

Is the Queen still Mean?

HAVE 14 months in federal jail taught Leona Helmsley, the hotel owner and convicted tax evader, a lesson? Maybe the federal judge who sentenced her to four years in prison is calling for her early release. Should ask James Couri, who claims Leona is involved in an "illegal gambling casino" in one of her buildings. In February, Couri, a Manhattan investor, moved with

his wife and teenage daughter into the swank Helmsley-Cariton House, at 61st and Madison, only to discover that a seven-day-a-week private gambling casino called the Coterie Club operated down the hall.



JUAN GONZALEZ

In a \$12 million civil suit filed in Manhattan Supreme Court, Couri alleges that hundreds of thousands of dollars

change hands daily in backgammon, poker, dice and gin rummy games at the club, that Leona herself is a member and that the Queen of Mean has continued to sanction its operation from her jail cell, where she communicates regularly with the building's manager.

In the suit, Couri contends he was promised privacy and complete security by Ralph Gagner, the building manager, when he signed a six-year lease, but found instead a "rogues' gallery of... Mafia types, hustlers streaming in and out" who knock on the door of his ninth-floor apartment in the early hours of the

morning looking for the club.

"Absolutely not true," said Gagner, adding that "the Coterie Club is a private club, a very legitimate enterprise" that has operated in the building for six years.

Club manager Louise Goldsmith described the Coterie as an exclusive backgammon club whose members pay a \$1,500 annual fee and can only join with a reference from another member. Goldsmith, who said she has run similar private clubs, refused to name any Coterie members.

The club is so secretive and exclusive there isn't even a sign outside the entrance at

Apartment 902, which sits at the end of a long corridor dotted with crystal chandeliers. To get on the residential floor, visitors are checked by the elevator operators, who carry black books with the names of club members.

The club is a favorite stop for rich gambling addicts visiting the city from Europe. Its convenient midtown location beats the travel time to Atlantic City or some upstate Indiana reservation for high-stakes games, and its refined atmosphere makes it a favorite over some gaudy New Jersey Boardwalk casino.

"Everything is A-OK; people do what they want here," Goldsmith recently told a visitor, who saw a half-dozen backgammon and several large poker tables in the converted apartment. But no matter how luxurious, the Coterie Club's location is a violation of the building's certificate of occupancy, say city building officials.

According to Couri's suit, club members pay for their losses and receive their winnings through the club, which charges a fee for the service and even maintains running accounts. The backgammon games range as high as "\$500 per point and up," and the pot-limit poker games include "antes of \$100 per player."

Law enforcement officials said they had no knowledge of the club's existence, but at least one said, "It sounds illegal to me."

The specter of gambling pots in the thousands being swept up hourly in a building that belongs to a billionaire, who once boasted that "only the little people" pay taxes, should spark a gleam in the eye of some IRS bureaucrat.

LA TE LAST week, Manhattan Supreme Court Justice Peter Tom scheduled a hearing for next Wednesday on Couri's request for an injunction against the club. The lawyer handling the case for the Helmsley-Spear firm is Lauren Wachtler, daughter of disgraced former Chief Judge Sol Wachtler. Does Leona have no shame?

"I have spoken with Mr. Couri, but I'm in no position to comment one way or another on the case," Wachtler, the daughter, said yesterday.

Couri even claims, in a sworn affidavit accompanying the suit, that when he signed his lease, Gagner told him that "only contractors, painters, paper hangers under the employ or 'control' of Helmsley-Cariton" should be used for improvements on his apartment, and that "they be paid only in cash."

The next time Manhattan Federal Judge Thomas Griesa, who sentenced Leona for income tax evasion, decides to plead for her release in public, he should ask himself the question — has Leona been rehabilitated?



QUILLING TIME To help acquaint Jewish children with their ancient culture, Jewish Children's Museum is offering multi-media exhibit called "The Jewish Experience" at Yale Building, 460

12th Ave. Yesterday, about 200 kids, mostly from Jewish day schools, visited, and some tried using quills, as ancient scribes did. Exhibit is presented by Jewish Children International: Tzivov Hashem, affiliated with Lubavitcher Hasidim.

BILL TURNBULL DAILY NEWS

Split decision for Fernandez

BY JOEL BENENSON

ALBANY In a mixed ruling for ongoing schools Chancellor Joseph Fernandez, the state's top court ruled yesterday that he had broad review powers over the way community school boards select superintendents. But the Court of Appeals also strongly indicated that the chancellor doesn't have the sweeping veto power Fernandez wanted over the choice of the local boards.

The court's unanimous ruling ended the case that marked the beginning of Fernandez' stormy relations with the community school boards, which ultimately contributed to his ouster as chancellor.

The case involved rules for selecting superintendents that Fernandez es-

tablished in early 1990. District 29 in southeastern Queens — later supported by several others — challenged the rules in court, contending they violated education laws granting them hiring power.

The rules required the boards to create screening committees with a certain number of parents and to file reports with the chancellor showing that finalists met certain criteria.

Claimed veto power

At the same time, Fernandez was threatening to veto the hiring or reappointment of any superintendent he deemed unqualified.

The court yesterday said the rules themselves didn't violate the local boards' powers.

But in a blow to Fernandez, the opinion by Chief Judge Judith Kaye

clearly suggested that a chancellor couldn't merely override the choice of a local board.

"We thus leave for future resolution the determination whether the chancellor is using the power of that office to assure adherence to the procedural mechanism of the (rules) — which would be permissible — or whether he is effectively substituting his judgment for the community boards' on the merits of a particular candidate," Kaye wrote.

Philip Kaplan, lawyer for the community school boards, said the ruling was a warning to the chancellor. "What they said to him basically was, 'Don't step over the line,'" he said.

Fernandez spokesman James Vlasto called the ruling a victory, "because it upholds the chancellor's role in the selection process."