

building. "Funding and building facilities is not an overnight experience. Ultimately, it's going to be realized," he said.

City tax records show that United Cerebral Palsy paid nearly 600 percent more for the Garber building than its purchase price had been 13 months earlier.

United Cerebral Palsy bought the Garber building for about \$450,000 on Sept. 5, 1979, according to records filed with the county clerk.

In July 1978, Michelotti bought the building from Paul Garber for about \$76,000, according to the county clerk. The following year, Michelotti resold the building to United Cerebral Palsy for \$450,000 — or \$374,000 more than he had paid. The city had assessed the value of the Garber building and surrounding land at \$80,000 for tax purposes.

During the same period, Michelotti bought two frame houses from Paul Garber and resold them to United Cerebral Palsy at a markup of more than 200 percent, according to the county clerk. The houses, at 1061 Post Ave. and 90 Albion Pl., are adjacent to the former department store.

In July 1978, Michelotti paid Garber about \$34,000 for the two houses as a package, according to the county clerk. Thirteen months later, Michelotti sold the

package to United Cerebral Palsy for about \$70,000, the records show.

Leo Houseman, the president of United Cerebral Palsy, did not return a telephone call yesterday. But in an interview two years ago, Houseman defended his agency's purchase of the Garber building, saying "It looked like a bargain to us."

"To build a structure like the Garber building from scratch would have cost \$60 to \$70 a square foot," Houseman said, "whereas the purchase factored out to \$15 per square foot."

Riley, the spokesman for the attorney general, said the inquiry was nearing completion, but he declined to be specific about the findings. "We did look into the circumstances surrounding the sale, with an effort to determine if the nonprofit organization acted responsibly," Riley said.

"United Cerebral Palsy is cooperating with us in the inquiry," Riley added. "One of our responsibilities is to safeguard the assets of a not-for-profit organization, and that is a matter on which the attorney general and UCP see eye to eye."