

**Tonight & Tomorrow**

▶ **Mostly Clear**

Accu-Weather on Page 2



**8★**

**15c Final**

MONDAY, SEPTEMBER 8, 1973

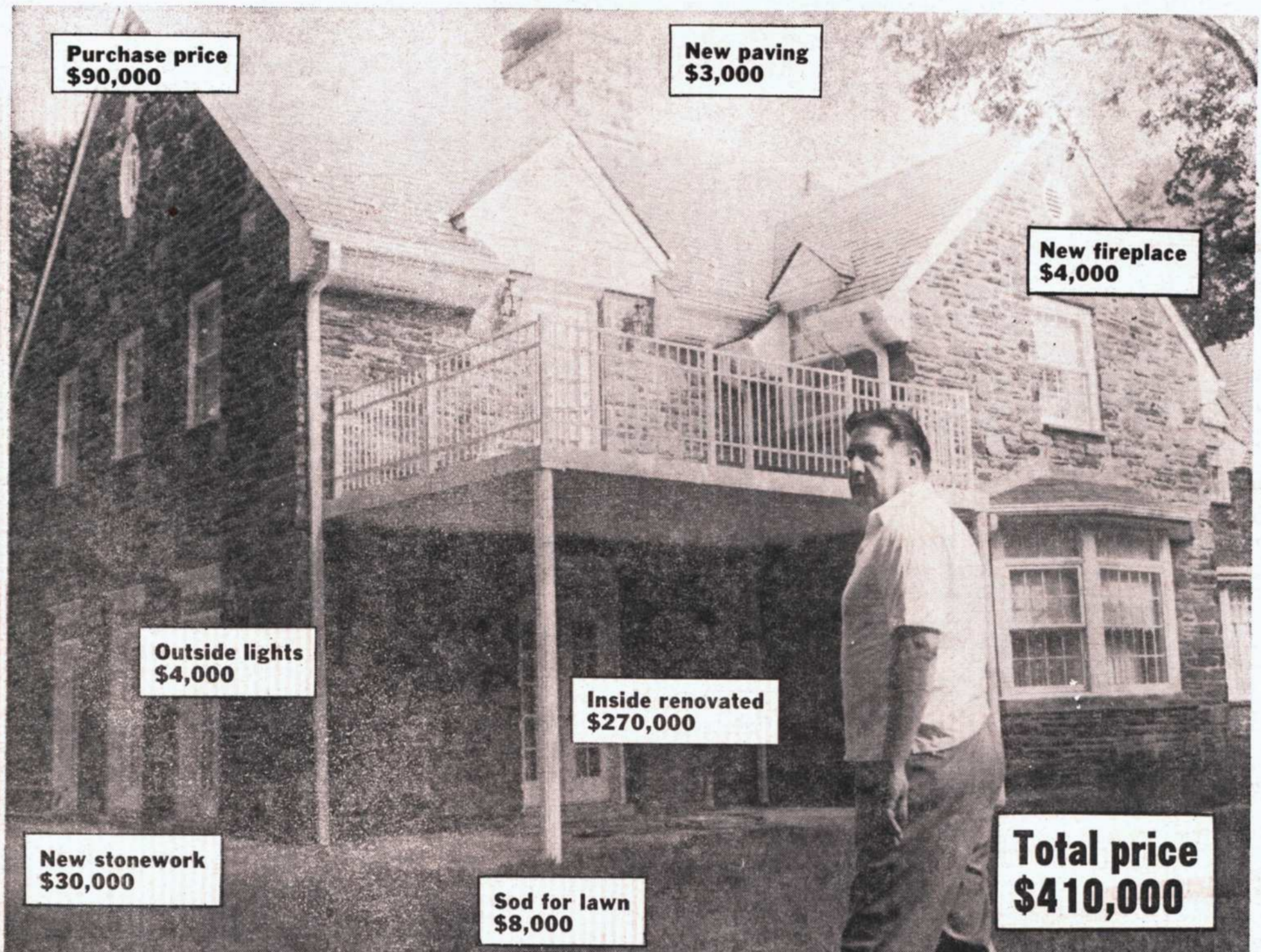
Our 135th Issue In Our 51st Year! © 1973, Phila. Daily News

# **Rizzo's New House**

# **\$410,000**

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(\$1.9 million in 2023 dollars)



Mayor Rizzo outside his dream home on Aug. 26, the day after he moved in

Photography by Lou Zacharias





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## The Editor Talks With You

Frank Rizzo is already trying to alibi out of his \$410,000 Chestnut Hill house. He's very nervous about the finances of it. He better be.

He planted his alibi on the front page of the Sunday Bulletin a week ago. The lead story said, "Rizzo Gains \$26,000 on Stock Market." What a curious story to be leading the Sunday Bulletin. Since when did Frank Rizzo advertise his stock market adventures?



Rolfe Neill

Well, the story explained, Mayor Rizzo "would not comment on the subject, but he authorized his stockbroker to discuss his market investments." What the story failed to say was that the author, Bulletin reporter John T. Gillespie, had been invited by Rizzo to his house. There, the mayor told Gillespie about his amazing good fortune in the stock market. Rizzo knew the People Paper was about to break into print.

The Bulletin was used by the mayor to try to explain those incredibly expensive renovations before they were revealed. His \$26,000 "profit" is a laugh because that amount, if it exists, won't even pay for the outside stone work done on his palace.

Tucked into Gillespie's story is the mayor's estimate that renovations will "finally cost about \$60,000." Baloney. That much money is being spent outside the house alone. Inside, the large two-story home was gutted and renovations there ran about a quarter million dollars.

### How Rizzo Built His Alibi

In that Sunday Bulletin story of Aug. 31, was this sentence: "Rizzo has said he cannot build a garage and buy all the furniture he needs until he replenishes his savings." We know the story behind that one, too. Rizzo had builder Al Pearlman busy at work on a \$20,000 new garage all summer. We have pictures. The Daily News checked to see if he had a building permit. There was none, violating the law. One was immediately issued and then work stopped.

Mayor Rizzo was trying to alibi still further, this time by poor mouthing it.

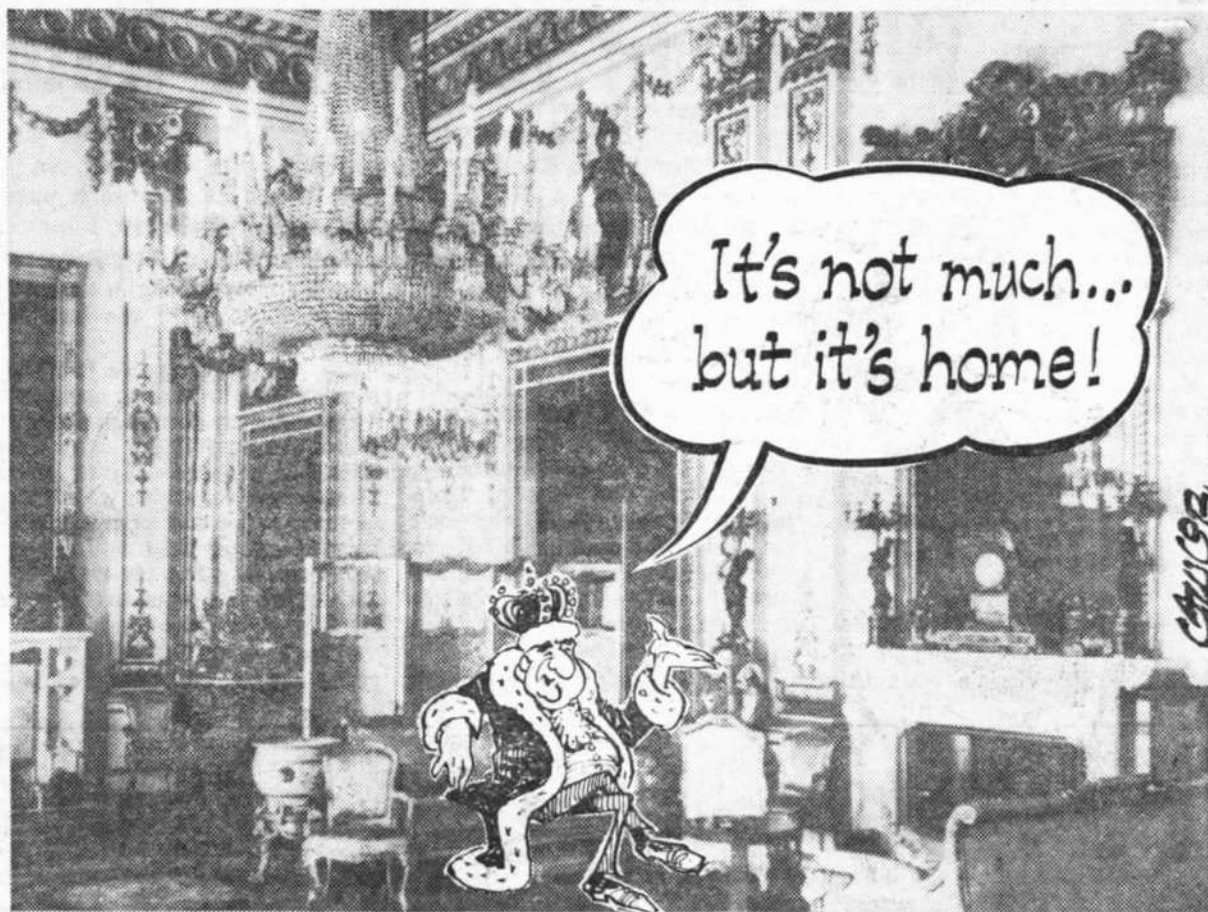
What business is it of ours what the mayor spends on his private home? None unless he is spending more money than he has or can borrow. He has done this in spades, as our stories later this week will show. When a mayor spends money he doesn't have—big money—then you the voter better be concerned about where it's coming from.

### City Admires Levins' Work

Today's page 1 story is the single-handed work of reporter Hoag Levins. He has been tracking this story for four months. The mayor has done everything he could to frustrate Levins. He has refused to see him. He has refused him entrance to the house. He has refused to let him talk to Pearlman. He's even had city cops patrolling the place night and day to detain Levins.

That's because Frank Rizzo knows Hoag Levins is an extraordinary reporter. Levins' stories, which will run this week, are the best detective work done by a reporter working alone that I've seen since coming to Philadelphia 5½ years ago. Yes, Big Frank knows what a conscientious reporter Levins is. It was Hoag who, again singlehandedly, showed what a ripoff is the Frankford Arsenal closing. The city admired his work so much that Levins' articles are much of the factual basis for the city's lawsuit to retain the arsenal. He's shown the same kind of care in checking on you, Mr. Mayor.

*Rolfe Neill*  
Editor, DAILY NEWS



## In Your Opinion

### That Bus Ride

It's a shame your reporter missed the point of the demonstrators' trip to the home of Mr. Yaffe from the Human Relations Commission. We were not all "Tom Foglietta supporters." We were just a few of many people concerned about busing. We are concerned that it may get violent. The poor and the nearly poor are going to be frustrated and pressured into doing something they don't want to do. The people on that bus were only trying to disrupt one man's life peacefully before others are disrupted not so peacefully.

—Mrs. Marion Carr

### Sue the Lawyer

We need more malpractice suits against lawyers. They don't know the law, give poor advice and bungle your case. They lose when you should win and you can't do a thing about it. They'd sue anybody, for a fee. Most lawyers will take a case even if they have no expertise in the field at all. No lawyer wants to sue another lawyer though. It's about time a field of a malpractice against lawyers develops.

—Angry

### Crime Pays

It looks as if crime does pay. This was proved to me when I read that Kenneth Irvin was placed on 7 years' probation after admitting to the brutal murder of Mrs. Isaac Saltzman, the 7th St. merchant. When will the judges and the penal system wake up? Use our tax money for better prisons and bring back the electric chair.

—Mrs. Mac

### Bad Taste

I think Mrs. Ford's comments on TV were in very bad taste. You would expect her, as the First Lady, to defend chastity. Besides, it's a personal matter and she should discuss it with her daughter and not air it on public television.

—Mrs. Betty Assmann

### Betty's Wrong

Mrs. Ford was wrong in advocating the Equal Rights Amendment. ERA will not give women equal pay for equal work. The Equal Opportunity Act of 1972 already requires this. ERA will not give women full educational opportunities. The educational amendments of 1972 requires this. It will not make it easier for women to get credit. The Equal Opportunity Act of 1974 already requires this. ERA is a grab for Federal power by a radical minority. Print the truth.

—Theresa Raynor

### Nixon Deals

Where does Nixon come off agreeing to talk to David Frost for a million dollar deal? The big crook — ev-



Frost

Nixon

everything he did had a price on it. The atmosphere is a little clean now so I feel he should keep the political manure down.

—S. Bondi

### Check History

To J.S.: Please don't close your phone book of instances where black people have harmed whites. Let your fingers do the walking through history. Ku Klux Klan, voting rights, black woman arrested for protesting rape by a white male, castration — only to name a few.

—W.D.D.

### Move Allen

To P. Owens and D. Ozark: Someone in your organization must have their heads screwed on backward. I never heard of a team having a .200 average player batting fifth.

—Ralph Costello Sr.

### Dissertation

The possession of a doctorate (like Schools Superintendent Michael Marcuse) has nothing to do with one's certification requirements. Persons holding doctorates in history, English, math or science may never have taken a single course in education. They would be unqualified for most positions within our school system. There are also specific areas in education which are pertinent to the particular job one seeks. Fortunately, deficiencies in any area can be overcome by completing the required courses.

—Ted Bateman

### Offended

I would be put to ease if someone could come up with a practical reason why the government would commission the painting of an 18-year-old bathing beauty whose suit comes off in the rain. Not only is it a waste of good money that could be put to use in a thousand different ways, including caring for the sick and old, but it is offensive to the more intelligent person.

—Kate Ranalli

### An Invitation

George Kemble: Your remark about "shooting the first nigger" you see after reading Chuck Stone's column is about the dumbest thing I've ever seen written. I would like to have you visit me for about five minutes.

—Harry S. Smith

### Amen

Thank you Mrs. Schrufer for saying what is in the heart of every fireman's wife. My prayers are with your husband and the other injured firemen. God bless you for your courage.

—Fireman's Wife

### Landlords Pay

To Donald W.: What you wrote was very unfair. Not all landlords want to get rich quick. Landlords carry the bulk of taxes. Without us, there would be no Philadelphia.

—Phila. Landlady



# The Roxborough Home the Mayor Couldn't Afford

Mayor Rizzo's quest for a new home began in March, 1972, when he announced plans to build one in Roxborough.

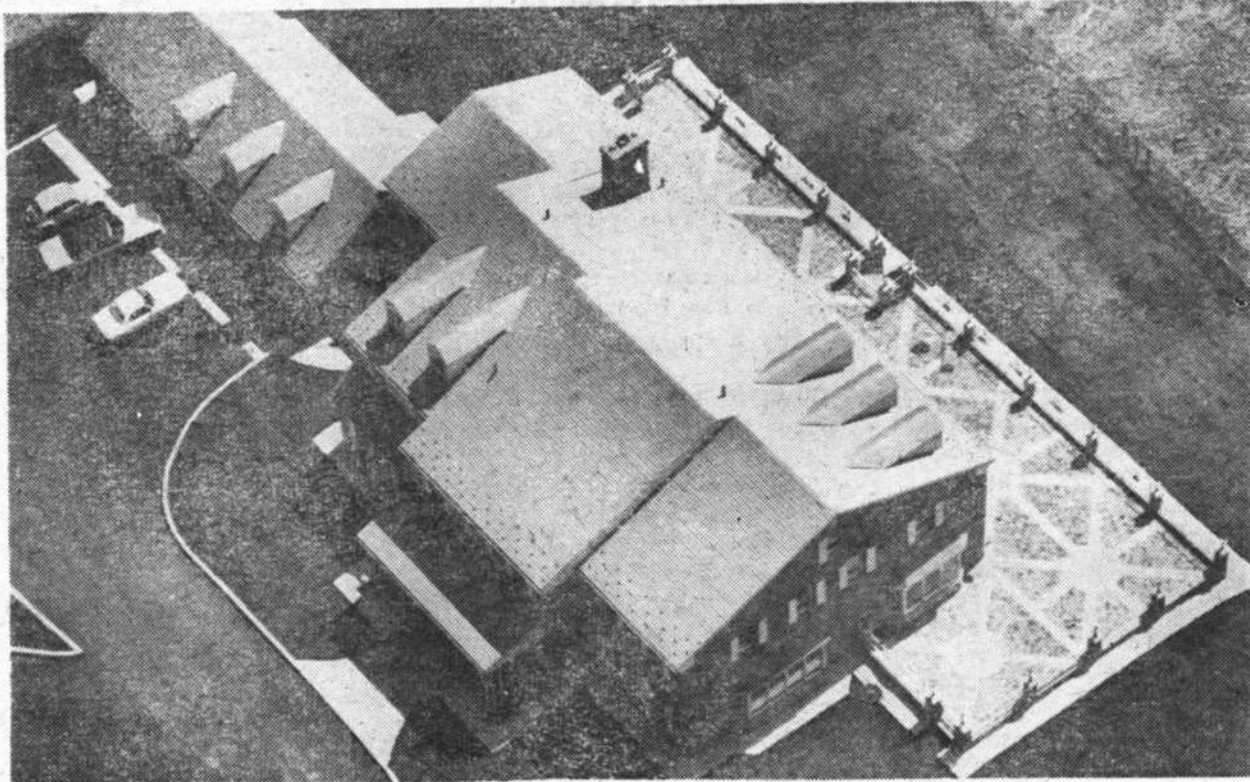
From the beginning, the Roxborough house was the center of uncomfortable questions and growing controversy. Even the first, below-ground stages of construction showed that the finished house would be enormous in size — far beyond the means of a \$40,000-a-year mayor.

The Roxborough house was designed and built by Al Pearlman, a self-made heating and air conditioning millionaire who is a long-time friend and political compatriot of the mayor.

In the recent May primary, Pearlman rode Rizzo's political coattails to become Democratic candidate for City Council.

WHEN HE BEGAN building the Roxborough house in 1972, Pearlman boasted he would use only the best of everything.

In the end, the "house" at 8 Summit Place in Roxborough became a sumptuous mansion with room enough inside for 13 standard Philadelphia row homes. Surrounded by six acres of land, it commanded a breathtaking view of the Wissahickon Valley.



Mayor Rizzo's \$400,000 Roxborough home, now occupied by builder Al Pearlman

Its foundations were blasted out of solid rock. Its hand-cut stone walls were supported by steel beams. Rooms were lushly finished with

marble and rare woods. There were seven bathrooms, a four-car garage and a special bank-like vault in the basement.

The wind-swept, hilltop grounds now include a man-made lake, European statuary and expansive mosaic patios whose stone work designs are

reminiscent of the fountain plazas of Rome.

**TAXES ON THE PROPERTY** are \$6,432 a year — or \$536 a month.

Rizzo said the Roxborough house was being built for \$114,000.

In October of 1972, the Daily News published the findings of a battery of architects, contractors and other construction authorities who placed the minimal price of the house alone at \$400,000 — before landscaping or furnishings.

For seven months, Rizzo defended the \$114,000 price and refused to say how it was being paid for.

Rizzo then said that he had been told that the cost of the building might be \$70,000 to \$80,000 higher than his \$114,000 budget.

The mayor said he couldn't afford it and sold the house to Pearlman, who now lives there. Rizzo blamed the excessive costs on Pearlman, who, he said, "got carried away."

Rizzo told a press conference that he and his wife would begin looking for another house — a cheaper one within their budget.

Seven months later, the Rizzos bought the house at 8919 Crefeld St. in Chestnut Hill — Philadelphia's most exclusive section — and Al Pearlman went to work again.

## Mayor Rizzo Moves Into a \$410,000 Dream House

Continued from Page 3

and hit a steel beam — the additional problems in a job like this are endless — and so is the cost."

The cost of building homes is computed by the square foot including the price of the materials, labor and equipment. The cost of building conventional houses with standard material in the Philadelphia area is now about \$30 per square foot.

ACCORDING TO architects and builders, the minimum price for renovating an existing house is \$50 per square foot.

"At \$50 per square foot, you're talking about using standard materials which require no special work," explained the head of an architectural firm which specializes in rebuilding the interiors of old homes.

"At that price, you're talking about the very lowest cost that can be reasonably expected," he said. "The footage price amounts very quickly toward \$100 per square foot when you get into really heavy work or when you begin to use special materials — rare woods, special flooring, ornate trim and the like."

Renovating the Rizzo house's 5,400 square feet of living space (not including basement or attic) at \$50 per square foot would cost \$270,000, a "reasonable price for a house project of this sort," a contractor said.

### Fireplace—\$4,000

When Rizzo bought the Chestnut Hill home, it had a two-car garage attached to the rear. That garage has been converted into a recreation room with a fireplace of hand-cut stone. Contractors said it would cost

\$4,000 to duplicate the fireplace.

A custom-built, 12-foot-long bay window alcove has been built into the other end of the room whose stone walls are a foot thick.

### New Garage—\$20,000

Across the courtyard from the old garage, workmen have built the foundations, floor and first three feet of stone walls for a new three-car garage. The new garage also is being built of hand-cut stone.

Architects and contractors estimated from detailed measurements and photographs that the 1,000-square-foot garage will cost at least \$20,000. Work on the garage stopped shortly after Aug. 12 when the Daily News asked to see the building permits for the new construction. There were no permits. They were issued later that same day — more than six weeks after construction had begun.

### Stonework—\$30,000

Extensive work has been done around the grounds in recent months. New stonework — Wissahickon shist — has gone into the walls and terraces with "deeppraked joints." This time-consuming method of laying stone requires the stone to be hand-cut into squares. Then, a 90-degree channel is hand-cut around the face of each stone.

The Rizzo property is now visually dominated by its new stonework. From the street, a passerby is struck by the two new eight-foot-high, 30-inch-thick stone pillars which flank the driveway entrance. Behind them, two 18-inch-thick stone walls mean-

### No Response

The Daily News attempted to reach both Mayor Rizzo and Al Pearlman last week to discuss the mayor's new Chestnut Hill home.

On Wednesday, Tony Zecca, deputy to the mayor, was asked if an interview could be arranged with Rizzo on Friday. On Friday, Zecca went home early and was unavailable.

Another aide to the mayor said Rizzo was "too busy" to discuss the house.

Pearlman failed to return repeated calls to his office.

der for more than 315 feet, forming a courtyard along the side of the house, curving around the two new stone stairways and gliding around the new 900-square-foot patio on the front of the house.

The stonework has been lauded by both architects and stonemasons as "beautiful" and "incredibly well-done." They told the Daily News it would cost at least \$30,000.

Stonework of the sort used in these walls is priced in the unique unit of measurement known to stonemasons as a "perch". A "perch" equals 22 cubic feet of stonework. The new Rizzo retaining walls contain 1835 cubic feet — or 84 "perch" of stonework.

**THE CURRENT COST** for this style wall is \$120 a perch. So, 84 "perch" costing \$120 each would put the minimum price of the new Rizzo walls at \$10,000, not counting trim. At the front of the house, the old patio terrace has been removed and

replaced with a larger one. A second new flagstone patio has been added to the courtyard side of the house. Out back, beneath the trees, 400 square feet of new flagstone walkway winds around the yard.

In all, there are some 1,585 square feet of flagstone laid on a concrete base in random rectangular patterns.

According to architects who specialize in outside structures, flagstone surfaces on a concrete base cost \$7.80 per square foot, including labor, materials and equipment.

That would put the minimum price of the mayor's new patios and walks at more than \$12,000. There is \$8,000 more of trim and additional new stone work in the existing walls of the house.

In front of the house, Rizzo has had more than 1,000 square feet of new sidewalk installed. A spokesman for the General Building Contractors' Association of Philadelphia said the minimum price for sidewalks today is \$1 per square foot. That would make the mayor's new sidewalk worth \$1,000.

### Paving—\$3,000

In August, Rizzo had more than 556 square yards of driveway and parking area paved with asphalt. Of five local contractors' estimates sought by the Daily News, \$5.40 per square yard was the cheapest.

That would make the mayor's asphalt worth at least \$3,000.

### Landscaping—\$8,000

In May, bulldozers scraped off much of the property's lawn surface. It was replaced with fresh sod. In

mid-August, the rest was sodded. Landscape architects, supplied with aerial photographs and the dimensions of the property, estimated the minimum cost at \$8,000. Two sod companies gave the same minimum.

### 'Overpowering'

Richard Guenzel, the architect who designed the mayor's \$400,000 Roxborough house two years ago, was asked to do preliminary sketches for the Chestnut Hill renovations in January 1974.

"It involved just a few alterations and a new fireplace that the mayor wanted to build in the recreation room," Guenzel said last month. "They took the drawings, I was paid and that was the end of it. They've done everything else. I had nothing to do with any of these other things which have been done. I suppose Pearlman is designing them as he goes along."

"On the house in Roxborough, it was the same way," said Guenzel. "I produced the drawings, and then they did it the way they wanted to. They used a great deal more stone than was necessary, for instance."

"The mayor was saying, 'I want that to be ALL stone' where I had put in a wooden wall to save money. That's the way it went. It always seemed that they had to have things bigger and more massive and more overpowering even," said the architect. "It was like the mayor had to have a house which was just like he was."

Larry McMullen appears today on Page 6.



# Rizzo Moves Into a \$410,000 Dream

By HOAG LEVINS

Copyright 1975, Philadelphia Daily News.

Mayor Rizzo, who said \$114,000 was all he could afford for a Roxborough house two years ago, has moved into a Chestnut Hill home worth \$410,000.

The two-story stone house at 8919 Crefeld St. in the city's most exclusive section originally cost the mayor \$90,000 in December, 1973.

Since then, massive amounts of renovation and new construction have been done in and around the house. The work has been directed by the mayor's friend, Al Pearlman. Architects and contractors have told the Daily News it would cost more than \$320,000 to duplicate it.

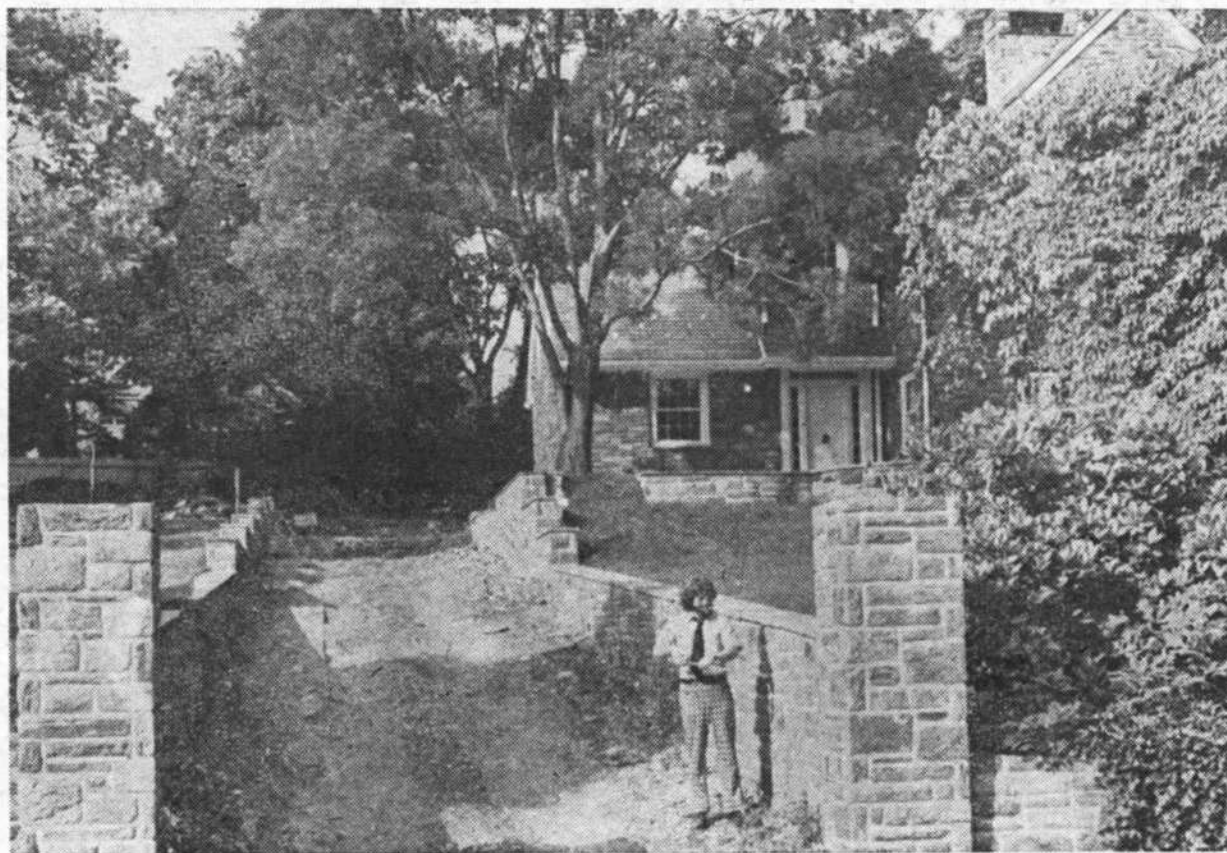
"EVERYTHING THAT'S being done there is being paid for by Frank Rizzo," said the mayor during a taped May 6 interview at the Daily News. The interview took place before it was discovered that the new house Rizzo moved into August 25 was worth \$410,000.

This figure does not include the cost of furnishing the new hilltop home, whose living space is nearly four times greater than the home Rizzo left in Mt. Airy.

In that May Daily News interview, Rizzo said he had no idea of the value of the home once it was completed, although he insisted "I know how much it's going to cost." He refused to specify the amount and said he was not using his position as mayor to obtain favorable prices or free materials.

Brokers and other real estate authorities say that the house has been "over-improved," meaning the mayor has spent more for renovations than he could regain if he sold the house.

"MATERIALS ARE obtained and paid for," said the mayor. "Pearlman (the builder) can't get it for



Reporter Hoag Levins measures stonework during early construction stage

nothing. Nobody can get anything for nothing."

Two years ago, the mayor sold a home Pearlman custom built for him in Roxborough. Rizzo said it would cost \$114,000. Faced with additional bills for "\$70,000 to \$80,000," Rizzo sold the Roxborough home and said he would find something "we can afford." The Daily News reported, before Rizzo sold the Roxborough home, that its true value was \$400,000.

The renovation and construction work at the Chestnut Hill house was done under tight police security for more than a year by Pearlman, an air conditioning contractor who also renovated Rizzo's City Hall office.

Pearlman, a City Council candidate, recently has been granted immunity and ordered to testify before a grand jury about charges Philadelphia businessmen were shaken down to pay for the \$130,000 office renovation.

RIZZO AND PEARLMAN have refused to talk about the Chestnut Hill house, except for the May interview with the mayor.

During the Chestnut Hill renovations, Rizzo stationed a heavy police guard at the house and barred the press and even some neighbors from getting close to the work sites.

Delivery boys were prohibited from approaching the house. Police guards accepted deliveries in the street.

After a reporter slipped past the police guards and was seen on the grounds, a special police phone and bench were installed across the

street. Two officers were stationed there permanently. Last week, these men were replaced by K-9 corps officers and dogs. Police cars constantly patrol the street.

HOWEVER, the Daily News has taken frequent tours around the tree-shrouded acre of property, inspecting the renovations and keeping track of the extensive construction work which has been in progress. Although the mayor has moved in, work crews still report to the home daily.

Using close-up, detailed photography and measurements taken at those work sites, the Daily News has been able to "reconstruct" the work on paper for building authorities to evaluate.

More than two dozen architects, contractors and building suppliers this newspaper asked about the mayor's house refused to talk — out of fear. Many refused to give even general information such as the cost of a two-by-four or a piece of slate.

Their apprehension was expressed in the words of one builder: "Look, I got no love for Rizzo, but I don't want to get hurt. The guy can destroy you overnight if he wants to. And he will — if you give him a reason."

Mayor Rizzo has been employed by the city for the last 32 years. He began his career as a \$2,225-a-year beat cop and moved up through the

ranks to become police commissioner in 1967, then mayor in 1972.

IN AN UNUSUAL move two weeks ago, Rizzo told the Philadelphia Bulletin that he had recently made a \$26,000 profit (before taxes of approximately \$6,500) in the stock market. Other than that, he has always insisted he had no other major source of income outside of his city salary.

The mayor currently makes \$40,000 a year, which gives him \$434 in take-home pay each week, according to City Hall payroll clerks.

In May of 1973 — when Rizzo announced he was backing out of the new house in Roxborough — he said that his \$40,000 salary would only allow him to buy a \$114,000 house.

The mayor explained to a press conference that he had just learned the Roxborough house would cost "\$70,000-\$80,000 more" than his \$114,000 budget.

"I make \$40,000 a year," he told the press conference. "I borrow 114 grand. How could I meet the payments (on a larger amount)?"

DURING THE LAST YEAR, the mayor has had renovations done to his new Chestnut Hill home which would cost \$320,000 to duplicate, according to building authorities. The inside of the 47-year-old, 5,400-square-foot house has been gutted and its interior walls, ceilings and floors rebuilt.

The house has eight new entrance doors, a new balcony, two new patios, a new garden terrace, a new courtyard and a new fireplace. Every window in the house has been

replaced. More than \$30,000 worth of new stone work has been added to the house, and new deliveries of stone arrived last week.

## Interior—\$270,000

Inside it looks like a new house. A visitor walking through the sunny yellow kitchen, for instance, finds what appears to be a just-finished room in a custom-built home.

There are new hardwood floors, a library with mahogany walls and three bathrooms with marble walls.

Some 14 tons of air conditioning equipment have been installed. The minimum cost, according to a local Fedders air conditioning dealer, would be \$1,000 a ton or \$14,000.

"YOU'RE TALKING about a massive amount of air conditioning for a house that size," explained the salesman. "Fourteen tons is something you put into a factory or a warehouse. When you're putting something like that in a house, the price depends on how fancy you want to get in a house. You put a lot of control devices into the system and you're talking about anything up to \$2,000 a ton, easy. That doesn't include the ductwork or anything, either."

Mayor Rizzo likes cool rooms. An elaborate air conditioning system maintains the temperature of his renovated City Hall office at 65 degrees.

Rebuilding the interior of an existing house like this one costs a great deal more than building a new house the same size, architects and contractors say.

"When you're engaged in a job like this in an old stone home," explained one architect, tapping on a photograph of the interior of the new Rizzo kitchen, "you're boxed in by someone else's mistakes. For a contractor, that means the walls are never square. Everything is a bastard size and must be custom made."

"You'll go to break a new doorway

Continued on Next Page

## Jury Probing

A special grand jury has subpoenaed Mayor Rizzo's financial records and plans to launch an investigation into his new Chestnut Hill home and his new \$130,000 City Hall office, according to a story in the Sunday Inquirer.

The story, which quotes unidentified sources close to the grand jury probe headed by special prosecutor Walter M. Phillips Jr., said Rizzo had turned the records over after losing a secret court battle.

The jury, it was reported, is interested in knowing more about how Mayor Rizzo can afford the Chestnut Hill property on his \$40,000-a-year salary.

Rizzo Plants 'Alibi':  
Rolfe Neill on Page 27

## Adding It Up

Here is what the new Rizzo house cost. In each case, architects and contractors contacted by The Daily News used the minimal amount it would cost for each project.

Purchase price	\$90,000
Complete interior renovation	\$270,000
New three-car garage*	\$20,000
Other new stonework	\$30,000
New stone fireplace	\$4,000
New sidewalk	\$1,000
New asphalt paving	\$3,000
Sod landscaping	\$8,000
Driveway and patio lights	\$4,000
	<b>\$430,000</b>

\* The garage is only partially completed. Work on the structure stopped shortly after August 12 when the Daily News asked to see permits authorizing the construction. There were no permits. The work which actually has been completed to date at the house totals \$410,000.

**Tomorrow:** How Mayor Rizzo Avoids Taxes on His \$410,000 Dream



# Rizzo Told People Paper He's Paying the Bills Himself

This taped interview between Mayor Rizzo and Daily News editors and reporters took place May 6, when Rizzo was running against Lou Hill in the Democratic primary election. The Daily News later discovered that the mayor's new house and its renovations were worth \$410,000. This section of the interview began with a discussion of Hill's charges that Rizzo was spending more to renovate the property than he could afford on his known income.

**RIZZO** — First of all, that house, those houses have been looked at by the press and if there was anything wrong, if there were any contractors doing work for the city, you would have known about it.

**DAILY NEWS** — How would we have known?

**RIZZO** — You've looked at it from — I could show you my — I could show you — well, I won't show you, ahhh — I, ahhh — borrowed the money to buy it. I'm paying it off. Everything that is being done in there is being paid for.

**DAILY NEWS** — Frank, I am surprised from knowing the kind of guy you started out as, I thought of as being in City Hall, lay it out, let everyone look at the record. I thought Frank Rizzo would say, particularly after going through the Roxborough fiasco—

**RIZZO** — That was no fiasco.

**DAILY NEWS** — That is my opinion. After going through the Roxborough house, that you would say "Here it all is, folks." The truth is that nobody can get near that house. You told (us) one year ago that you were "knocking out one wall."

**RIZZO** — I didn't say anything like that.

**DAILY NEWS** — Yes, you did. You said "We're combining—"

**RIZZO** — One wall, two walls, as you work—

**DAILY NEWS** — He (Lou Hill) says he figures the house is worth \$300,000 by the time they get the other work done. How many walls ARE you knocking out?

**RIZZO** — I don't know how many walls have been knocked out. I haven't been out there for a month and a half. I don't believe it was many walls, but there were several changes on the arrangements of rooms and everything that's being done there is being paid for by me and it's being built by a friend of mine who is giving me the best of everything. The best in cost (too).

**DAILY NEWS** — What do you figure it's going to be worth when it is all done?

**RIZZO** — I have no idea.

**DAILY NEWS** — You're buying something and you don't know how much it's going to cost you?

**RIZZO** — I know how much it is going to cost me.

**DAILY NEWS** — That is the question I'm asking. What is it going to cost you?

**RIZZO** — I'm — ahhh — not complete yet and — ahhh — one day if I feel that that information should be given to you — it's just like me asking you how much you work; how much you make a year; how much you have in the bank; how much you paid for your home — you know—

**DAILY NEWS** — But (we're) not running for mayor.

**RIZZO** — That's my private life and if I'm doing anything wrong, may you come up with it.

**DAILY NEWS** — Frank, I asked you simply because I always had the impression that Frank Rizzo always—

**RIZZO** — Your impression is right. I have nothing to hide.

**DAILY NEWS** — We've said in this newspaper we thought that you were an on-the-line guy. "Frank Rizzo's honest. Never took a—"

**RIZZO** — You can bet your (garbled) that Frank Rizzo's honest.

**DAILY NEWS** — My own feeling is that in the case that this house is controversial, because the other house was controversial—

**RIZZO** — I don't think this house is controversial. You tell me where anything is being done that is wrong and then it becomes controversial.

**DAILY NEWS** — Frank, we cannot get in the house.

**RIZZO** — I'm not going to let you in my house.

**DAILY NEWS** (black staff member) — Why? You can get in my house.

**RIZZO** — Well, you want ME to integrate your neighborhood? (laughter)

**DAILY NEWS** — What's wrong with us going through the house? That's what I don't understand.

**RIZZO** — That's my private life. That home, everything that's being done there is being paid for by Frank Rizzo. And it's being done by a friend of mine who is saving me a lot of money.

**DAILY NEWS** — I understand that.

**RIZZO** — His company is doing it completely.

**DAILY NEWS** — There are no sub-contractors on that job at all?

**RIZZO** — No sir. No sir. No sub-contractors.

**DAILY NEWS** — Frank, looking back at the Roxborough house, you saw no—

**RIZZO** — You've got to ask Al Pearlman about that, I—

**DAILY NEWS** — But he will not talk to us.

**RIZZO** — What a rotten mistake I made talking to you.

**DAILY NEWS** — Looking back on the Roxborough house, you didn't see any mistake of judgment in accepting something of that magnitude as the mayor?

**RIZZO** — It was not a mistake in judgment. It was a mistake in judgment because I didn't give it the attention I should have. But anything that was done there was done properly and Pearlman is now the owner. I had borrowed money to buy it. And when it got going, it got escalating costs and everything. I just thought — and my family thought — that instead of strapping ourselves — if Pearlman had not bought it, I would have sold it to someone else, and I would have made some money.

**DAILY NEWS** — You very definitely would have made money.

**RIZZO** — I would have made money on the sale of the land and all that stuff. But I didn't do that. I gave it

*"That home, everything that's being done there is being paid for by Frank Rizzo. And it's being done by a friend of mine who's saving me a lot of money."*

—Mayor Rizzo

lock, stock and barrel and it didn't cost me anything. What I had into it, I was paid back for it. There is no mistake there. It can happen, and unfortunately, it did—

**DAILY NEWS** — But you talk about the Rose Wythe and the Izzy Bellis', saying that they are always using their positions and in this case . . .

**RIZZO** — There is no one time that my position has been used to do anything for that house.

**DAILY NEWS** — You don't think that Al or any of the folks who may be working—

**RIZZO** — There's nobody working in that house but Al Pearlman and his people, to my knowledge.

**DAILY NEWS** — So, there is no way that anyone would say "We're doing this for the mayor and—"

**RIZZO** — No sirree. Absolutely not. Everyone formally working there is employed by Al Pearlman.

**DAILY NEWS** — And all the materials and things you feel have been obtained—

**RIZZO** — They are obtained and paid for et cetera. Pearlman can't get it for nothing. Nobody can get anything for nothing.

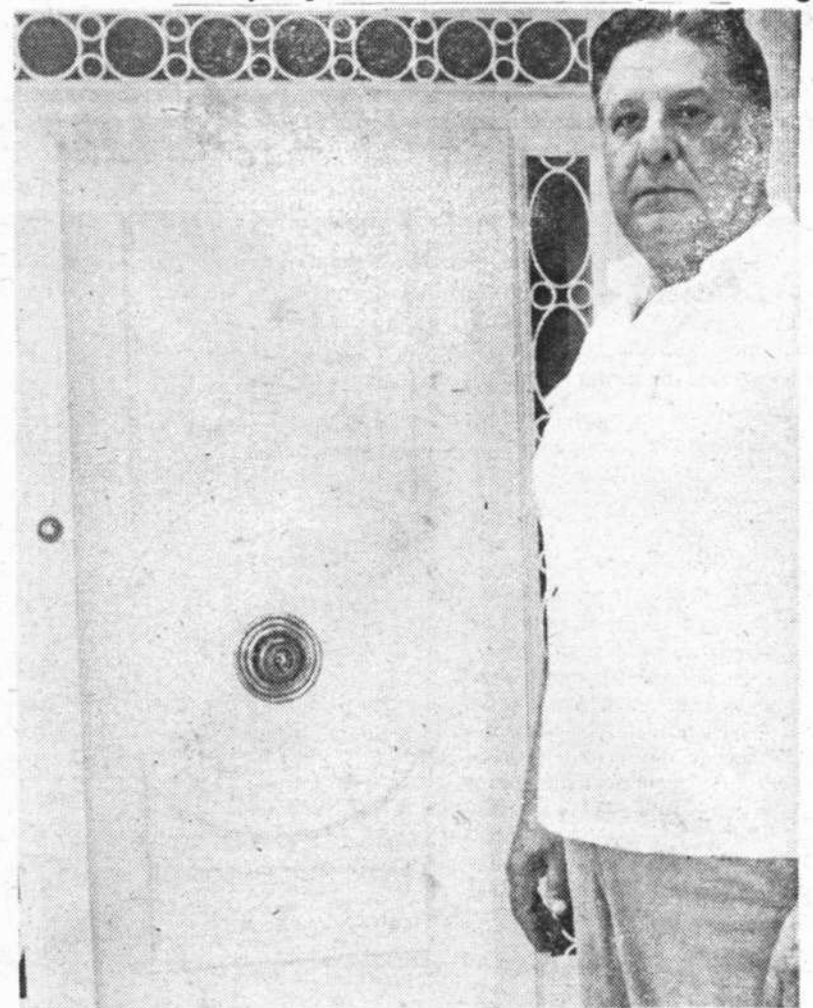
(Talk shifts to Lou Hill and other candidate's reports on their personal finances.)

**DAILY NEWS** — Frank Rizzo, the first time, laid it all out — about \$90,000 net. If I was Frank Rizzo running now—

**RIZZO** — I want to tell you I'm worth slightly . . . I'm worth less. Worth LESS. And I want to tell you something (about this interview), no — you conned me long enough. And I tell you your conning days are over. You know I went for your con and it will never happen again.

**DAILY NEWS** — (We) went for yours.

**RIZZO** — (From now on) I'll take my chances with the voters.



Mayor Rizzo and his \$400 doorknob

## \$400—For a Doorknob

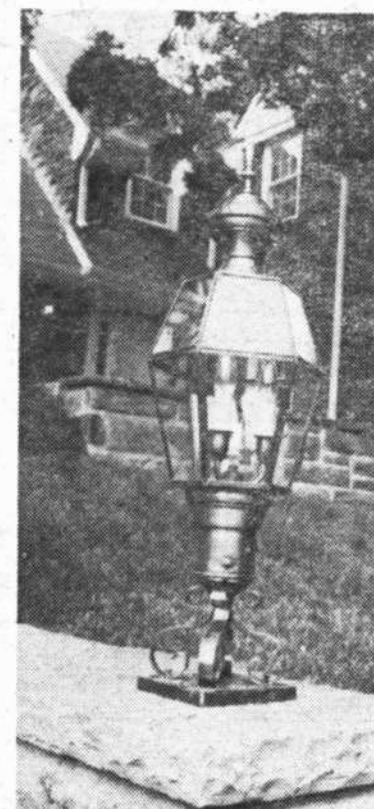
Mayor Rizzo's Chestnut Hill home has a \$400 front doorknob.

The knob, nearly as large as it is unusual, is mounted in the center of the new Rizzo front door. The massive, polished-brass knob, sculpted in the shape of a lion's head, was made by the Schlage Lock Company from a special hand-crafted line of exotic door hardware. The company

catalogue lists the lion's head knob as "The Tuscany."

One of the few places in the area you can buy a "Tuscany" is at the Mitchell Hardware Company in Hurffville, N. J., which specializes in unusual door hardware.

"We don't sell too many of those lion-head things," explained a Mitchell salesman. "Now, understand, we sell high-quality items, but you have to have an awful lot of money before you're going to come into this store and be interested in \$400 door-knobs."



The \$200 "South Hampton"

## Well-Lighted At \$200 a Lamp

Among the first things to catch the visitor's eye at Mayor Rizzo's house are the 17 distinctive brass carriage lanterns valued at \$3,400. They are visible symbols of the opulent taste which transformed the 47-year-old Chestnut Hill home into a \$410,000 mansion.

The lamp design, known as the "South Hampton" carriage lantern, is manufactured by the Georgian-Art Company of Lawrenceville, Ga. Rizzo has had the lights installed at each door to the house as well as along the patios, driveways and terraces.

Although the catalogue price for the fixtures is \$301.95 each, two major area lighting firms say a "discount price" would lower the cost to \$200 each.

The total of \$3,400 does not include electrician's fees or the cost of excavating for and installing hundreds of feet of underground wiring — which would total another \$600 at least.



# Rizzo Avoids City Permits—and Taxes

By HOAG LEVINS

Copyright 1975, Philadelphia Daily News

Mayor Rizzo is escaping additional taxes on his new \$410,000 Chestnut Hill home because much of the renovation was done without building permits.

At the same time, the few permits issued since 1974 for work at the house have grossly understated the value of the actual work completed. And even these few understated permits have not been forwarded to the tax assessor's office, which determines the tax bill for a house, based on its re-sale value.

Despite some \$320,000 in improvements, the mayor's taxes are still only \$2,019 a year, or \$168 a month.

Sources close to the tax assessor's office were shown Daily News photographs of the new work done at the mayor's house. They said the property's value and its taxes perhaps could double if the house were reappraised to reflect its true market value.

Architects, contractors and other building authorities interviewed by the Daily News say it would cost at least \$320,000 to duplicate the work on Rizzo's house completed to date.

THAT WORK, being done under a tight cloak of secrecy, has been directed by Al Pearlman, an air conditioning contractor and close friend of the mayor.

Although Rizzo moved into the house August 25, workmen are busy daily with the projects still underway. When Rizzo bought the two-story home at 8919 Crefeld St. in December 1973 for \$90,000, its tax assessment was \$42,300.

City residential assessments currently are 40 to 60 percent of fair market value, according to the tax assessor's office. This means the \$90,000 the mayor paid for the house was in the range of its fair market value, as estimated by the assessor.

"ACTUALLY, THE MAYOR'S house should have been reassessed as to its new value even during the stages of construction," explained an official at the Board of Revision of Taxes. "What we do on long jobs like this is send out assessors to compute the new value of the house at the end of the year. This means the Rizzo house would have gone up in value at the end of 1974 and again this year."

"It has not gone up in value because no permits were filed for this work," said the official. "I can only say I am flabbergasted to see these photographs at the same time I have to tell you that the mayor's tax file in-

## Foglietta Raps That Knob

Republican mayoral candidate Thomas M. Foglietta—citing the People Paper's disclosure that Mayor Rizzo's new house cost \$410,000—renewed his call for the mayor to make public disclosure of his personal finances.

Foglietta, who listed his assets (\$198,500) and liabilities (\$197,000) last Thursday, held up a common Yale door knob while addressing a rally at Broad and Chestnut Sts. yesterday said: "I have this kind of door knob. So do most of you. But the King of Chestnut Hill has a special hand-crafted door knob on the front door of his new imperial palace that cost \$400."

*"It is very hard to keep track of these one-family dwellings. We're not sure what has been done out there at the mayor's house."*

—Licenses and Inspections Commissioner Dominic Sabatini

icates there are no permits."

The city building code requires permits for any construction repair, alteration or demolition. Under the law, city residents caught doing structural work without permits can be fined and imprisoned.

Permits for building, plumbing, electrical and other work are issued by the Department of Licenses and Inspections to insure the work is done safely and in accord with other city laws.

Permits are also the main source of property value information for the city tax assessors.

"IF SOMEONE DOES NOT file for permits and does extensive amounts of work on his home, his tax assessment will not reflect it," explained an official at the assessor's office. "Permits are the 'key' that make us aware that work is being done. You must have a permit for every item of alteration or construction."

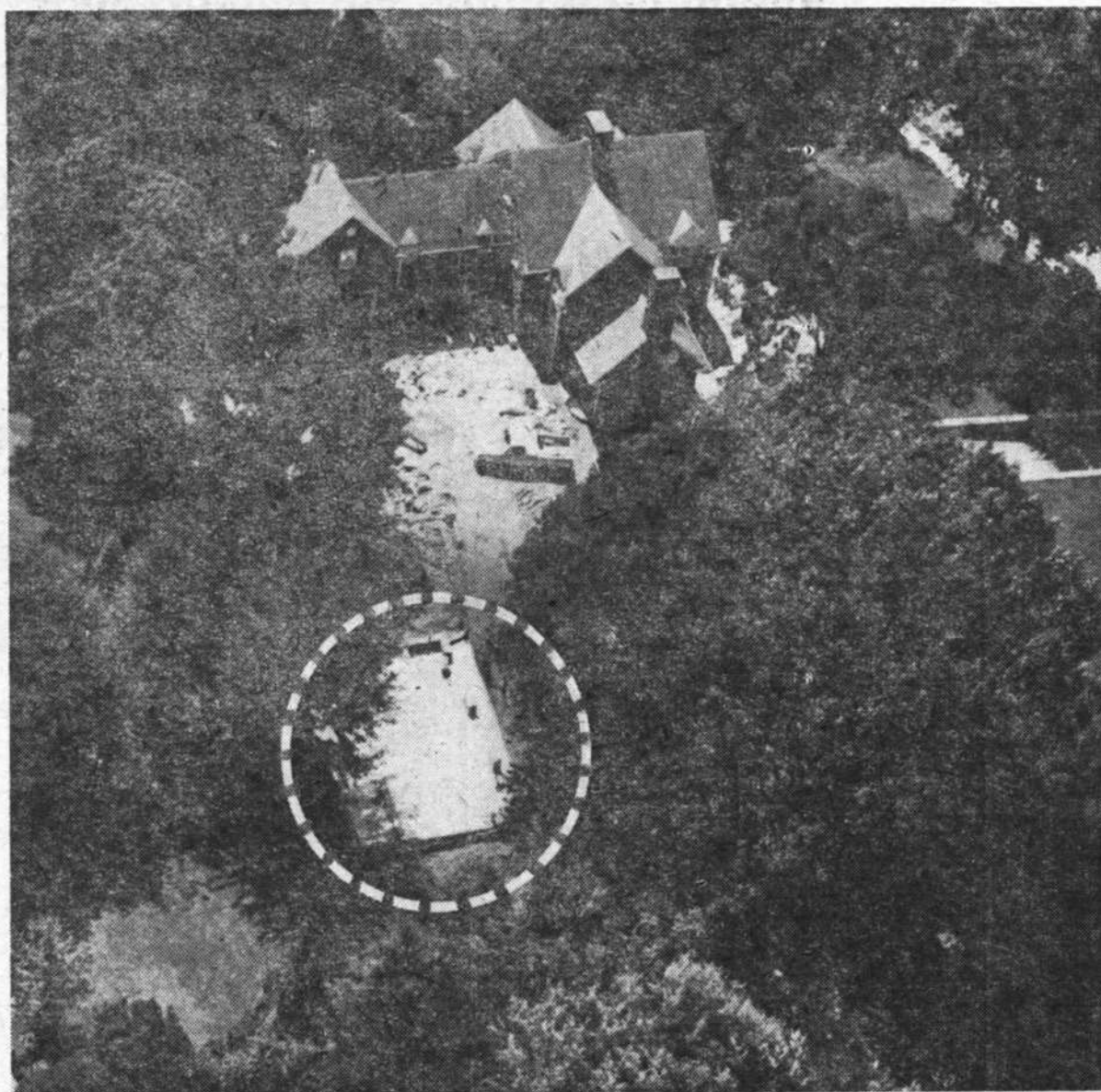
Dominic Sabatini, commissioner of the Department of Licenses and Inspections, said he was "not aware" that work at the Rizzo house was being done without permits.

Sabatini, who has taken the Rizzo building permits out of the usual public files, met with the Daily News twice. He turned over copies of what he described as "all the permits there are on the mayor's house."

"It is very hard to keep track of these one-family dwellings," explained Sabatini. "We're not sure what has been done out there at the mayor's house—you often make changes here and there when you start work like this."

ONE OF THE ITEMS which escaped the attention of Sabatini's department was a 1,000-square-foot, three-car garage which is being built behind Rizzo's house. Architects and contractors said the garage would cost at least \$20,000.

Construction on the garage began



## Quick Permit

Aerial view shows progress on Mayor Rizzo's 1,000-square-foot \$20,000 garage as of July 22. No permits were taken out on the building until August 12, hours

after the Daily News asked to see permits and was told "we know of no garage" by Licenses and Inspections Commissioner Dominic Sabatini. Work on the garage, shown by dotted line, then stopped.



Sabatini

in June. More than 300 cubic feet of concrete foundations were poured. Four soil-pipe lines for drains were laid in the foundations and connected into the cesspool system. A 1,000-square-foot concrete floor slab, six inches thick, was put down for the main garage. Another 1,000-square-foot slab was put down in front of it for an entrance.

Garage walls of hand-cut Wissahickon shist stone had been built nearly three feet high when Sabatini was interviewed at 11 a.m. August 12, in his office at the Municipal Services Building.

First, Sabatini said that "we know of no garage" being erected on the Rizzo property.

Told of the measurements of the foundations, the size of the floor, the

height of the walls and the location of the building, Sabatini said Mayor Rizzo "didn't need a permit for that."

"ON A THING LIKE this, you can get a permit after the building is up," said the commissioner.

At 3:25 p.m. that same day, Sabatini called the Daily News to say that "I thought you'd like to know that the permits for the mayor's garage have just been issued."

In the space of four hours, Sabatini's department processed the applications for building, plumbing and zoning permits for the garage. All documents are dated August 12—or more than six weeks after excavation and construction began Rizzo himself signed the plumbing permit application.

That same day, all work on the garage stopped.

IN THE APPLICATION for the garage permits, Pearlman's workers filled out the box which asks "Date

Work Starts" with "At Once."

They also estimated the cost of the garage work to date at \$1,000.

However, according to the 1975 "Building Cost File," which architects and builders use to estimate the minimum cost of construction, just the 11.6 cubic yards of concrete footings and the 36.8 cubic yards of concrete slabs would cost \$2,440 to duplicate.

That does not include the cost of the garage's partial walls, the excavations or the installation of four drain lines to the cesspool.

Architects and contractors said that it would cost at least \$20,000 to complete the 1,000-square-foot stone structure.

THREE OTHER BUILDING permits cover work done in and around the main house. The three, taken out in May 1974, outline a few small alterations which were to be done by

Continued on Next Page

Rizzo the Tax Cheat:  
an editorial on Page 29

# Tomorrow:

## Why Mayor Rizzo Can't Afford His Dream House on His Salary



**Tonight & Tomorrow**

**Clear, Sunny**

Accu-Weather on Page 2



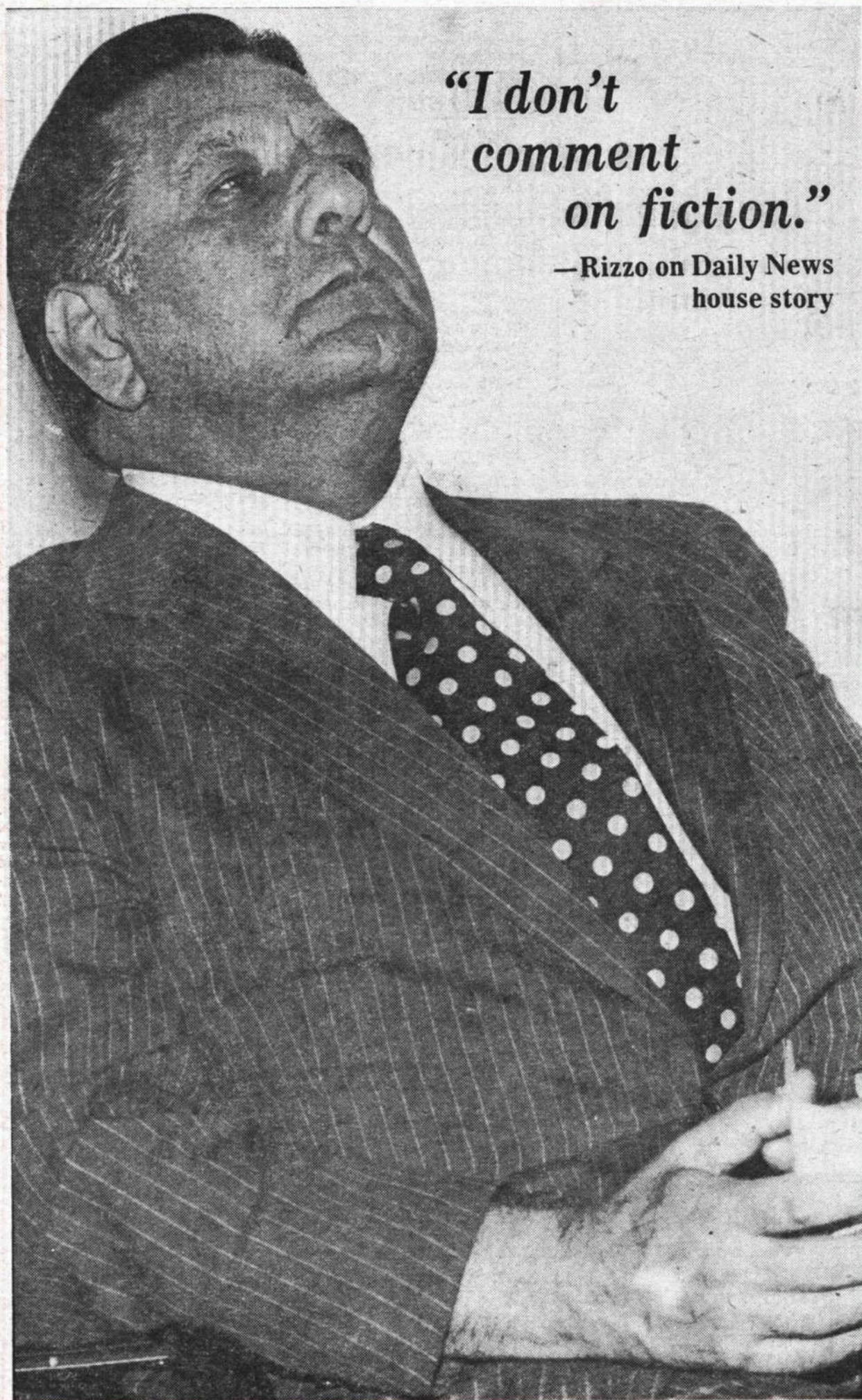
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**15c Final**

**TUESDAY, SEPTEMBER 9, 1975**

Our 136th Issue in Our 51st Year © 1975, Phila. Daily News

4-18-26



***"I don't  
comment  
on fiction."***

**—Rizzo on Daily News  
house story**

# **Rizzo Beats Taxes**

***\$410,000 Home***

***Lacks Permits***

**Page 3**

Mayor Rizzo at ceremonies yesterday welcoming new firm to city

Photography by W. R. Eversly 3d



# Rizzo Gets Few Permits—and Pays Less Taxes

Continued from Page 3

Al Pearlman's Tracey Construction Company.

The primary building permit indicates that Pearlman's men would "replace several windows . . . convert existing garage to recreation room and change garage door to windows, minimum 5 x 5 . . . replace existing deteriorated stone terrace retaining walls with 12"-15" stone wall."

The recreation-room — still carried on tax records as a two-car garage — has been completely rebuilt inside. At the far end, the foot-thick stone walls have been broken through for a new stone fireplace. The \$4,000 fireplace, built of hand-cut stone, was put in without a permit.

Yet, two weeks ago, when the mayor moved in, he told reporters the fireplaces were the original ones.

**WHEN RIZZO** bought the house, it had two fireplaces—a large stone one in the living room and a much smaller "half-fireplace" in the den.

In January 1974, Rizzo commissioned architect Richard G. Guenzel to design the new fireplace he wanted in his recreation room. "I made the sketches of the fireplace, but he took over from there," explained Guenzel.

At the other end of the renovated old garage, the doors have been replaced with a window extension. Instead of the "5 x 5" window mentioned in the permit, Pearlman built a bay window extension which is more than 12 feet across and six feet high. It provides a stunning "glass wall" view of the new courtyard outside.

Also built without permits were:

- A second bay window in the other side of the house.
- Three windows filled in with new stonework, and three others broken through the foot-thick stone walls.
- Rizzo's kitchen.
- 17 new carriage lanterns worth \$3,400 and hundreds of feet of underground wiring.
- An underground sprinkler system to water the mayor's new \$8,000 sod lawn.

**THE ONLY PERMIT** issued to cover the stonework done outside the house states that "existing deteriorated stone terrace retaining walls" would be replaced. The permit said that those terrace walls would be 12"-15" thick and "maximum height, three feet."

However, nearly 400 feet of new stone retaining walls have been built. At its narrowest point, the new stone work is 18." In places, it is 30" thick.

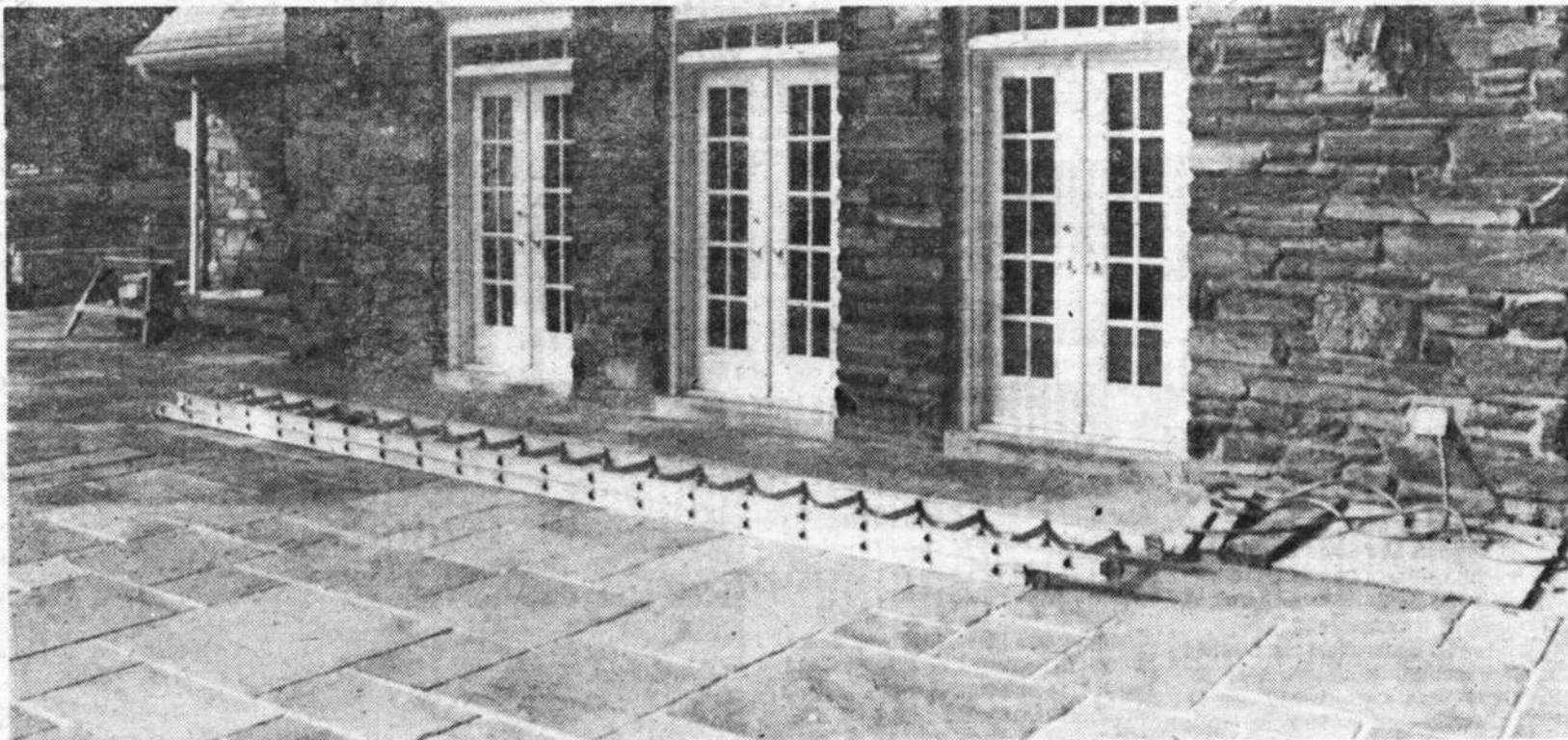
In places, the new stone constructions are eight feet high.

Nearly 1,200 square feet of new flagstone patios and terraces have been built.

In his brief press meeting two weeks ago, Rizzo said the front patio came with the house.

As do the other patios and terraces he has built, the front contains shist stone walls and blue-stone surfaces. The 900-square-foot patio at the front is completely new, replacing a smaller terrace. Its surface is laid in striking random rectangular patterns and would cost at least \$7,000 to duplicate, according to architects and contractors.

A new stone garden terrace, a second rear patio and a balcony also have been built without permits.



## New Patio

Mayor Rizzo last week told reporters the patio

was the one that came with his new house. It is not. A smaller patio that had been there

was removed and this one, which covers 900 feet, and cost \$7,000, was built.

**MORE THAN** 1,000 square feet of sidewalk have been put in at the front of the house without a permit, according to the Department of Streets 4th district office at Germantown Ave. and Haines St.

Another L & I permit said 14 tons of new air conditioning was being installed using "existing ductwork." New ductwork requires a separate permit.

"Whoever told you they were planning to install 14 tons of air conditioning with existing ductwork in a 47-year-old house is crazy," said an air conditioning engineer. "That's like saying you intend to put an airplane engine in a Volkswagen. It can't be done."

## No Comment

Sabatini was unavailable for comment at his office yesterday. His secretary said he went to lunch before noon and never returned for the rest of the day. She said she had no idea where he was.

**"EVEN WHEN YOU** put a modest air conditioning system in one of these old Chestnut Hill places, you can't use the old ductwork because it wasn't designed back then to handle the volume of air. When you're dealing with a new system for 14 tons of air conditioning — my

God, the 'system' IS the ductwork and the accompanying controls you have to install," he said.

Commissioner Sabatini said that if work exceeded the permits, it was not necessarily wrong.

"If there is any additional work done, we assume that revised permits will be filed. It is a violation of the law to exceed the scope of a permit, but you have the opportunity to revise the permits. That is frequently done after a job is finished," he said.

On Monday, August 25, Mayor Rizzo moved into the house at 8919 Crefeld st.

No new permits or permit revisions have been applied for.

## Rizzo Terms It 'Fiction'

Mayor Rizzo has called the Daily News' series on his \$410,000 home "complete fiction" and charged that the paper "blatantly seeks to influence the outcome of the mayoral election."

In a statement issued by his office just after noon Rizzo said:

"Certain allegations have been made by the Philadelphia Daily News and it is imperative that they be viewed in the proper perspective.

"In short these are pure and simple political charges made by a newspaper that blatantly seeks to influence the outcome of the mayoral election in November.

"In my opinion this is a sad day for journalism."

**RIZZO FACES** Republican Thomas Foglietta and Philadelphia Party candidate Charles W. Bowser in the Nov. 4 election.

"I haven't read it," Rizzo said at 4:30 yesterday afternoon, 7½ hours after the story hit the streets. "I'm too busy doing other things."

"I don't comment on fiction — I have nothing else to say."

**RIZZO MADE** the remarks in the elevator to the 29th floor of the 2000 Market Street building on his way to ceremonies at the FMC Corp. Chemical Group headquarters. On the packed elevator with Rizzo were bodyguards, dignitaries, a KYW reporter and film crew and a Daily News reporter.

When the Daily News reporter asked him about reports that a grand jury is investigating the Chestnut Hill house, Rizzo ignored the question, turned toward the elevator doors and waited until it stopped at the 29th floor.

—Zachary Stalberg



## New Additions

New bay window (left) was put into the foot-thick stone walls of Mayor Rizzo's house without permits, as

was the new fireplace at right, which contractors estimate is worth \$4,000. Flagstone walkway at lower right is also new.

Larry McMullen appears today on Page 6.

Rizzo Takes Business Credit:  
Page 26



# *A Doubleplay for HR Payoff!*

Back Page

**Tonight & Tomorrow**  
**Clear, Partly Sunny**

Accu-Weather on Page 2



**4** ★

**15c Sports**

WEDNESDAY, SEPTEMBER 10, 1975

Our 137th Issue in Our 51st Year; © 1975, Phila. Daily News

# Rizzo & His Money

Page 3

## *This Man's Take-Home Pay . . .*



\$60.90 a week as patrolman



\$95.75 a week as a sergeant



\$119.38 a week as a captain



\$225.67 as an inspector



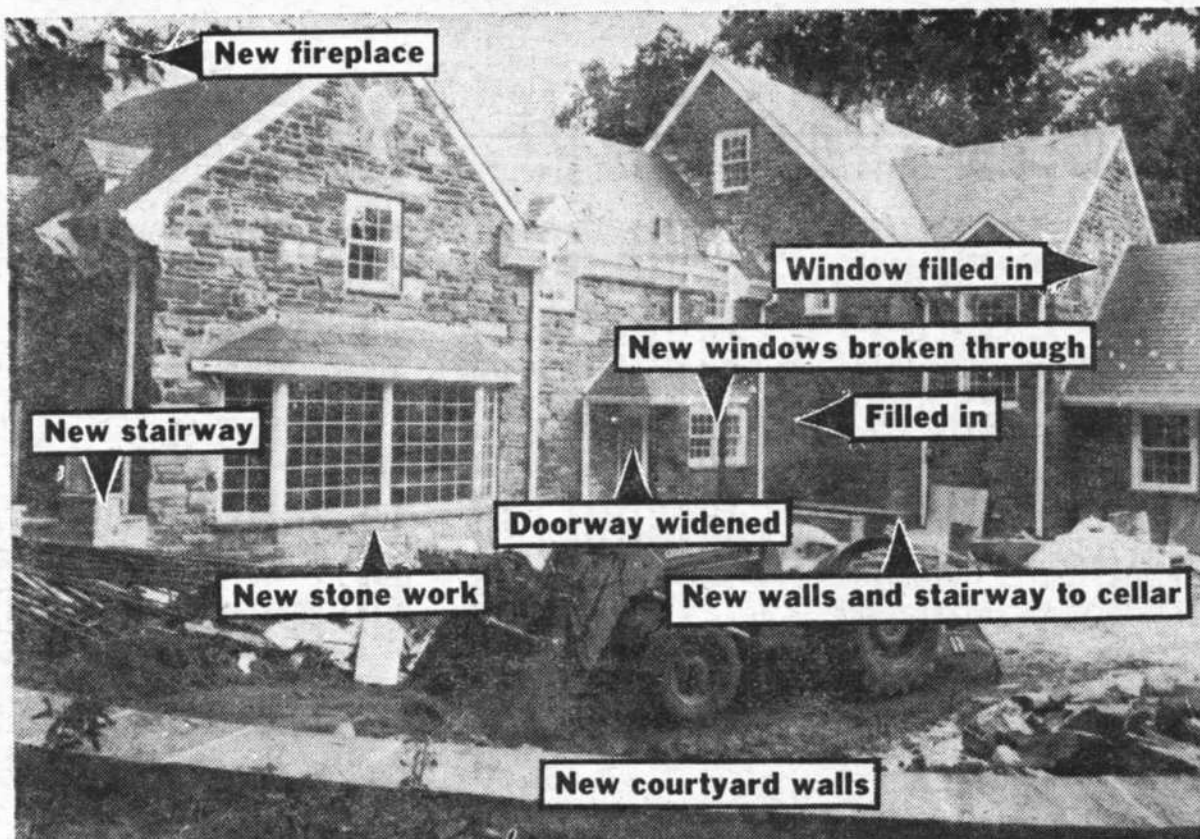
\$441.03 as commissioner



\$434 as mayor

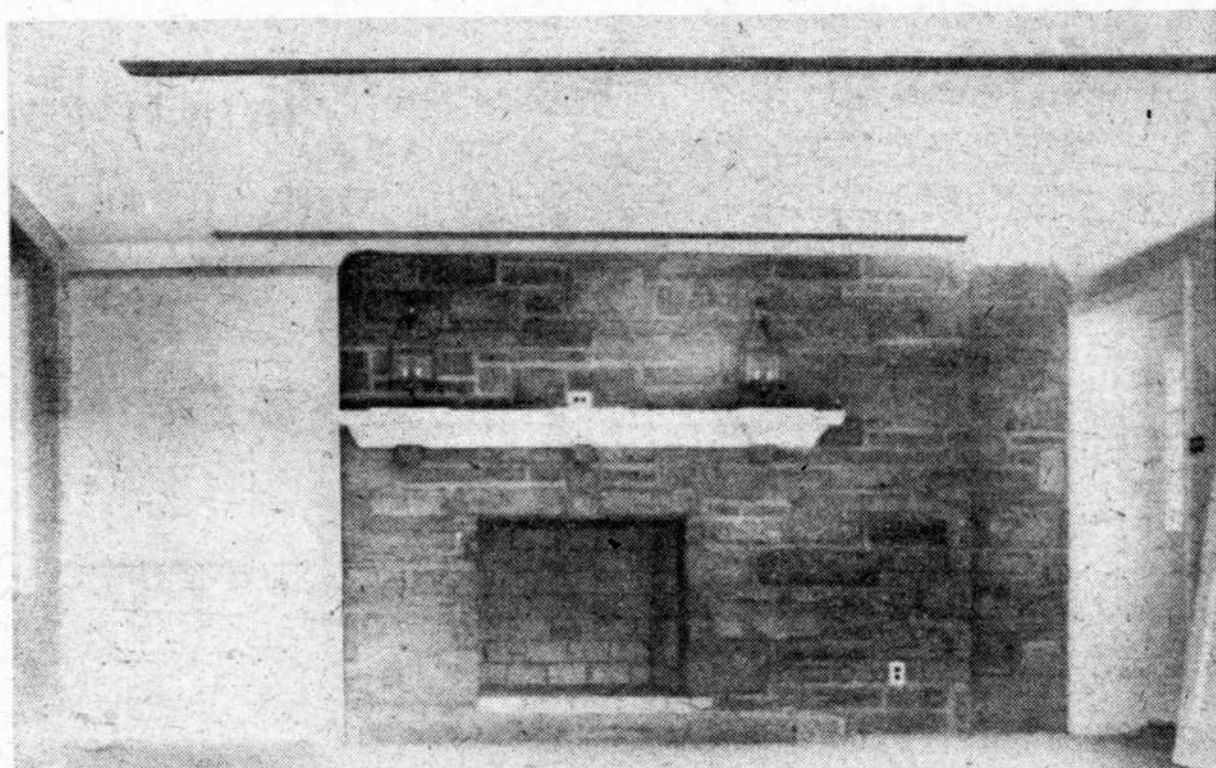


# City Tax Assessors Never Got Permits



**Heavy Construction** Mounds of debris in what later became Mayor Rizzo's courtyard show the massive amount of work done inside the home. Sections of

wall, ceiling and floor were ripped out. The huge bay window was built to cover the front of what had been a two-car garage. Labels show examples of the work done.



**Hand-Cut** Fireplace in Mayor Rizzo's recreation room is designed by architect Richard G. Guenzel and made entirely of hand-cut

stone. There are no permits for the work and Rizzo told reporters two weeks ago that the \$4,000 fireplace was originally there, although it is actually new.

## You Need a Permit 'for Almost Anything'

Although Commissioner Dominic Sabatini said that Mayor Rizzo "didn't need" permits to begin construction work, the general public is told a different story by the Licenses and Inspections Department.

When an average citizen calls for building permit information at MU 6-2578, or visits the L & I permit desks on the concourse level of the Municipal Services Building, he is told politely but firmly that permits are required "for almost everything."

"You don't begin nothing without a permit," explained one of the building permit department officials. "The rule of thumb we use is that you can paint, paper or scrape the walls of your house without a permit. Everything else requires a permit."

Can permits be taken out after the work is started or even after it is completed?

"You don't start nothing in this city without a proper permit," the official explained. "If we catch you trying to do something like that, we'll come out and stop you. You get fined and if you don't pay that, we take you to court."

Can you get a permit for one thing and then do a few others while you're working at the job?

"Look," explained the official, "you can't fool around with permits in this city. That's what I'm telling you. You got to have a permit for every item you are going to do. It has to be mentioned in the permit. That is the law. If you don't obey the law, you don't build nothing. That's the way it is."

While much of the work at the mayor's house was done without permits, the few permits the Department of Licenses and Inspections issued have been mysteriously withheld from the tax assessor's office.

Officials at the Board of Revision of Taxes expressed "great shock" when they reviewed the mayor's tax records last week and found they had not received a single permit for any work done at the Chestnut Hill home.

According to a board official, state law requires that copies of all permits issued by the Department of Licenses and Inspection be forwarded to the tax office.

**NORMALLY**, a tax office messenger picks up the new permits issued by L & I each day. They are then taken to the tax board's statistical office in room 221 of City Hall Annex. There, the permit information is put on index cards indicating the scope and cost of the work being done.

The permits are then routed to the assessor's office where tax assessors transfer the permit information onto the individual's property tax records.

Currently, the assessor's records for 8919 Crefeld St. indicate that no work of any sort has been done to the mayor's house since he bought it in 1973.

Those records indicate that the house is still taxed on the \$42,300 assessment established before Rizzo purchased the home and had more than \$320,000 worth of renovations done.

**THAT VALUATION** is currently recorded on the tax records as "final" and will not be adjusted—because there are no permits from L & I to indicate that changes have taken place at the property.

Officials at the assessor's offices checked at the request of the Daily News and found that the permits are being "specially kept" out of normal channels by the office of Licenses and

### The Law

Section 4-105 of the Philadelphia Building Code:

#### Permits

(1.) No person may perform any of the following activities unless a permit shall be obtained in advance:

(a.) the construction, repair, alteration or demolition of a structure; or,

(b.) the construction of an addition to a structure; or,

(c.) the construction or demolition of ducts, sprinkler systems or standpipe systems.

#### Section 4-112:

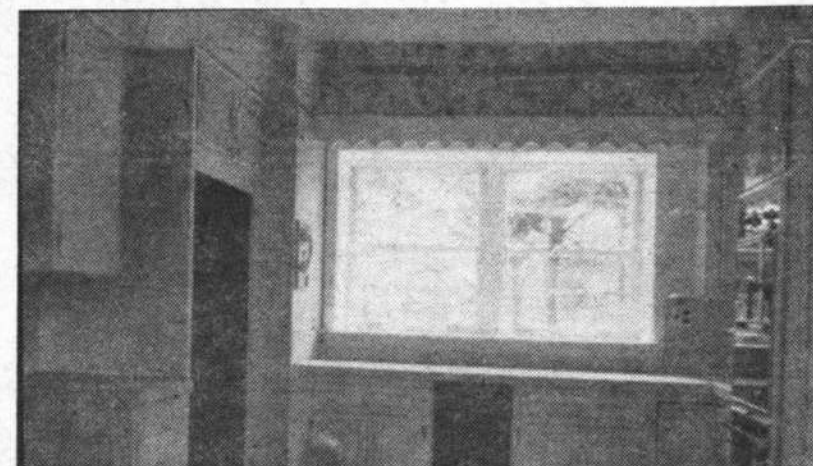
#### Penalties

(1.) Any person who violates any requirement of this Title or regulation adopted thereunder or fails to obey an order issued by the Department shall be subject to a fine of not less than twenty-five (25) dollars nor more than three hundred (300) dollars or in default of payment of the fine, imprisonment not exceeding ninety (90) days or both for each offense.

(2.) Each week that a violation continues shall constitute a separate violation for which a separate penalty may be imposed.

Inspections Commissioner Dominic Sabatini.

"This is a clear violation of state law," said one board official. "We were completely unaware of this. We just assumed that the mayor—of all people—would be going out of his way to comply with the law. Instead, the laws seemed to have been ignored so that the mayor may enjoy a tremendous tax break. We intend to get a further explanation from the Department of Licenses and Inspections."



### Sunny

New Rizzo kitchen is done in yellow appliances and flowered wallpaper. The room was completely rebuilt from

the walls out. Its two windows offer a good view of the acre of tree-shrouded property that surrounds the home. There are no permits.



# Rizzo's Income Can't Cover New House

By HOAG LEVINS

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According to his own financial statements, City Hall pay records and an analysis by bankers and accountants, Mayor Rizzo cannot pay for the \$410,000 house he has just moved into.

On August 25, the mayor moved into the house at 8919 Crefeld St. in Chestnut Hill—Philadelphia's most expensive section.

The house was sold to the mayor for \$90,000. His friend Al Pearlman directed work for more than a year as the house was totally renovated. Even today, crews continue to re-



Pearlman

port daily to the house as more renovation and construction are done.

Architects, contractors and other building authorities interviewed by the Daily News say that the work completed to date at the

house could not be duplicated for less than \$320,000.

That makes the total value of the home \$410,000—not including the cost of the additional furnishings it will take to fill the large house.

Mayor Rizzo makes \$40,000 a year as mayor and takes home \$434 a week. Except for an unusual stock investment profit he announced last month, the mayor has emphasized his salary is his only income.

On May 6, the mayor came to the Daily News for one of his rare meetings with the press. During that taped interview he was asked to explain how he was paying for the house and its renovations:

**DAILY NEWS**—What do you figure it's (the house) going to be worth when it is all done?

**RIZZO**—I have no idea.

**DAILY NEWS**—You're buying something and you don't know how much it's going to cost you?

**RIZZO**—I know what it is going to cost me.

**DAILY NEWS**—That is the question I'm asking. What is it going to cost you?

**RIZZO**—I'm—ahhh—not complete yet and—ahh—one day if I feel that that information should be given to you—it's just like me asking you how much you work; how much you make a year; how much you have in the bank; how much you paid for your home—you know.

**DAILY NEWS**—But we're not running for mayor.

**RIZZO**—That's my private life and if I'm doing anything wrong, may you come up with it.

In that same interview, Rizzo emphasized that he is "worth less" than he was in 1971 when he first ran for mayor and reported his total worth to be \$87,950.

However, in recent statements, Rizzo and his spokesmen have indicated that he is now worth more than he was in 1971. This added worth is what allowed him to purchase and renovate the house, they claim. Rizzo, through a spokesman, on August 31

## The Mayor's Salary

		Total Pay	* Deductions	Yearly Take-Home Pay	Weekly Take-Home Pay	
	(part of year)					
Patrolman	1943	\$ 742	23	719	—	bought 6223 Morton St. for \$5,000 (used \$1,200 gift from father-in-law)
	1944	\$2225	203	2022	\$38.88	
	1945	\$2225	163	2062	\$39.65	
	1946	\$2225	163	2062	\$39.65	
	1947	\$2225	163	2062	\$39.65	
	1948	\$3264	267	2997	\$57.63	
	1949	\$3344	275	3069	\$59.01	
Sergeant	1950	\$3424	257	3167	\$60.90	son Francis L. born
	1951	\$3708	320	3388	\$65.15	
	1952	\$3800	361	3439	\$66.13	
	1953	\$5652	673	4979	\$95.75	
Captain	1954	\$5916	657	5259	\$101.13	daughter Joanna born
	1955	\$6192	719	5473	\$105.25	
	1956	\$6480	759	5721	\$110.01	
	1957	\$7100	892	6208	\$119.38	
Inspector	1958	\$7100	892	6208	\$119.38	sold 6223 Morton St. for \$12,000 bought 8224 Provident for \$16,250
	1959	\$7355	968	6387	\$122.82	
	1960	\$8152	1150	7002	\$134.65	
	1961	\$9044	1327	7717	\$148.40	
	1962	\$9146	1353	7793	\$149.86	
	1963	\$9146	1377	7769	\$149.40	
	1964	\$14,000	2265	11,735	\$225.67	
Deputy Comm.	1965	\$14,000	2117	11,883	\$228.51	disclosed total worth at \$87,950 (savings and stock worth \$52,000)
	1966	\$15,000	2508	12,492	\$240.23	
	1967	\$20,333	3291	17,042	\$327.73	
	1968	\$29,000	6307	22,693	\$436.40	
Police Comm.	1969	\$29,000	6600	22,400	\$430.76	commissioned 8 Summit Place (value \$400,000)
	1970	\$29,000	6176	22,824	\$438.92	
	1971	\$29,000	6066	22,934	\$441.03	
Mayor	1972	\$40,000	17,022	22,978	\$441.89	bought and renovated 8919 Crefeld St. (value \$410,000)
	1973	\$40,000	17,432	22,568	\$434.00	
	1974	\$40,000	17,432	22,568	\$434.00	
	1975	\$40,000			\$434.00	



told the Sunday Bulletin the renovations cost \$60,000.

The mayor, according to City Hall payroll clerks, makes \$434 a week. For nearly two years, he has been carrying the costs of two houses, the one he occupied in Mt. Airy and his new home in Chestnut Hill. The Mt. Airy home is paid for.

According to his stock broker, Rizzo borrowed \$20,000 for a down payment on the new house. He also took out a \$70,000 mortgage loan for 25 years at 8.5 percent with Cen-

tral Penn Bank.

His real estate taxes in Chestnut Hill — which have not been adjusted to reflect any of the \$320,000 in renovations — are \$2,019 a year, or \$168.32 a month.

A spokesman for the Allstate Insurance Company said the minimum insurance policy needed to get such a mortgage would cost \$144 a year, or \$12 a month.

According to other Chestnut Hill residents, living in comparable homes, the yearly gas and electric

bill hovers around \$150 a month. Those residents do not have 14-ton air conditioning systems such as the one the mayor has had installed, or extensive outdoor lighting.

**BASED ON THE ORIGINAL** mortgage loan, minimum insurance, taxes and minimum utility bills, the mayor would have a monthly obligation of \$893.98 — or more than two weeks' of his take-home pay each month.

That \$893.98 does not include payments he would have to make on

\* From 1943 to 1971, deductions are estimates based on tax rates in effect in those years. They are the minimum tax and Social Security a man in Rizzo's pay bracket would have paid. The take-home pay listed, therefore, is a maximum estimate. From 1972 to today, deductions are based on actual payroll information supplied by clerks in City Hall. The take-home pay in these years is what the mayor actually makes.

the \$20,000 he borrowed for a down payment.

That \$893.98 does not include any of the renovations or new construction work which the mayor has had

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Prove Us Wrong:  
An Editorial on Page 23



# System Works, When It's Forced

"The beauty of this system," said Hoag Levins, "is that I'm allowed to take on the mayor and we're playing on the same board—a fact board. In Russia, I'd already be in the slammer. I'd be breaking rocks."

Five years ago, Hoag Levins was ready to drop out of this system. Vietnam did that to him.

"I joined the Navy when I was 17," he said. "I was right-wing, a flag waver, very militaristic. I was 18 when I got to Vietnam."

**HOAG WAS STATIONED IN SAIGON.** He was supposed to be an aviation mechanic, but one of his main jobs was to unload black market supplies, things like silks and electronic equipment, from airplanes. The black market dealer was his captain.

"Down the runway, I could see silver coffins stacked up that held the guys who had gotten their bullet in Vietnam," said Levins.

The captain was finally court-martialed and convicted. One million dollars in cash was found in a refrigerator in the basement of his home.

When he got back to the States, Hoag became active in the Vietnam Veterans Against the War. In the meantime, he had gotten his start in journalism in 1968 as a copy boy for the Camden Courier-Post.

He worked his way up from chasing auto accidents to writing features and eventually was hired by the Inquirer, where he worked for the New Jersey section.

"BY 1970, MY VIEW OF JOURNALISM fell apart," he said. "I had seen millions of people massed in Washington to demonstrate against the war and nothing happened."

Hoag quit newspapers and freelanced for three years, writing and taking pictures for such as Playgirl and Philadelphia magazine.



Larry McMullen

While this was happening, Woodward and Bernstein of the Washington Post began to break Watergate.

"Watergate really freaked me out," said Hoag. "Watching Watergate on television, I said 'Holy Christ!' It was like a bomb going off. It was like I learned the secret. From Watergate, I got religion. The system is old and creaky, but it works."

"WHEN I WAS YOUNGER, I wrote opinionated stories. The new journalism was popular then. What I learned was the only thing that weathers time and pressure is the truth."

Hoag Levins came back to daily journalism last November with this newspaper. Three days later, he began covering the closing of the Frankford Arsenal.

"Personally, I hated the Frankford Arsenal and what it stood for," said Hoag, "but I was a mercenary now, a mercenary only to the facts of a story. I took on the Department of the Army and I won on cold, detached facts. I learned you could compete with anyone on that basis. I don't think (Sen.) Hugh Scott, for instance, knows anything at all about military procurement."

Hoag's Frankford Arsenal stories exposed the deceit and corruption of public officials. He is at it again now, this time on the mayor of Philadelphia. He is going against a man who might be the most popular elected official ever in the neighborhoods of the city.

AND THIS FROM A YOUNG MAN (Hoag is 28) who had one semester of journalism at Temple ("What they taught had nothing to do with the way journalism works. The story is always people and they had no people in what they taught. I left my books on the desk and got up and left.") This from a young man who did not even know where the press room was in City Hall until last month.

Hoag counts these as advantages. So do I.

"The secret to journalism," he said, "is that there is no secret. There are absolutely no rules at all. You just do it."

Pack journalism is not the way to find the truth. Every media outlet in the country covers all the official buildings. What you get in these buildings are handouts. The truth is somewhere else.

HOAG STARTED ON THE STORY of Frank Rizzo's

house four months ago. At one time, he decided he needed Rizzo's financial records. He got them. They were not in the City Hall press room.

Hoag did whatever was necessary, even if it meant bellying through the mud to get near the house. He has been running full out for the last three weeks, not getting enough sleep, checking the story out, word by word, line by line, to be positive it was accurate.



Photography by Elwood P. Smith

HOAG LEVINS  
... dropout back in

"The hours don't matter," he said. "Money doesn't matter. The risks don't matter. You just want the story. It becomes an obsession."

The pressure will get bad on Hoag Levins now. One of the least of the things that will be said about him was that he was out to get the mayor.

"I REALLY WASN'T," he said. "I don't hate Rizzo. Rizzo isn't the goon that people portray him to be. But I am truly afraid of

the people who would bash your head in and say they were doing it for him."

There are people like that in a democracy. It is too bad, but it does not make us a fascist country. Hoag Levins could not operate in a country where fascists ruled, even if they believed they acted in the name of democracy.

"What they salute the flag for is what I'm doing," said Hoag.

Hoag Levins has written the truth the best way he knows how. The people of Philadelphia should demand at least the same from Frank Rizzo.

## Rizzo Income Won't Cover Renovation Expense

Continued from Page 3

done to the house since he purchased it in 1973. Architects and contractors said the work could not be duplicated for less than \$320,000.

Bank officials say the mayor would not normally be eligible for loans above \$100,000.

To assemble an accurate picture of the mayor's income and resources, the Daily News obtained Rizzo's City Hall pay records — back

to the day in October 1943 when he first became a policeman.

THOSE RECORDS INDICATE the exact amount Rizzo has been paid during his 32-year career with the city.

The Daily News showed those pay records and the mayor's 1971 financial statements to bank loan officers and accountants.

According to their analysis:

- Mayor Rizzo cannot have saved

enough during his 32-year career to pay for his new house and its renovations.

- He does not earn enough to cover costs of the house.

- His financial background and projected earnings potential make him eligible for enough in loans to cover less than half of the total value of his house and its renovations.

"Given his earnings, his back-

ground and the limitations of his borrowing capacity," explained one official, "it would be impossible for this man to raise the sort of money required to purchase, renovate and furnish a home of this sort."

A BANKING OFFICER said, "there is a formula applied to normal working people for computing their maximum borrowing capacity. A man who makes \$40,000 a year would be allowed to borrow to a

maximum of \$100,000 — or 2½ times his salary. That is the formula.

"Now because he is a VIP and a possible candidate for governor, it is conceivable that a bank would go a bit further with the mayor," said the official. "However, I can not conceive of any banking officer in Philadelphia offering hundreds of thousands of dollars in additional loans. It is just unreal. It would simply boggle the mind."

## Save 23% of His Salary?

To save \$52,000 from his salary between 1943 and 1971, as he claims, Mayor Rizzo would have had to save 23 percent of all his take-home pay for 28 years.

In 1971, while campaigning for mayor, Rizzo

### Rizzo's Expenses

Before Mayor Rizzo began the massive renovation of his new home, these were the approximate monthly expenses:

Mortgage, \$70,000 at 8.5 percent for 25 years	\$563.66
Taxes, \$2,019 a year	168.32
Insurance, minimum	12.00
Gas & Electric, minimum	150.00
<b>Total</b>	<b>\$893.98</b>

The mayor's monthly take-home pay	\$1,736.00
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zo said he was worth \$87,950. That, he said, included \$47,000 in savings and \$5,000 in stocks he had managed to put away over the years. He now says those savings have enabled him to buy and renovate his new house.

The Daily News obtained the mayor's pay records—back to 1943 when he first started as a \$2,225-a-year cop.

THE DAILY NEWS also has engaged a certified public accountant to compute the maximum amount of take-home or "disposable" income the mayor could have received during the years from 1943 to 1971.

The total amount he was paid in gross income for those years was \$287,798.

Based upon the prevailing tax rates and his deductions, the maximum amount of

take-home pay Rizzo could have had for this period was \$239,506.

That means that \$52,000 in savings represents nearly 23 percent of Rizzo's take-home pay for 28 years.

FINANCIAL OFFICIALS say that is not possible.

"Twenty-three percent is an incredibly high figure for savings," explained one financial official. "Usually you would see this sort of thing when a couple decided to buy a house and they tighten up for a year or so. It just isn't possible to sustain a percentage like that over a long period of time."

The "Economic Report of the President, 1975," which was sent to Congress in February, deals extensively with the subject of savings. It reports that during the period 1946 to 1974, Americans were able to save

6.6 percent of their take-home pay, on the average.

The U. S. League of Savings and Loan Associations, headquartered in Washington, reported in their most recent annual fact book that the savings picture has gone down in recent years. It says 6.1 percent is the amount most Americans are able to save out of take-home pay.

"Now that is dealing with a broad cross-section of people," said a financial official. "With this man, your chart shows that for the first 15 or 18 years of his career he was in the low or medium-low income bracket, raising two children and meeting normal living expenses in the city. Particularly frugal individuals in those brackets can normally put away about three percent—maybe up to six percent, but not much more."



# An Unusual Story About an 'Unusual' Profit

NEARLY EVERYBODY  
READS THE BULLETIN

## The Sunday Bulletin

1  
PART ONE

AUGUST 31, 1975 XD ☆ ☆ ☆

40¢ HOME DELIVERY 35 CENTS

### Rizzo Gains \$26,000 in Stock Market

By JOHN T. GILLESPIE  
Of The Bulletin Staff

Philadelphia Mayor Rizzo has become something of a wizard in the stock market.

While both the market and the economy have been in depressed states recently, the mayor has managed to earn close to \$26,000 through successful ventures into the financial arena since mid-1972.

Rizzo himself would not comment on the subject, but he authorized his stock broker to discuss his market investments.

The mayor's broker, John T. O'Brien, of Thomson & McKinnon Auchincloss, 1415 Walnut st., said he made

*'He's extremely careful, probably because he didn't begin with much'*

—Mayor Rizzo's broker

watches his own stocks carefully.

"He's extremely careful, probably because he didn't begin with much," O'Brien said.

that the mayor doesn't buy his stock on credit.

The mayor's stock profits, together with savings of about \$50,000, have helped finance the renovations on his new \$90,000 Chestnut Hill home, sources said.

The home and the renovations, which the mayor estimates will finally cost about \$60,000, have been the subject of controversy.

Rizzo earns \$40,000 a year. After Jan. 1, if elected at the November general election, he will earn \$50,000. In addition, a financial report he released in April 1971 listed personal savings of \$47,100 and stock holdings of \$5,250.

At the close of last Thursday's trading, O'Brien said, the market value of the mayor's stock holdings had

#### Rizzo Portfolio

Mayor Rizzo's stock portfolio, with Friday's per-share closing prices:

Stock	Shares	Value Per Share
International Minerals and Chemical	267	\$41
United Nuclear Corp.	1,000	\$15
Sun Oil Corp.	100	\$24

The top of page one: Sunday, Aug. 31

## Rizzo Didn't Escape, Tax Board Asserts

Neil Burd, secretary of the city Board of Revision of Taxes, said yesterday Mayor Rizzo had not escaped taxes on his renovated Chestnut Hill home.

Burd said that during the entire year of 1974 the house was in a "gutted" condition in preparation for remodeling and perhaps was "worth less" at the time than the \$90,000 Rizzo paid for it. He said reassessment would be done soon because the work is now nearing completion. Burd said an assessor looked in on the work in 1974.

However, a source close to the assessor's office, which is part of the Board of Revision of Taxes, told the Daily News last night that Burd was wrong in saying renovated houses are not usually reassessed while the work was going on. Normally, the source said, homes undergoing extensive renovations are reassessed toward year's end.

### Reassessment? For Sure

Mayor Rizzo's Chestnut Hill house "definitely" will be reassessed by the end of the year to determine his 1974 taxes, the secretary of the Board of Revision of Taxes pledged yesterday.

"From the information we have, it is not ready to be reassessed," said Neil Burd.

Burd said workmen are still at

the property and that construction of a new three-car garage remains to be finished.

Burd confirmed the house was "completely gutted" before the renovation, which the Daily News estimated at \$270,000.

Burd said he has not been inside the house, but based his information on reports of his assessors.

THE BOARD of Revision of Taxes works from building permits as a primary source of information about work in progress at a property. However, the Daily News reported that much of the Rizzo house renovation was being done without the required permits. The Daily News said the few permits filed hadn't been forwarded to the tax assessor's office by the city Department of Licenses and

Inspections, which the Rizzo administration controls.

The Daily News recently looked at the assessors' tax records — consisting of two large green cards — for the Rizzo house and adjoining lot at 8919-21 Crefeld St.

Normally, the Daily News was

told, these cards would indicate building permits have been filed for a renovation project and work is in progress at the property. However, the cards for the Rizzo properties indicate a "finished" valuation as of 1973. The cards give no indication of building permits, visits by tax assessors or any remodeling since the mayor purchased the properties in December, 1973.

Burd would not produce any documents or name any assessors who have visited the Rizzo house. He said the Daily News statement that a state law requires L&I to forward building permits to the tax assessor's office was incorrect.

He agreed that normally the permits are brought over every day, however.

On Sunday, August 31, the Philadelphia Bulletin published a front page story detailing an unusual \$26,000 "killing" which Mayor Rizzo was said to have made in the stock market.

The timing of the story was curious because it was less than a week after Rizzo moved into his new \$410,000 Chestnut Hill home. It also appeared at a time when it was becoming well-known around City Hall that the Daily News was about to publish the results of a four-month investigation of the mayor's finances.

The story quoted a stock broker who said that the unexpected stock success had allowed the mayor to pay for the renovations on his home.

JOHN T. O'BRIEN, a broker with the firm of Thomson McKinnon Auchincloss, was the source of the information. In a later interview with the Daily News, O'Brien said that the mayor personally asked that Bulletin reporter John T. Gillespie be given the stock information. Last year, O'Brien was listed as a \$1,000 donor to the Rizzo campaign fund.

Rizzo, who held his last press conference in October 1973, routinely refuses to meet with the press.

"The mayor called and asked me to speak with this fellow Gillespie," O'Brien explained. "The mayor wanted him to have this story. So I gave him all the details."

"The reason for that was because the mayor has been under fire and he wanted to show people that he could generate income from areas other than his salary."

Gillespie, contacted at his Bulletin office, declined to comment on the circumstances surrounding the appearance of the story.

O'Brien said Rizzo's \$26,000 gain in stock was highly "unusual," considering that the market is at its worst point since the 1930s.

"I pick these things carefully," said O'Brien. "Thank the Lord it all worked out so well for the mayor."

## Foglietta Hits Home, Tells Rizzo to Talk or Quit Race

Republican candidate for mayor Thomas Foglietta yesterday called for Mayor Rizzo to reveal the financial history behind his \$410,000 Chestnut Hill home within 24 hours or drop out of the race.

"There is no place in city government for a man who will not explain such blatant financial discrepancies," Foglietta said.

Foglietta was commenting on Daily News articles that revealed Rizzo's Chestnut Hill home, which he purchased for \$90,000, had blossomed into a \$410,000 mansion when renovations were completed.

THE REPUBLICAN hopeful also

called for the special grand jury investigating alleged corruption here to intensify its investigation into the mayor's financial dealings and pointed out that City Council is reviewing specific sections of the City Charter for possible violations concerning solicitation of contracts by public officials.

"If there are, in fact, as reported by the press, state violations concerning the failure to submit any permits to the Board of Revision of Taxes, I am initiating with the help of the House of Representatives of Pennsylvania, an investigation on the state level into these violations," Foglietta said.



Sod alone for Mayor Rizzo's new home cost \$8,000