants and incompetents, the management of estates, and the control of the assets of others — have over the years been a steady source of patronage and cronyism in the Surrogate system. They have resulted in the recent resignation of at least one Surrogate judge.

Investigators involved in the Lambert probe also are delving into allegations of case fixing, sources say. The subpoenaing of bank records is part of an effort to determine whether some of the fees she awarded may have been kicked back, sources said.

— Prosecutors are also examining why many of these lawyers failed to report

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the guardianships Lambert awarded them to state court administrators, an apparent violation of a disclosure rule Chief Judge Sol Wachtler put in place in 1986 to prevent ethics violations and patronage abuses. Lawyers who violate the rule could lose their licenses.

A spokeswoman for Otto Obermaier,

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the U.S. attorney for the District, said that her office could not comment on the investigation.

"We can neither confirm nor deny the subject matter of any criminal investigation," said Debbie Corley.

And Lambert, who is retiring this year because she has reached the mandatory retirement age of 70, did not return several telephone calls placed to her office during the past seven days. A reporter who visited her Surrogate Court office at 31 Chambers St. was turned away. Her law secretary, Linda Sosnowitz, presented with the allegations in an effort to obtain a comment, would only say, "The judge is unaware of any of this."

Appointments by Surrogate

Lambert's attorney in past investigations, James La Rossa, said he, too, was unaware of the federal investigation.

La Rossa, who represented Lambert before the state Commission on Judicial Conduct during removal proceedings for alleged campaign violations in her 1977 election, said that a recent meeting with the judge was about another matter.

The Judicial Conduct investigation ended in 1983, when Lambert was issued a private "letter of caution," according to judicial sources.

Federal sources say the Lambert investigation underscores the ineffectiveness of the state's oversight of the judicial system, which permits attorneys and judges to ignore Wachtler's disclosure and ethics rules.

According to these rules, no person can receive more than one appointment

within a 12-month period for which the anticipated compensation exceeds \$5,000, except when the appointing judge determines that unusual circumstances warrant it.

Sources close to the investigation say that Lambert may have violated those rules in awarding fees to favored attorneys.

One attorney to whom Lambert has reported awarding almost half a million dollars in guardianship fees is Vincent Catalfo, who sources described as a frequent social companion of Lambert.

Documents on file in the Appellate Division of State Supreme Court show that Catalfo was suspended from 1972 to 1975 for forging a client's endorsement on a settlement check, then converting the proceeds

to his own use.

According to documents Lambert filed with the Office of Court Administration, Lambert either designated or awarded Catalfo 67 guardianships between 1982 and 1989, totaling \$486,000.

Yet Court Administration spokesman Harold Wolfe said that Catalfo, who did not return a reporter's telephone calls, had reported only one appointment in that time.

The failure to meet disclosure requirements appears common among attorneys to whom Lambert awarded large and numerous fees, court records show.

Attorney Ronald Stringer, who received 40 appointments totaling more than \$300,000 since 1986, reported none of them to OCA, Wolfe said.

Stringer said he could not talk about his lack of filing because of pending litigation that he declined to specify. Asked if he had split fees with Lambert, he said, "I've never handled a dirty dollar in my life."

George Parker, to whom Lambert reported awarding 15 guardianships totaling \$163,000 since 1983, reported no appointments by Lambert, although he reported four appointments by others judges. He did not return telephone calls.

Stuart Salles, to whom Lambert reported awarding 31 appointments totaling \$220,000, reported only five appointments, according to Wolfe. Salles did not return telephone calls.

Mayrose Friedman, who received 49 guardianships totaling \$126,000, did not report any of them, according to Wolfe. "I have been disabled," Friedman said. "I just got out of the hospital. I'd have to look into it," she said.

New York Times 6/29/90

By WILLIAM GLABERSON

Marie M. Lambert, a judge in the powerful Manhattan Surrogate's Court, is defending herself against claims that she abused her powers by awarding excessive fees to lawyers and by failing to disclose her friendships with lawyers in cases before her.

An appeals court yesterday issued an unusually harsh opinion that overruled Surrogate Lambert's award of what it said were excessive fees to lawyers widely known as her personal friends. The decision came in one of two separate civil suits that were filed by people who contend that they were treated unfairly by her. She is one of two judges who handle the estates of deceased Manhattan residents.

Federal prosecutors are also conducting a criminal investigation into Surrogate Lambert's award of large fees to lawyers, a law-enforcement official close to the case said yesterday.

The Manhattan Surrogate's Court is one of the busiest estate courts in the country and has historically ruled on the property left by some of the wealthiest Americans. But the court, like many surrogate's courts in New York State, has long been the subject of complaints that lawyers are appointed by patronage and because of personal relationships.

Surrogate Lambert, who is 70 years old, is scheduled to retire in January. At least five Democratic candidates are actively competing to win their party's nomination to

succeed her. Since she was elected in 1977, she has had to fend off periodic accusations that she had improperly close relationships with the lawyers who appeared in her court. After her election, the State Commission on Judicial Conduct investigated whether she violated rules of judicial conduct when she solicited campaign contributions from lawyers who were likely to appear before her. The commission never took any public action in the case.

Yesterday, Surrogate Lambert's law secretary, Linda Sosnowitz, said the judge would not comment on reports of a Federal investigation or on the assertions against her in the pending civil cases. But Ms. Sos-

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nowitz said: "This is a malicious attempt to smear her. She's a wonderful judge. To do this is unfair."

In a unanimous decision yesterday, the Appellate Division of State Supreme Court in Manhattan said Surrogate Lambert's award of \$150,000 to each of two lawyers, Vincent J. Catalfo and Ronald E. Stringer, was "a total waste of estate assets," and "the services allegedly rendered produced no discernible benefit whatever."

The appeals court said the surrogate's appointments of the lawyers were unnecessary, and it eliminated both fees. Neither lawyer, the appeals court said, ever drafted a single legal document for the heir they were supposed to represent, except for their fee applications. The appeals court did not mention the friendship between the two lawyers and Surrogate Lambert.

The case decided yesterday involved the will of Lambertus Ryk Pieter Schoonheim, a millionaire who died in 1984, leaving his estate to his second wife and the two children of his first marriage.

The appeals court also criticized the large fees approved by Surrogate Lambert for the executor of the estate, Harold Epstein and ruled that the court would have to recompute his fees.

The surrogate appointed Mr. Catalfo and Mr. Stringer to represent one of Mr. Schoonheim's children. New lawyers hired by both children argued in the appeals court that Surrogate Lambert had awarded about 30 percent of the estate's after-tax value to lawyers and guardians.

A Political Supporter

Mr. Stringer, who was counsel to Mayor Abraham D. Beame, has been a political supporter and friend of Mrs. Lambert since the 1970's. Mr. Catalfo is a friend who has escorted Mrs. Lambert, a widow, to political dinners. Both men, according to court documents, have received hundreds of thousands of dollars in fees approved by Surrogate Lambert in recent years.

Mr. Catalfo did not return telephone messages left at his office yesterday. A lawyer for Mr. Catalfo, Emilio Nunez,

said he did not believe the fees were excessive.

Mr. Stringer, in a telephone interview, acknowledged receiving fees in cases in Surrogate Lambert's court but said he provided extensive legal work for the payments.

Asked whether he had improperly benefited from his friendship with the surrogate, Mr. Stringer said, "Firstly, I am a friend of hers and, secondly, I do not receive fees because of that."

Details of the Federal criminal investigation, which was reported in *Newsday* yesterday, are sketchy, and it could not be determined whether cases involving Mr. Stringer or Mr. Catalfo are part of that inquiry. Otto G. Obermaier, the United States Attorney for the Southern District of New York, said he would not comment on whether there was a criminal investigation.

Angry Outbursts in Court

The second civil case pending before the courts involves charges that Surrogate Lambert may have favored Mr.

A harsh court opinion finds fees paid to lawyers were excessive.

Stringer and other lawyers with whom she was friendly.

That case, which has provoked angry outbursts by Surrogate Lambert in her courtroom in lower Manhattan, is a \$40 million suit that involves charges that a New York real-estate lawyer, David T. Goldstick, mishandled the large estate of his uncle, Martin Tannabaum.

Last summer, Mr. Goldstick's lawyer, Philip Pierce, seemed to infuriate Surrogate Lambert by asking her to disclose what he said was her "close personal friendship" with lawyers for other relatives of Mr. Tannabaum who had filed the suit against Mr. Goldstick.

The surrogate said Mr. Pierce's implication of impropriety was "outrageous." She said that she had disclosed her personal relationships and that she was also a personal friend of another of Mr. Goldstick's lawyers.

Three lawyers in succession handled the case for the Tannabaum relatives. The first was Lorraine Backal, who is now a Civil Court judge, who says she is a close friend of Surrogate Lambert. The next was Stuart Salles, a lawyer who has received tens of thousands of dollars in fees approved by Surrogate Lambert. The final lawyer for the relatives was Mr. Stringer, the former Beame aide, who is named in both civil suits challenging Surrogate Lambert's actions.

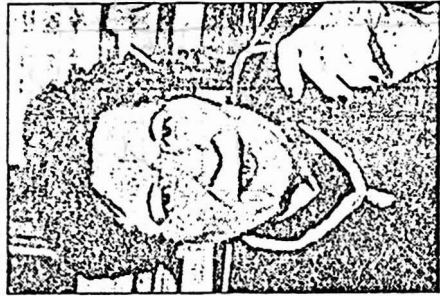
All three lawyers denied yesterday that there was any impropriety in their relationships with Surrogate Lambert.

Mr. Pierce argued that the surrogate had not disclosed the relationships and he asked her to disqualify herself from the case. When she refused, he appealed to the Appellate Division, which refused to intervene in the case earlier this month.

Mr. Pierce said yesterday that he has filed an appeal to the state's highest court, the Court of Appeals.

Fees Lambert OK'd Ruled Excessive

Judges: 2 lawyers got \$150G they didn't earn



Newsday/Alan Rala
Marie Lambert

By Leonard Levitt

Ruling that two lawyers appointed by Manhattan Surrogate Marie Lambert as guardians for a teenager, had failed to perform their duties, the Appellate Division yesterday threw out the two largest fees Lambert had awarded any of her appointees.

The payments for the guardianships, \$150,000 each, were awarded in 1989 to Vincent Catalfo and Ronald Stringer, whom Lambert had appointed in 1987 to represent Ryk Schoonheim, a New Jersey teenager, whose father had died in 1983, leaving an estate of \$9 million, the will to which was entered into probate in Manhattan.

In throwing out the awards, the five-judge panel ruled that the work of the two attorneys was "simply gratuitous." Their \$150,000 awards were part of \$1,359,384 in fees to various attorneys the court said were "excessive and impermissible" in the case. Lambert had granted all the awards.

The two lawyers are part of a small group of attorneys to whom Lambert has awarded hundreds of guardianships involving millions of dollars, according to Office of Court Administration documents.

As surrogate, Lambert appoints guardians-at-law to protect the rights of underage children or those declared to be incompe-

tent. The fees for these guardians are paid for by the widows, orphans and other parties interested in the estate. She has presided over several multimillion-dollar estates, including those of the \$500-million Johnson & Johnson fortune and the \$1-billion estate of Realtor and builder Sol Goldman.

In yesterday's decision, the appellate court criticized Catalfo for seeking a fee of \$212,800 for "an alleged time expenditure" of 1,064 hours and Stringer for seeking a fee of \$200,000 for "an alleged time expenditure in excess of 1,000 hours."

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2 Lawyers' Fees Ruled Excessive

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The court ruled that "neither guardian supported his fee claim with a single contemporaneous time record or a single estimate of time expenditure for any particular item of work."

The court concluded that the payment of the fees Lambert awarded "in any amount would represent a total waste of estate assets and the services allegedly rendered produced no discernible benefit whatever to the estate."

According to documents obtained by New York Newsday, the size of the

\$150,000 awards was exceeded only by one for \$182,500 granted in 1989 by Manhattan's other Surrogate judge, Renee Roth, to Brooklyn attorney Seth Rubenstein for another guardianship.

New York Newsday reported yesterday that federal prosecutors have subpoenaed the financial records of some attorneys to whom Lambert has awarded these numerous and lucrative appointments. According to sources familiar with the investigation, the probe includes an allegation Lambert may have received kickbacks from attorneys in exchange for these awards.

Although disclosure rules of the state's chief judge, Sol Wachtler, require that attorneys file notice of their appointments with the state, Stringer has filed none and Catalfo only one.

Neither filed notice of his appointment in the Schoonheim case, according to the Office of Court Administration. Stringer would not discuss why he failed to report any of his appointments.

Catalfo, who was suspended from the practice of law for three years in 1972 for stealing money from a client and forging a client's signature, did not return repeated telephone calls.