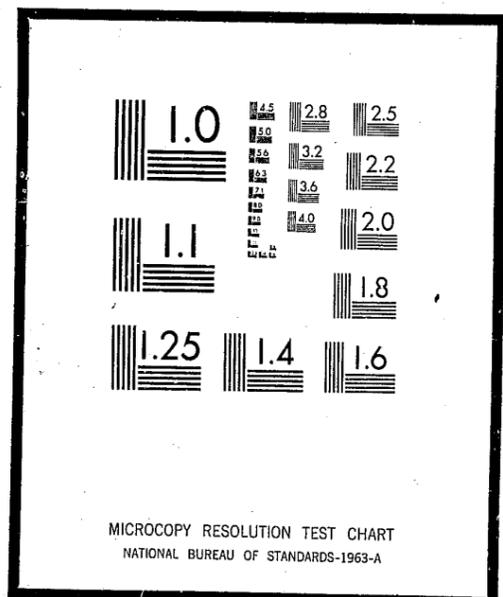


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U.S. DEPARTMENT OF JUSTICE
LAW ENFORCEMENT ASSISTANCE ADMINISTRATION
NATIONAL CRIMINAL JUSTICE REFERENCE SERVICE
WASHINGTON, D.C. 20531

Date filmed

8/26/75

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ORGANIZED CRIME LAW ENFORCEMENT
TRAINING CONFERENCE

PREPARED FOR:

THE LAW ENFORCEMENT ASSISTANCE ADMINISTRATION
OF
THE UNITED STATES DEPARTMENT OF JUSTICE

UNDER
CONTRACT J-LEAA-002-72

BY
Peat, Marwick, Mitchell & Co.
1025 Connecticut Avenue, N.W.
Washington, D.C. 20036

1972

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FOREWARD

The Organized Crime Law Enforcement Training Conference has been prepared for State and Local Law Enforcement Officials. Special emphasis has been given to the investigative and prosecutive aspects of the problems of combatting organized crime.

Because of the national scope of the conference, the initial phase of the project was devoted to determining the types of organized crime problems existing in various parts of the United States and the training needs for State and Local law enforcement officials in each region. To this end, discussions were held with several law enforcement personnel throughout the country to acquire their assessments of these problems. The training conference design reflects the results of a systematic analysis of their assessments. Our deepest gratitude is expressed to these individuals for their willingness to share their knowledge with us.

The materials contained in this guide were prepared as an aid to the participant; not only during the conference, but as a reference for future use. It is far from a complete discussion of each of the topic areas presented, but it should act as a roadmap for further study or research by each individual participant.

The materials contained herein consist of outlines on the various topics, selected reading materials, and a bibliography. Workshop materials will be provided for insertion into this manual prior to each workshop session.

The topical outlines provide the conferee with a statement of the learning objectives for each presentation and an outline of the major issues to be covered during the discussion. It is arranged with sufficient space for detailed note-taking during the presentation.

These topical outlines are not intended to be a rigid framework for discussion. The particular presentation may vary somewhat with each lecturer; however, the major issues identified in the outlines should be covered.

The conference is sponsored by the Technical Assistance Division of the Law Enforcement Assistance Administration under the monitorship of Mr. Louis Scalzo, Acting Director.

The day to day project direction was provided by Mr. Anthony V. DiGioia of Peat, Marwick, Mitchell & Co. with the technical assistance of two special consultants; Mr. Thomas A. Kennelly of Kennelly and Blum, who acted as the project's Technical Director and Mr. Courtney A. Evans of Criminal Justice Planning and Development Corporation, who functioned as the major Technical Advisor. The logistic arrangements were managed by Mr. William P. Joyce. Messrs. Terry Radigan and Bryan Bailey of PMM&Co. were also key members of the project team.

The views expressed in these materials are principally those of the project team and the numerous resource persons utilized in their development and presentation, and do not necessarily reflect the views of the Law Enforcement Assistance Administration.

ORGANIZED CRIME LAW ENFORCEMENT

TRAINING CONFERENCE

INSTRUCTOR'S GUIDE

PREPARED FOR:

THE LAW ENFORCEMENT ASSISTANCE ADMINISTRATION

OF

THE UNITED STATES DEPARTMENT OF JUSTICE

UNDER

CONTRACT J-LEAA-002-72

BY

Peat, Marwick, Mitchell & Co.
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Washington, D.C. 20036

1972

ORGANIZED CRIME LAW ENFORCEMENT
TRAINING CONFERENCE

INSTRUCTOR'S GUIDE

GENERAL INSTRUCTIONAL GUIDE

Each Organized Crime Law Enforcement Training Conference will be attended by approximately 150 to 200 law enforcement personnel from the Eastern Midwestern and Western regions of the United States. The conferees will represent a number of disciplines engaged in the fight against organized crime, such as investigators, prosecutors, judges, and criminal justice planners. The comprehensiveness of this representation, although presenting a unique opportunity for the exchange of ideas, also poses significant problems from an instructional point of view. Each instructor should be aware of the most significant ones and reflect this consciousness in his presentation.

1. The conferees have been carefully selected to represent the supervisory and management levels of law enforcement. Although it will be necessary to relate to the operational aspects of certain topics, the instructor should do so to the extent that it clarifies and helps communicate the level of knowledge and understanding appropriate to the conferee level.
2. With very few exceptions the conferees will be experienced law enforcement personnel with some background in combatting organized crime. The instructor, therefore, should generally avoid too rudimentary a presentation and generally assume a knowledge of fundamental law enforcement concepts and techniques.
3. The instructor should review the entire conference outline to develop a familiarity with the conference structure and to avoid unnecessary duplication.
4. The instructor should encourage a high degree of participation so that he and other conferees can receive the benefit of the vast degree of experience and expertise represented among the conferees.

5. An ever present problem in any training program is the degree of emphasis placed on the various aspects of the presentation. A general rule should be the avoidance of placing undue emphasis on minor aspects or operational details.
6. In every training program there will always be those who can contribute more than others. So that most of the conferees will benefit from any discussion, the instructor should be careful to involve this experience to the degree there is some benefit and at the same time avoid a situation where a few participants dominate the discussion. Even the relatively inexperienced and less vocal conferees under the proper circumstance may make valuable contributions which might otherwise be missed.
7. Each instructor has a definite and limited amount of time for this presentation. In a training conference of this size and comprehensiveness, it is imperative that each instructor adhere to his time allotment and begin and end his presentation on time. This demands excellent control of the presentation and the conferees, and at the same time achieving the proper degree of participation. This is a difficult but most important task. Conference personnel will be available to assist with the administrative aspects of the presentation and to assure prompt attendance.
8. Great investment has been made in the development and presentation of the conference and the cost to the various law enforcement agencies in support of the conferees. The conferees should expect to receive, therefore, a professional and business-like presentation from each of the instructors.

If each instructor will implement these few most significant items of instructional guidance, the conference should be a valuable learning experience for everyone.



UNITED STATES DEPARTMENT OF JUSTICE
LAW ENFORCEMENT ASSISTANCE ADMINISTRATION
WASHINGTON, D.C. 20530

ORGANIZED CRIME LAW ENFORCEMENT TRAINING CONFERENCE
EASTERN REGION

January 23 - February 1, 1972

Williamsburg-Hilton Inn
Williamsburg, Virginia

NOTE: All sessions are closed to the public except those specified in the conference outline.

Sunday, January 23

Time

1:00 - 9:00

Registration

Each attendee will register at the conference site at which time he will be provided with the following:

- . An identification badge
- . Information describing the administrative conference arrangements
- . Conference materials to be used at the lectures, workshops, etc.

6:00 - 7:00

Informal Reception

7:00 - 8:00

Informal Dinner

Monday, January 24

Monday, January 24 (Continued)

<u>Time</u>	<u>Topic Description</u>
9:00 - 12:00	Registrations continue for late arrivals
9:00 - 9:15	<u>Welcome</u> Louis Scalzo, Acting Director, Technical Assistance Division, Law Enforcement Assistance Administration.
9:15 - 9:30	<u>Conference Orientation</u> Anthony V. DiGioia, Project Director, Peat, Marwick, Mitchell & Co.
9:30 - 10:30	<u>Keynote Address: Expanding the Assault on Crime</u> (Open) Honorable Jerris Leonard, Administrator, Law Enforcement Assistance Administration.
10:30 - 10:45	Break
<u>TOPIC I: OVERVIEW OF ORGANIZED CRIME</u>	
10:45 - 12:15	<u>Problems in Combatting Organized Crime</u> Panel discussion on problems faced by law enforcement at Federal, state, and local level. Moderator: Honorable Brian P. Gettings, United States Attorney, Eastern District of Virginia. Panelists: Mr. Alfred J. Scotti, Chief Assistant District Attorney, New York County, New York.

<u>Time</u>	<u>Topic Description</u>
	Mr. John F. Kehoe, Jr., Commissioner of Public Safety, Commonwealth of Massachusetts. Mr. Evan W. Jahos, Director, Division of Criminal Justice, State of New Jersey.
12:30 - 2:30	Luncheon for all conferees and guests. Address by Honorable Andrew P. Miller, Attorney General of the Commonwealth of Virginia. (Open)
2:45 - 4:30	<u>Requirements for Improving the Effort</u> (Open) Panel discussion on the effectiveness of current programs; improving the law enforcement response; what is needed for a sustained effort against organized crime. Moderator: Mr. Thomas A. Kennelly, former Deputy Chief, Organized Crime and Racketeering Section, Criminal Division, U. S. Department of Justice. Panelists: Mr. James J. Featherstone, Deputy Chief, Organized Crime and Racketeering Section, Criminal Division, U. S. Department of Justice. Mr. Clark R. Mollenhoff, Chief, Washington Bureau, <u>Des Moines Register and Tribune</u> . Senator William T. Brotherton, Jr., Majority Leader and Co-Chairman, Purchasing Practices and Procedures Commission, State of West Virginia.

Tuesday, January 25

Tuesday, January 25 (Continued)

Time Topic Description
TOPIC II: INTELLIGENCE FUNCTION IN ORGANIZED CRIME CONTROL

8:30 - 12:00 The Intelligence Process

Discussion of the intelligence process: collection, collation, evaluation and analysis, dissemination, re-evaluation. The end product of intelligence: basic, operational, strategic. The use of intelligence in organized crime control. The importance of intelligence estimates for policy makers. The organization of the unit to perform its tasks.

Dr. Don R. Harris, Consultant, Washington, D. C.

Assisted by Mr. Vincent Piersante, Chief, Organized Crime Intelligence Division, Office of the Attorney General, State of Michigan.

12:00 - 1:00 Lunch recess

1:00 - 3:00 Organization of an Organized Crime Intelligence Unit

Security of the intelligence files and the unit's operation. Management of the intelligence process including allocation of resources and feedbacks of consumer reaction.

Dr. Harris, assisted by Mr. Piersante.

3:00 - 4:30 Workshop: Intelligence Analysis Techniques

Workshop groups, with resource leaders.

4:30 - 7:30 Dinner recess

Time Topic Description
TOPIC III: INTELLIGENCE AND EVIDENCE COLLECTION TECHNIQUES

7:30 - 9:00 Informants

Techniques in developing, handling, and debriefing informants. Funding and fiscal control.

Mr. Piersante.

Wednesday, January 26

<u>Time</u>	<u>Topic Description</u>
8:30 - 10:30	<u>Undercover Agents</u> Training and insinuation of undercover agents. Mr. Dante J. Bonomi, Technical Assistant to the Director, Intelligence Division, Internal Revenue Service, Washington, D. C.
10:30 - 12:00	<u>Forensic Science in Organized Crime Control</u> Latest forensic science techniques in counterfeit and fraudulent document cases. Application of Ninhydrin Process in organized crime investigations. (Mr. Snow) Use of Neutron Activation Analysis and Atomic Absorption Analysis. (Mr. Behen) Mr. Robert R. Snow, Special Agent in Charge, Special Investigations and Security Division, U. S. Secret Service, Washington, D. C. Mr. William D. Behen, Chief, Operations Branch, Alcohol, Tobacco, and Firearms Division, Internal Revenue Service, Washington, D. C.
12:00 - 1:00	Lunch recess
1:00 - 4:30	<u>Financial and Documentary Analysis</u> A discussion of important records which aid in the collection of information and evidence: bank records; financial statements; public records; business and union records. Where to locate them and how to obtain them. Techniques of analysis. How to obtain training in basic accounting methods. The use of non-law enforcement specialists. Mr. Richard A. Nossen, Assistant Director, Intelligence Division, Internal Revenue Service, Washington, D. C.

Thursday, January 27

<u>Time</u>	<u>Topic Description</u>
8:30 - 9:30	<u>Physical Surveillance in Organized Crime Investigations</u> Objectives, techniques, and limitations of physical surveillance; application to various types of organized criminal activities. Selection of personnel and equipment. Mr. Raymond V. Laporte, Special Investigator, Alcohol, Tobacco, and Firearms Division, Internal Revenue Service, Providence, Rhode Island.
9:30 - 9:45	Break
9:45 - 12:00	<u>Court Authorized Electronic Surveillance</u> Federal and state statutes authorizing electronic wiretap and microphone surveillance. Discussion of statutory provisions and limitations: probable cause; unavailability of other investigative methods; disclosure, etc. Duties and responsibilities of investigators and prosecutors. Techniques in developing the wiretap case. Mr. Philip T. White, Attorney in Charge, Special Operations Unit, Organized Crime and Racketeering Section, U. S. Department of Justice, Washington, D. C.
12:00 - 1:00	Lunch recess
1:00 - 2:15	<u>(For Investigators) Methods of Installation of Electronic Devices</u> Consideration of cable and pair information, central office connections, leased lines, and other pertinent matters. Display of equipment. Detective James Fahy, Organized Crime Section, Intelligence Division, New York City Police Department.

Thursday, January 27 (Continued)

<u>Time</u>	<u>Topic Description</u>
1:00 - 2:15	<u>(For Prosecutors) Electronic Surveillance Evidence in Trial</u> Problems and procedures in use of electronic surveillance material and tapes as evidence in trial. Mr. Gary L. Betz, Special Attorney, Miami Strike Force, U. S. Department of Justice.

2:15 - 2:30 Break

TOPIC IV: INTERJURISDICTIONAL COORDINATION

2:30 - 4:30	<u>The Task Force Concept</u> Panel discussion describing the operation of investigative/prosecutive task forces at the Federal, state, and local level. Techniques in overcoming interjurisdictional problems. Utilization of innovative theories of prosecution. Moderator: Mr. Kennelly. Panelists: Mr. Daniel P. Hollman, Attorney in Charge, Southern District of New York Joint Strike Force, U. S. Department of Justice. Deputy Commissioner William P. McCarthy, Head of Organized Crime Bureau, New York City Police Department.
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Thursday, January 27 (Continued)

<u>Time</u>	<u>Topic Description</u>
	Mr. Dennis Crowley, Jr., Deputy Director, New England Organized Crime Intelligence System, Boston, Massachusetts. Captain H. L. Singer, Commander, Organized Crime Bureau, Dade County (Miami) Public Safety Department, Florida.

Friday, January 28

<u>Time</u>	<u>Topic Description</u>
8:30 - 9:30	<u>Summary of the Roles of the Attorney and the Investigator on Task Forces (Open)</u> Understanding the separate and joint function of each member. Working together to determine priorities and select targets. Legal assistance in the preparation of warrants. Guiding the investigator toward admissible evidence. Determining when an investigation is completed, or should be redirected, or abandoned. Selecting alternative investigatory methods. Giving proper credit at the proper time. Mr. Kennelly.
9:30 - 9:45	Break
<u>TOPIC V: THE PROSECUTIVE FUNCTION IN ORGANIZED CRIME CONTROL</u>	
9:45 - 12:00	<u>Grand Juries and Investigating Commissions; Immunity and Contempt</u> The use and limitations of the grand jury and the investigating commission as investigative tools. Techniques of interrogation. Immunity and contempt as ancillary weapons: statutory provisions, strategy, and procedures. Mr. Andrew Phelan, Executive Director, New Jersey State Commission of Investigation.
12:00 - 1:00	Lunch recess
1:00 - 2:00	<u>Administrative and Civil Sanctions</u> The imaginative use of administrative and civil remedies in organized crime control: seizure and forfeiture; license revocations; antitrust actions; injunctions. Mr. James B. Zagel, Assistant Attorney General, Chief, Criminal Justice Division, State of Illinois.

Friday, January 28 (Continued)

<u>Time</u>	<u>Topic Description</u>
2:00 - 2:15	Break
<u>TOPIC VI: PLANNING AN ORGANIZED CRIME CONTROL PROGRAM</u>	
2:15 - 3:30	<u>Program Planning</u> The importance of Program Planning. Setting overall organized crime control objectives. Identifying alternative programs. Determining the resource requirements of each alternative. Performing cost benefit analysis of each alternative. Deciding on the program approach. Mr. DiGioia.
3:30 - 4:30	<u>Workshop: Planning an Organized Crime Control Program</u> Workshop groups, with resource leaders.

Saturday, January 29

<u>Time</u>	<u>Topic Description</u>
<u>TOPIC VII: PROBLEMS IN INVESTIGATING AND PROSECUTING ORGANIZED CRIME</u>	
9:30 - 10:45	<u>Narcotics and Dangerous Drugs</u> Current developments in drug trafficking. Efforts to combat it at Federal, state, and local level. Techniques in aiming at higher level sources and distributors. Mr. William J. Olivanti, Regional Director, Baltimore Regional Office, Bureau of Narcotics and Dangerous Drugs, U. S. Department of Justice.
10:45 - 11:00	Break
11:00 - 12:00	<u>Workshop on Narcotics and Dangerous Drugs</u> Workshop groups, with resource leaders.
12:00 - 1:00	Lunch recess
1:00 - 3:00	<u>Gambling</u> The role of organized crime in illegal gambling. Nature of gambling operations. Techniques of investigation, searches and arrests, and prosecution. Methods of working up to higher levels. Mr. Richard J. Schneiderhan, Massachusetts State Police.
3:00 - 4:30	<u>Workshop on Gambling</u> Workshop groups, with resource leaders.
4:30 - 7:00	Dinner recess

Saturday, January 29 (Continued)

<u>Time</u>	<u>Topic Description</u>
7:00 - 8:30	<u>The Effects on Society of Legalizing the Victimless Crimes</u> (Open) Panel discussion on the issues and arguments for and against legalizing the so-called victimless crimes such as gambling, narcotics, and prostitution. Moderator: Mr. Courtney A. Evans, former Assistant Director, Federal Bureau of Investigation. Panelists: Mr. Daniel P. Hollman, Attorney in Charge, Southern District of New York Joint Strike Force, U. S. Department of Justice. Mr. William O. Bittman, former Special Assistant to the Attorney General, now in private law practice, Washington, D. C. Mr. Alex Greenfeld, Special Assistant to the President, New York City Off-Track Betting Corporation. Mrs. Ann Sadowski, social science research analyst, National Institute for Law Enforcement and Criminal Justice, Law Enforcement Assistance Administration.

Sunday, January 30

Sunday, January 30 (Continued)

<u>Time</u>	<u>Topic Description</u>
1:00 - 2:45	<u>Loansharking</u> Study of the nature and extent of loansharking by organized crime. Techniques of investigation and prosecution. Mr. Alan L. Adlestein, Assistant Counsel, Pennsylvania Crime Commission.
2:45 - 3:00	Break
3:00 - 4:00	<u>Theft and Manipulation of Securities</u> Extent of organized crime infiltration of securities market, both in manipulation of securities and theft of securities. What state and local law enforcement units can do to detect and combat this criminal activity. Mr. Wallace L. Timmeny, Assistant Director, Division of Trading and Markets, Securities and Exchange Commission, Washington, D. C.
4:00 - 5:30	<u>Organized Thefts and Fencing</u> Methods of combatting organized thefts, with emphasis on the importance of investigating and prosecuting organized fencing operations. Mr. Donald E. Campbell, Assistant United States Attorney, District of Columbia.
5:30 - 7:30	Dinner recess

<u>Time</u>	<u>Topic Description</u>
7:30 - 9:00	<u>Frauds</u> Organized crime involvement in frauds of various types. Suggestions for detecting, investigating, and prosecuting fraud cases. Mr. Thomas J. McTiernan, Deputy Chief, Fraud Section, Criminal Division, U. S. Department of Justice, Washington, D. C.

Monday, January 31

Monday, January 31 (Continued)

<u>Time</u>	<u>Topic Description</u>
8:30 - 10:00	<u>Penetration of Legitimate Business</u> How and why organized crime penetrates legitimate business. Methods for combatting racketeer-controlled enterprises with local statutes. Recent Federal legislation. Securing Federal assistance. Mr. James H. Jeffries, III, Trial Attorney, Organized Crime and Racketeering Section, Criminal Division, U. S. Department of Justice, Washington, D. C.
10:00 - 10:15	Break
10:15 - 12:00	<u>Workshop on Penetration of Legitimate Business</u> Planning and executing a coordinated attack against a mob-operated business, using local statutes. Workshop groups, with resource leaders.
12:00 - 1:00	Lunch recess
1:00 - 4:30	<u>Corruption Control</u> Corruption as an integral function of organized crime. Corruption in law enforcement and other public bodies. Types of corruption. Methods of uncovering and combatting corruption in the law enforcement unit and other public agencies. Mr. John P. Diuguid, Director and General Counsel, Purchasing Practices and Procedures Commission, State of West Virginia.

<u>Time</u>	<u>Topic Description</u>
4:30 - 7:30	Dinner recess
7:30 - 9:00	<u>Labor Racketeering</u> Organized crime involvement in labor racketeering. Symptoms of labor racketeering. Federal jurisdiction. Role of the states and local law enforcement. Mr. Charles F. Ruff, Chief, Management and Labor Section, Criminal Division, U. S. Department of Justice, Washington, D. C.

Tuesday, February 1

<u>Time</u>	<u>Topic Description</u>
8:30 - 9:30	<u>Enlisting Local Leadership for a Sustained Organized Crime Effort (Open)</u> The role of the business community, the communications media, and civic groups in combatting organized crime. Suggestions for achieving public awareness and support. Mr. Wayne Hopkins, Senior Associate, Crime Prevention and Control, U. S. Chamber of Commerce, Washington, D. C.
9:30 - 9:45	Break
9:45 - 11:45	<u>Summation - Plan of Action</u> General summation of the 10-day period. Evaluation of organized crime and the methods to be employed to combat and eliminate it. Procedures for setting up an organized crime unit within the attendee's own jurisdiction, giving consideration to the need for such a unit, its method of operation, budgetary considerations, and other factors. Things to be considered and done upon the return of each attendee to his own locality. Plenary session directed by project staff.
11:45 - 12:00	<u>Close of conference: Presentation of certificates to conferees</u>

TOPIC I
OVERVIEW OF ORGANIZED CRIME

TOPIC I: OVERVIEW OF ORGANIZED CRIME

PANEL DISCUSSIONS ON
PROBLEMS IN COMBATTING ORGANIZED CRIME

(10:45 a.m. - 12:15 p.m.)

AND

REQUIREMENTS FOR IMPROVING THE EFFORT

(2:45-4:30 p.m.)

INTRODUCTION

The President of the United States, in his message to Congress which led to the creation of the Law Enforcement Assistance Administration, noted:

"The existing pattern of law enforcement makes it clear that local governments must play the primary role in any effective program to combat crime:

- . Of the 40,000 law enforcement agencies in the Nation, more than 39,750 are local, while some 200 are State, and the remaining few are Federal.
- . Of the 371,000 full-time law enforcement offices in the Nation, 308,000 are local, while only 40,000 are State and 23,000 are Federal."

Organized crime, because of its inherent nature and structure, and because of the scope and complexity of its criminal operations, presents a special challenge to state and local law enforcement.

The first day of the conference will be devoted to an overview of the organized crime situation in the United States today. The morning session will focus on the problems encountered by law enforcement, and the afternoon program will explore ways and means of finding better solutions to the problems as viewed by each panelist from his own vantage point.

Among the topics to be covered are the following:

I. Problems in Defining Organized Crime.

- A. What is meant by "organized crime"? Can it be accurately defined?
- B. What are the characteristics of an organized criminal syndicate?
- C. Does organized crime today differ from organized crime in 1930 or 1950?
- D. In what kinds of criminal activities is organized crime likely to be involved?
- E. To what extent is organized crime part of a national syndicate?
- F. Does organized crime exist only in large urban areas?
- G. When is "white-collar crime" organized crime?
- H. How can a police official or prosecutor determine if he has organized crime in his area?

Note: For purposes of this conference, militant and revolutionary activities are not to be included within the scope of organized crime.

II. Enforcement Problems

- A. Problems due to the character of organized crime.
 1. Secrecy.
 2. Insulation
 3. Terror
- B. "Victimless" crimes, such as gambling, narcotics, prostitution, corruption.
- C. Fragmented local jurisdiction: many local police departments in large



Department of Justice

urban areas. Difficulties in collecting intelligence and evidence.

- D. Statutory authority. Problem of whether state agencies should have more investigative or prosecutive authority.
- E. Corruption: police, prosecutors, judges, other public officials.

III. "Human" Problems

- A. Intra- and inter-agency antagonisms.
- B. Legislative-executive-judicial rivalries.
- C. Public attitudes re "keeping the lid on" or about gambling, prostitution, or other "consensual" crimes.

IV. Requirements for Improving the Effort.

Among matters to be discussed by the panelists are the effectiveness of proposals such as the following:

- A. Increased statutory authority such as:
 - 1. Investigative grand juries at local or state level;
 - 2. Immunity;
 - 3. Electronic Surveillance;
 - 4. Investigative commissions; and
 - 5. Programs and funding for witness protection and relocation.
- B. Investigative/prosecutive task forces; interjurisdictional coordination.
- C. Corruption control programs.
- D. Planning an organized crime control program.
- E. Enlisting public support—business and professional organizations, civic groups, and the communications media—for a sustained effort against organized crime.

"THE WAR ON ORGANIZED CRIME AND CORRUPTION"

AN ADDRESS BY

JOHN N. MITCHELL
ATTORNEY GENERAL OF THE UNITED STATES

BEFORE THE CONVENTION OF THE
ASSOCIATED PRESS MANAGING EDITORS ASSOCIATION

PHILADELPHIA, PENNSYLVANIA

1:00 P. M. WEDNESDAY

October 20, 1971

Today I want to talk to you about organized crime and its handmaiden, official corruption. More especially, I want to talk about what President Nixon's Administration has done about it.

Let me set a framework for my remarks by discussing the relationship between organized crime and official corruption, on the one hand, and society as a whole, on the other.

Some opponents of the Nixon Administration have said that our firm enforcement against crime is going at the problem from the wrong end. They say we will always have crime until we clean up the environment that breeds it--poverty, the ghettos, urban blight.

I will not pursue this issue today, except to say that the problem is being tackled from both ends by the Nixon Administration, including the Department of Justice. Our Civil Rights Division and our Community Relations Service have made remarkable progress in furthering the rights and opportunities of minorities. Our Land and Natural Resources Division is taking vigorous action against polluters and is working to improve the quality of our environment.

At the same time, I'm sure you'll agree that Justice is that department primarily responsible for approaching the crime problem at the enforcement end. And the point I wish to make is that a substantial part of Federal crime is represented by organized racketeering and official corruption, and that these have nothing to do with the controversy I just mentioned.

Unlike street crime, they cannot be said to derive from poverty or prejudice. The kings of the underworld live in wealth, and have for generations. The wealth of their political accomplices is determined by the price at which they are willing to sell themselves.

So the sympathetic picture of the Jean Valjean whom hunger drove to steal a loaf of bread does not apply to these criminals. They do not lack the basic advantages of life. All they lack is principle. And I therefore have small patience with those who fault Justice for taking a hard line on crooks.

There is, however, one very definite relationship between organized crime and the people of our inner cities. These people are the main victims of the racketeers--the bookmakers and the numbers men, the narcotics traffickers and the loan sharks. These people are also the main victims of corrupt officials--those who use public funds to line their own pockets rather than to clean up the city... those who take bribes to look the other way while the gangsters prey on the public. After the 1967 ghetto riots in Newark, the New Jersey grand jury reported that one of their causes was "the all-pervasive atmosphere of corruption." Minority leaders, including some representing the most militant groups, have declared that stopping the racketeers and grafters is one of the key steps in cleaning up the inner cities.

Thus my second point is that in tackling Federal crime from the enforcement end, we are at the same time tackling it from the end of

social betterment. As Richard Nixon said in 1968, "Organized crime is the tapeworm of the American society." In liquidating the problems of the inner cities, one of the key steps is to liquidate organized crime and corruption. In many of the most blighted American cities, a successful attack on official corruption will open the way to elect public officials--often from the ranks of the minorities themselves--who are dedicated to solving problems rather than to feathering their own nests.

In this connection it is significant that the old Jersey City machine which produced the officials convicted of betraying their public trust has been thrown into political disarray. Exposure of corruption has cost it large segments of traditional support, and it is fighting an uphill battle against the reform candidate in the forthcoming mayoralty election.

So to those who say that crime must be fought through social improvement, my answer is that the war against organized crime and corruption is doing just that. I'm proud to say that in my belief, the Federal crackdown on racketeers and grafters is not only an enforcement duty, it is a social crusade.

In fact, it has been my observation that newspaper editors are often the first to agree with this concept. You are critically aware of the toll which corruption can take in your home towns. The eyes of the press are just as important to the public safety as the eyes of law enforcers, and sometimes they are even more effective. The press is frequently the first to

suspect corruption, and it may have to crusade long and loudly before a change in the government will bring the wrongdoers to justice. To give only one example, for years New Jersey newspapers cried corruption before a new State Administration and a new Federal Administration came in and prosecuted.

Others of you have also gone through this kind of experience. And while you are thoroughly familiar with the facts in your own city, I hope that in the next few minutes I may be able to give you a better picture of the war against racketeering and corruption across the nation.

As early as 1967 a national crime commission warned that organized crime "is dedicated to subverting not only American institutions, but the very decency and integrity that are the most cherished attributes of a free society." An Attorney General called organized crime "nothing less than a guerrilla warfare against society." Yet his successor called it a "tiny part" of the crime picture in the United States, and refused to use the weapon of court-authorized wiretapping that Congress provided in 1968 to help fight it.

When Richard Nixon became President in January 1969 he launched an all-out war on organized crime.

He immediately sanctioned the use of court-authorized wiretapping to penetrate the illegal and secret operations of the racketeers.

He asked for and received from Congress added funds that permitted

a substantial increase in investigators and in U. S. Attorneys' staffs.

He asked for and got from Congress an Organized Crime Control Act which, among other things, facilitated the protection and immunity of witnesses and broadened the Federal Government's jurisdiction in illegal gambling cases.

He established the National Council on Organized Crime, consisting of the heads of all appropriate Federal departments, to focus the capabilities of those departments on racket investigation.

Along with this National Council, the strike force program was greatly expanded and placed on a permanent footing. Today, in 17 major cities where we know organized crime is operating, we have established a strike force team which applies the various skills and enforcement jurisdictions of the appropriate Federal agencies, such as the FBI, the Bureau of Narcotics and Dangerous Drugs, the Internal Revenue Service, and others. Through this method, information from the various intelligence agencies is centralized in an efficient, inclusive system. We plan to establish still more strike forces in the future, and not long ago we set up an 18th strike force in Washington, D. C., to work against efforts of organized crime to infiltrate legitimate business around the country.

So we had more funds, bigger staff, better legal weapons, and above all, concerned and active leadership. What have been the results in nearly three years? First, what about wiretapping--has it been effective?

In the 1969 and 1970 calendar years the Federal Government installed 202 court-authorized wiretaps which resulted in 752 arrests--nearly four per tap.

The year 1971 to date is included in a report on FBI wiretaps alone, showing that in less than three years, approximately 350 court-authorized wiretaps resulted in more than 1,500 arrests. Due to the long time lag before many courts can hear these cases, we have no true correlation as yet between wiretaps and convictions, but to date more than 170 convictions have resulted from the FBI wiretaps alone. In many cases these are the top leaders of the underworld "families" in various cities, so the effect on organized crime is far more devastating than the figures reveal.

Last January the organized crime boss of New Jersey and 45 co-defendants pled guilty to Federal gambling conspiracy charges when they heard their voices played back to them on the wiretap tapes.

Last February, as a result of careful infiltration of drug trafficking operations in a number of organized crime families, and evidence from 12 court-authorized wiretaps, the Bureau of Narcotics and Dangerous Drugs made simultaneous raids in seven cities. Known as Operation Flanker, this was the largest action on record against organized crime heroin traffickers, and has so far brought 162 arrests.

Last June a major illegal bookmaking operation in Miami was broken up with the conviction of its leaders on Federal wiretap evidence. One of them admitted with regard to wiretapping: "You can't work without a telephone... Federal wiretaps are going to put us all out of business."

Next, what about the new legal weapons in the Organized Crime Control Act of 1970--such as protection of witnesses and new anti-gambling weapons?

In 1965 Attorney General Nicholas Katzenbach testified that the Federal effort against organized crime had lost 25 informants within

7.

four years through murder, threats or bribery. Today, largely through provisions in the Organized Crime Control Act, I can report that we have assisted approximately 100 key witnesses whose testimony has been vital in bringing organized criminals to justice. We have relocated many of them in new jobs under assumed names, and not one of these has been lost.

I might add that the business community, working with us through the United States Chamber of Commerce, has been extremely cooperative in providing jobs that are the key to relocating witnesses and their families under new identities.

The same success has resulted from the 1970 provision further extending Federal jurisdiction in illegal gambling cases. Two weeks after the law was passed the FBI had gathered enough evidence to smash a series of major gambling operations in Newark and here in Philadelphia. Since then FBI agents have arrested more than 1,000 gambling figures under this new legislation. One underworld leader is said to have retired recently with the complaint that because of the new laws the heyday of illegal gambling is over.

So it is obvious that these new enforcement weapons, executed under new leadership, have made deep inroads into the criminal community. The number of organized crime and gambling figures convicted as a result of FBI investigations was 281 during fiscal 1968, but by fiscal 1971 this annual figure had jumped to 631. The total who were convicted through the 1969, '70 and '71 fiscal years from FBI investigations is more than 1,400. Also, 2,100 more organized crime defendants are in various stages of prosecution as a result of FBI investigations in this same period. Further,

8.

the rate of convictions in fiscal 1972 is already running well ahead of last year's rate. I should add that the FBI figures do not include, of course, the results of arrests by a number of other Federal agencies, such as the Secret Service and the Internal Revenue Service.

Even so, the FBI figures are impressive when it is noted that in 1967 the national crime commission estimated that there were "5,000 or more members of organized crime's core groups." I do not say that we have convicted or indicted 3,500 of this 5,000, because many of those brought under prosecution would not be classified as actual "members of organized crime's core groups." But I do believe these figures give some gauge of the type of damage being dealt to the crime syndicates.

Even more revealing is the condition of the organization's top leaders. Our Criminal Division reports that convictions of high echelon figures in organized crime syndicates have increased from 23 in fiscal 1968 to 61 in fiscal 1971, with a total of 123 in the past three fiscal years.

In New York City, where there are five organized crime "families", four of the five bosses or acting bosses have either been indicted or convicted, and so have the heads of the two existing subfactions.

In Chicago, nine out of the 13 top gangland leaders have been brought under the processes of justice, and for months the top spot has gone begging. One explanation is that the three possible contenders feel that the job is a sure ticket to the penitentiary.

In New England, the top leadership is practically decimated. Of nine leaders who have been identified, two are on death row and three--including the boss--are in prison.

Here in Philadelphia, the boss is in jail and the acting boss is under indictment.

These are some of the most telling examples, but they are by no means the only ones. If it is true that organized crime operates like a business, let me ask you how many of your businesses could operate profitably for very long with vacant desks where, say, your publisher, your editor and your advertising manager ought to be?

From the evidence we have, we are rocking the foundations of the criminal empire, and we are doing our best to put it completely out of business. And the sooner the remaining criminal bosses get the message and get out of the rackets, the better it will be for them and for the country.

Finally, I would like to point out that we are attacking the gangsters on still another front--the officials that they have corrupted in order to carry on their evil business. In a little less than three years the Department of Justice has obtained indictments or convictions of more than 170 state and local officials or former officials on Federal charges or on state charges based on Federal information. This figure includes only those offenses connected with organized crime, or those charges that appear to link the defendant with organized crime. The figure does not include charges of income tax evasion in cases where we suspect the income was derived from organized crime sources. Altogether, these 170 or so individuals represent officials of 21 cities, 12 counties, and five states. They range from positions of judgeships to state elective officers, from mayors to councilmen, from law enforcement officers to purchasing agents.

I take no pleasure in recounting for you this catalog of accused or convicted betrayers of the public trust. Such corruption of public officials must sicken every American who honors his birthright. Nor do I exempt Federal officialdom from the light of examination, for there have also been a number of Federal employees, including a few elected and appointed officials, brought under prosecution in the same period.

But beyond the shocking aspect of this spectacle, it serves to display clearly the power that organized crime has held in American life. When organized crime can, through bribery and graft, wreak this kind of havoc in the machinery of American Government, then it can hardly be dismissed as a "tiny part" of crime. On the contrary, it turns out to be the most dangerous part of all.

All this is not in any way to disparage the overwhelming majority of honest American public officials who keep faith with President Grover Cleveland's well-known definition: "A public office is a public trust." It is only in contrast to these dedicated officials that the corruption of the others is so disappointing.

But to those others who are caught in the web of corruption, but have so far escaped detection, I am bound to say that if their crimes are Federal crimes the Department of Justice is doing its best to identify them and put them out of business. We now have the legal weapons, the funds, the dedicated manpower, and the equally dedicated leadership to do it.

Therefore, let me give an answer to those who have said that we will never eliminate the tapeworm of organized crime, that it is too deeply imbedded in American society, and that therefore the solution is to legalize the vices on which the tapeworm feeds--offtrack gambling, use of narcotics, prostitution.

The answer of the Nixon Administration is that this proposal is an insult to the American people.

Our answer is that Americans do not have to capitulate to those who prey on society's weaknesses, just because past enforcement efforts were inadequate.

Our answer is that, for the first time, we have mounted an all-out, comprehensive drive on organized crime, and we are obtaining outstanding results.

Our answer is that legalization of vice does not assure freedom from gangland control.

Our answer is that even if it did, Americans are made of stronger stuff than to accept vice as a hallmark of their culture.

And our answer is that, far from allowing its vitality to be sapped by the tapeworm of organized crime, America can rid itself of this tapeworm and in the process can gain a new level of vitality, confidence, and achievement.

TOPIC II
INTELLIGENCE FUNCTION IN
ORGANIZED CRIME CONTROL

ORGANIZED CRIME LAW ENFORCEMENT
TRAINING CONFERENCE

INSTRUCTOR'S GUIDE

TOPIC II: Intelligence Function in Organized Crime
Control

TIME: Tuesday, 8:30 a.m. - 4:30 p.m.

STUDENT MATERIALS

1. Outline of Presentation
2. Administrative Procedure Handout
3. Excerpts from The Intelligence Manual
4. Copies of Visual Aids
5. Workshop Exercise: Intelligence Analysis
Techniques

INSTRUCTIONAL AIDS

1. 35 mm slides
2. Lecture Notes

INSTRUCTIONAL GUIDANCE

Special emphasis should be placed throughout the presentation on the relationship of the intelligence function to organized crime activities and known criminal leaders.

This discussion should cover the intelligence function. Topic III, Intelligence and Evidence Collection Techniques will focus on the particular techniques of information collection. Therefore, it is essential during the presentation that the lecturer concentrate his attention on such issues as the organization of the intelligence

unit, information handling, intelligence analysis and the management of the process. He should make only secondary reference to the specific techniques discussed in Topic III.

Because the training conference is being directed to supervisory and management personnel, the lecturer should address his consideration to their level of concern which includes planning, organization, utilization of resources and other management considerations in performing the intelligence function. His reference to operational intelligence considerations should be made principally to lend clarity and understanding to the intelligence management function.

Insofar as intelligence information handling can be, and in many cases already is, an enormous problem, specific reference to the role the computer can play throughout the entire intelligence process should be definitely highlighted. It should be made clear that the intelligence function is impaired by the difficulty of retrieving potential and actual intelligence information.

LECTURE NOTES

TOPIC II: INTELLIGENCE FUNCTION IN ORGANIZED CRIME CONTROL

Monday

0830-0845 I. Introduction to Intelligence

A. The Role of intelligence in fighting organized crime.

1. Intelligence identifies the persons and places to be sought out in the law enforcement agencies' efforts to destroy the operation of organized crime in their jurisdiction.
2. Tactical intelligence provides the targets for the operational units of the agency.
3. Strategic intelligence provides an input to the agency's planning - it delineates the known and estimated scope of the organized crime operation in the agency's jurisdiction.
4. In either case, intelligence only becomes such after the information from whatever source has been processed - collected, evaluated, collated, analyzed, and reported on.

B. The Structure of the Intelligence Unit.

1. Whatever its size, the intelligence unit must be so organized that it performs all functions of the intelligence process and protects its information from unauthorized persons.
2. One person can perform more than one function, but all functions must be performed if the unit is to be effective.
3. The three principal divisions of an intelligence unit are the commander, the investigators, and the analysts. Two other units are essential, the information control element and the clerical element.

4. The position of the intelligence unit in the agency should be such that the commander reports directly to the chief. The unit should be thought of as a staff rather than a line organization.

C. In general the role and functioning of the intelligence unit remains a mystery to many in law enforcement.

1. Relatively few understand the essential need for a unit that will tell the operators, the enforcement units and the chief, the situation just like it is.
2. Likewise even fewer comprehend the important role intelligence should and can play in planning in the agency -- planning in the sense of resource allocation to combat organized crime effectively and in the sense of laying out the data on the locations to be raided.

0845-0900 II. The Intelligence Process

A. Collection

1. The first step towards providing the finished intelligence alluded to above is the effort to collect information on the activities of organized criminals from all possible sources.
2. It is essential that the collection effort be guided by a collection plan.
 - a. The plan tells all collection efforts what to look for and gives a priority among the various targets.
 - b. It is the plan that makes possible the most effective use of limited resources - a problem for all units large and small.
 - c. The plan assists the commander in thinking of other possible sources of information outside his unit - a tasking (or asking) plan

is attached to the collection plan.

- d. Where possible the tasking plan should be approved by the agency head - this gives the unit commander the necessary "clout" to get other elements in the agency to cooperate.
3. Normally an intelligence unit regardless of size will have some collection capability.
 - a. Usually this will be investigators detailed from the detective element.
 - b. Essential that the unit commander instill unit rather than individual operative patterns of investigation - by definition organized crime is an organized effort by a group of persons intent on gaining illegal wealth by cooperative, planned activities.
4. The intelligence unit must develop effective methods for exploiting other elements of their agency to gain the information that is available, often without the person (patrolman or detective) being fully aware of the importance of what he knows.
5. The technical aspects of various approaches to collection - to investigation will be discussed tomorrow.

0900-0945 B: Collation and Information Control.

1. Evaluation of information is an in-between function between collection and collation.
 - a. The collector must state explicitly on his report his evaluation of the worth of his source (if any) and the accuracy of the data contained in the report.
 - b. The collation system must develop some code system to record this evaluation - it may also be thought advisable for the information control group to attach its own evaluation to the information.

2. Another essential activity connected with collection is the determination of the sensitivity of the information received and the development of a code to indicate this fact on the report so that it may be filled accordingly.
 - a. Some marking system is essential to avoid inadvertent passing of sensitive information to some person who does not have a need to know (or no business to have the data).
3. Collation is the systematic sorting of information as it comes to the file room of the unit, the weeding out of the misinformation, the indexing and cross-indexing of information to be filed, all with the objective to have the bits of data available through retrieval for use tactically by the enforcement elements of the agency and strategically by the unit's own analysts.
 - a. Filing by name, by person is far from adequate. The cross-indexing must take into account functions, areas of operation, modes of operations, types of operations, etc.
4. Information control means just what it says - a system for ensuring that information that enters the agency is recorded, seen by the appropriate staff members, and where indicated properly filed. It also must ensure that information and reports leaving the unit are properly recorded going out and that the addressee has a need-to-know regarding the document he is to receive.
 - a. The handling of outgoing documents can be handled on two bases - where it is routine a standard operating procedure can be established - where it is unusual, the commander should decide.
 - b. Information control encompasses the files - that is who has access to the files and what is taken out and where it goes.

- c. Information control also has the function of purging the files, that is ensuring that data on persons who are no longer suspect or connected to persons that are removed from the files. This action is essential to protect the privacy of the persons involved. The fact that the agency has a working system for purging its files should be of great assistance in warding off efforts through the courts to break the files open.

0945-0955 Question period

0955-1000 Break

1000-1100 C. Analysis

1. The analytic function is the heart of the intelligence process.
 - a. Analysis takes information as an input and develops relationships, correlations, patterns, and hypotheses - it turns information into intelligence on a subject of importance to the agency by relating it to other pieces of information and developing a conclusion as to its meaning.
 - b. Major tools of analysis are the hypothesis - a logical explanation of the meaning of a series of data which must be proven - and research. Research often develops the why of an organized crime activity.
 - c. Analysis is seeking to discover leads to current activities of organized crime for which there is no definite proof.
 - 1) Analysis develops patterns of activity and association.
 - 2) The results suggests areas where further collection efforts are required.
 - d. Analysis can also develop models and hypotheses

of areas into which organized crime most likely to go next.

- 1) The conclusions will be warnings of events to look for in specific activities or businesses.
- 2) Again the hypothesis if accepted will suggest further areas for research and for investigation.

2. The analysts slot is hard to fill.

- a. An analyst is a person with a logical mind who can fit pieces of information together to form a picture. But if the picture is incomplete because of the lack of information he can construct a logical connection, a hypothesis to explain how the pieces can fit together. He must not jump to conclusions but must be precise in explaining how all relevant information fits, not just those pieces he likes.
- b. For a person who wishes the action of investigation, the role of the analysts will appear to be dull. For this reason it is often hard to find a badged officer that will fill the bill.
 - 1) It becomes even more difficult when an intelligence unit is operating correctly and is purely investigatory and analytical in function - then there is no opportunity for occasional trade-off between the analyst and the investigator roles. Which includes the fulfillment of making the arrest.
- c. Where a non-badged person is chosen for an analyst, problems often must be overcome in making his relations with badged officers effective. This is even more difficult where a woman is hired as the analyst - and this has been done in several agencies and they have done a good job. The investigators must come to work with a woman in what many have considered

to be a "man's world."

3. The training of the staff should include both professional training for a specific function - investigation, analysis, and information control - and cross-training among the functions to be sure all members of the staff have enough knowledge to appreciate what his team mates are up to and what their problems are.

- a. Cross-training is especially necessary where the squad is small.

1100-1110 Question Period

1110-1125 D. Production

1. The production function is telling the chief and other elements of the agency (and on occasion other agencies) what are the results of their investigation and analysis.

- a. The reporting can take the form of an oral briefing, a short written piece, or a long study.
- b. It is essential that intelligence reporting goes only to those with a need-to-know in order to protect the sensitivity of intelligence data.

2. A major part of the production function is the explicit turning out of reports and briefing that are wanted by their recipients and whose contents fit the problem at hand.

1125-1150 III. The problem of security.

- A. Security has two major foci:

1. The protection of the files from the unauthorized person who is seeking to misuse the material, normally for private gain and to the detriment of the person involved. Security is the first line of defense of the files against compromising the privacy of persons therein.

2. The protection of the files from penetration by those in the pay of organized crime. In this case the intent is to find out how much is known of their operations, to find out how the information was obtained (especially the identification of informants and undercover personnel), and to destroy critical data if possible.

- B. Security must be considered in all aspects of the unit's operation.

1. Security of the office and files.
2. Security of the personnel of the staff.
3. Protection of the staff when in the field on operations.

1150-1200 Question Period

1200-1300 Lunch

1300-1400 IV. Management of the Intelligence Process

- A. The intelligence unit commander has the difficult problem of insuring that effective use is made of limited resources that inevitably will be at his disposal.

1. The development of the collection plan
2. The use of other resources to develop information flow.

- B. The intelligence unit commander must develop a system for continuous feed-back of reactions to his production - are they on target, are they useful, could they be better, etc.

1. He should be able to determine whether distribution is correct.
2. He should investigate whether he is effectively serving both tactical and strategic/planning requirements.

C. The intelligence unit commander is responsible for the coordination of effort with other agencies. To this end he must seek to maximize the information he can gain from them and to be sure that the information he gives in return is protected and treated as he believes it should be in terms of sensitivity.

D. Finally and most important the intelligence unit commander must develop a system of self-evaluation. Since his operation is unique it is difficult for other supervisors to be effective in determining the quality of his operation.

1400-1410 Question Period

1410-1430 Recapitulation

1430-16:30 Intelligence Analysis Exercise

TOPIC II: Intelligence Function in Organized Crime Control

TIME: Tuesday, 8:30 a.m.-4:30 p.m.

LEARNING OBJECTIVES

The purpose of this segment is to develop an understanding in the participants of the role of intelligence in fighting organized crime. The structure of an intelligence unit, the intelligence process including collection, collation and control, analysis and production will be discussed. In addition, the problems of security and the need to manage the intelligence process will be examined.

OUTLINE OF PRESENTATION

NOTES

I. Introduction to Intelligence

A. The role of intelligence in fighting organized crime

B. The structure of the intelligence unit

C. The role and functioning of the intelligence unit

II. The Intelligence Process

A. Collection

II.1

NOTES

- . Need to collect information on the activities of organized criminals from all possible sources

- . Need for a collection plan

- . Need for collection capability

- . Need for developing effective methods for exploiting other elements of their agency to gain information

B. Collation and Information Control

- . Evaluation—a step between collection and collation

- . Determination of sensitivity of information and coding as part of collection

- . Collation

II.2

NOTES

- . Information control

- . Responsibility for information control

- . Facilitation of cross-indexing through use of the computer

- . Improving intelligence information storage and retrieval effectiveness through computerization

C. Analysis

- . Heart of intelligence process
 - takes information as an input and develops relationship, correlations, patterns and hypothesis

 - major tools of analysis are hypothesis and research

II.3

NOTES

- seeks to discover leads to organized crime activities

- can develop models and hypothesis of areas into which organized crime most likely to go next

- . Computer usage in intelligence analysis

- pattern analysis development

- improving analysis of relationships between criminal events and known organized crime figures

- . Analyst training

- D. Production

II.4

NOTES

- . Reporting

- . Documentation of reports and briefings

III. Security

A. Two major focal points

- . Protection from unauthorized persons

- . Protection from penetration by those in the pay of organized crime

B. Must be considered in all aspects of intelligence units operation

- . Office and files

- . Personnel

II.5

NOTES

- . Protection of staff

IV. Management of the Intelligence Process

A. Effective use of limited resources

- . Development of a collection plan
- . Development of an information flow

B. Continuous feed-back of reactions to production

- . Current distribution
- . Servicing both tactical and strategic planning

NOTES

- C. Coordination with other agencies

- D. Self-evaluation system

- E. Computer assistance to the management of the intelligence process

- . Resource allocation

- . Personnel utilization

- . Management decision-making

V. Prospective Benefits of Computer Application Among Agencies Involved in the Fight Against Organized Crime

- A. Facilitates exchange and dissemination of information between law enforcement agencies which can contribute to the fight against organized crime

NOTES

B. Provides means for improving communications

C. Provides opportunity to share computer capability

VI. WORKSHOP

CONTROL AND FLOW OF INFORMATION AND DOCUMENTS

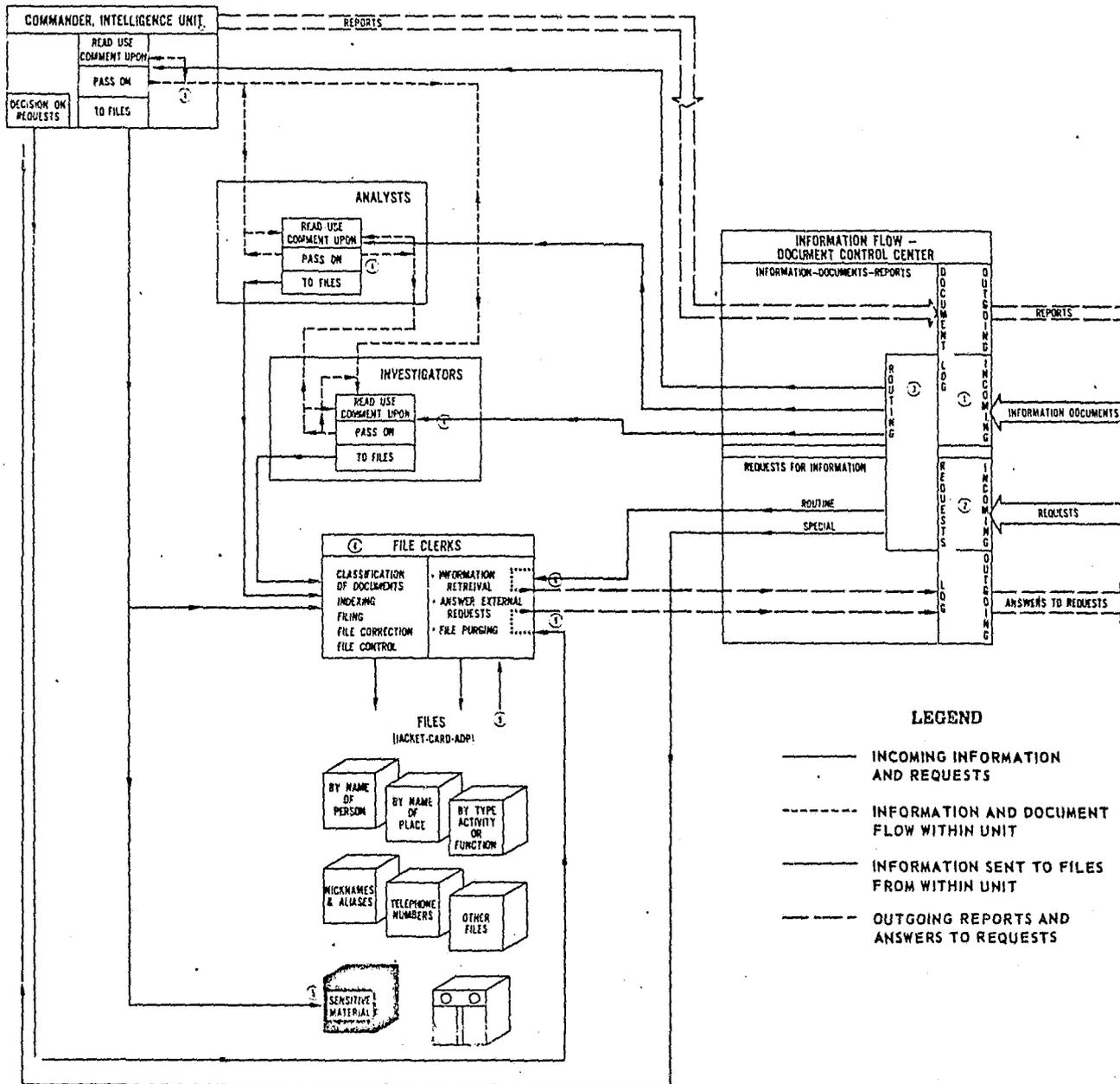


FIGURE 11

FIGURE 11 – CONTROL AND FLOW OF INFORMATION AND DOCUMENTS

<u>Step</u>	<u>Activity</u>
1.	All documents and pieces of information must enter through a single point in the intelligence unit and be logged in. The log should show date, time, subject, originating office, and initial recipient in unit.
2.	All requests for information, whether from inside or outside the agency, are to be logged separately in a request log. Data on the log sheet should include date, time, subject, requestor, and whether routine or special handling. Routine requests are those covered by unit SOP; special requests are those requiring approval of the unit commander before action taken.
3.	All documents and pieces of information must be routed to commander, analysts, or investigators for decision on disposition after having been read.
4.	The recipients of the documents and information—the commander, the analysts, and/or the investigators—may do one of several things with the material as it comes to their desks. They may <u>read</u> , <u>initial</u> , and <u>pass on</u> . In addition to reading, they may make some <u>comments on</u> items in the material. The material may also be current and they may <u>make use</u> of it by adding to the information they are accumulating on a current research project, or a current case. In passing the material on, each recipient may choose (or his actions may largely be determined by SOP) to pass it to one or both of the other recipients, to send to the files, or to throw away. The secondary and tertiary recipients must also go through the same procedures (although often the first recipient will have marked the disposition he desires on the document).
5.	Ordinarily the handling and storage of material considered to be of a sensitive nature will be under the control of the commander of the intelligence unit.
6.	All filing should be done by the filing clerks. They should classify and index new information. They should be responsible for refiling material that has been taken out of the files for use. They should, to the greatest extent possible, be the only persons allowed to pull information out of the files. Where such information is to be removed from the file room, it should be taken only by a person authorized to do so and record must be made of the action—date, time, file number, and recipient.
7.	The organization and nature of the files will depend on the system adopted by each individual unit. However, in all cases, cross-indexing must be pushed further than merely name files. In particular, functional files should be established as an essential tool of the analysts.
8.	Requests for information that the information control determines, on the basis of his SOP, to be routine will be sent directly to the file clerks who will answer the request on the basis of specific SOP set forth by the commander.
9.	Requests for information that information control judges to be special will be sent directly to the commander (or to a person designated by him to have the responsibility) for decision as to how it should be answered and specifically what information is to be given.

THE INTELLIGENCE PROCESS

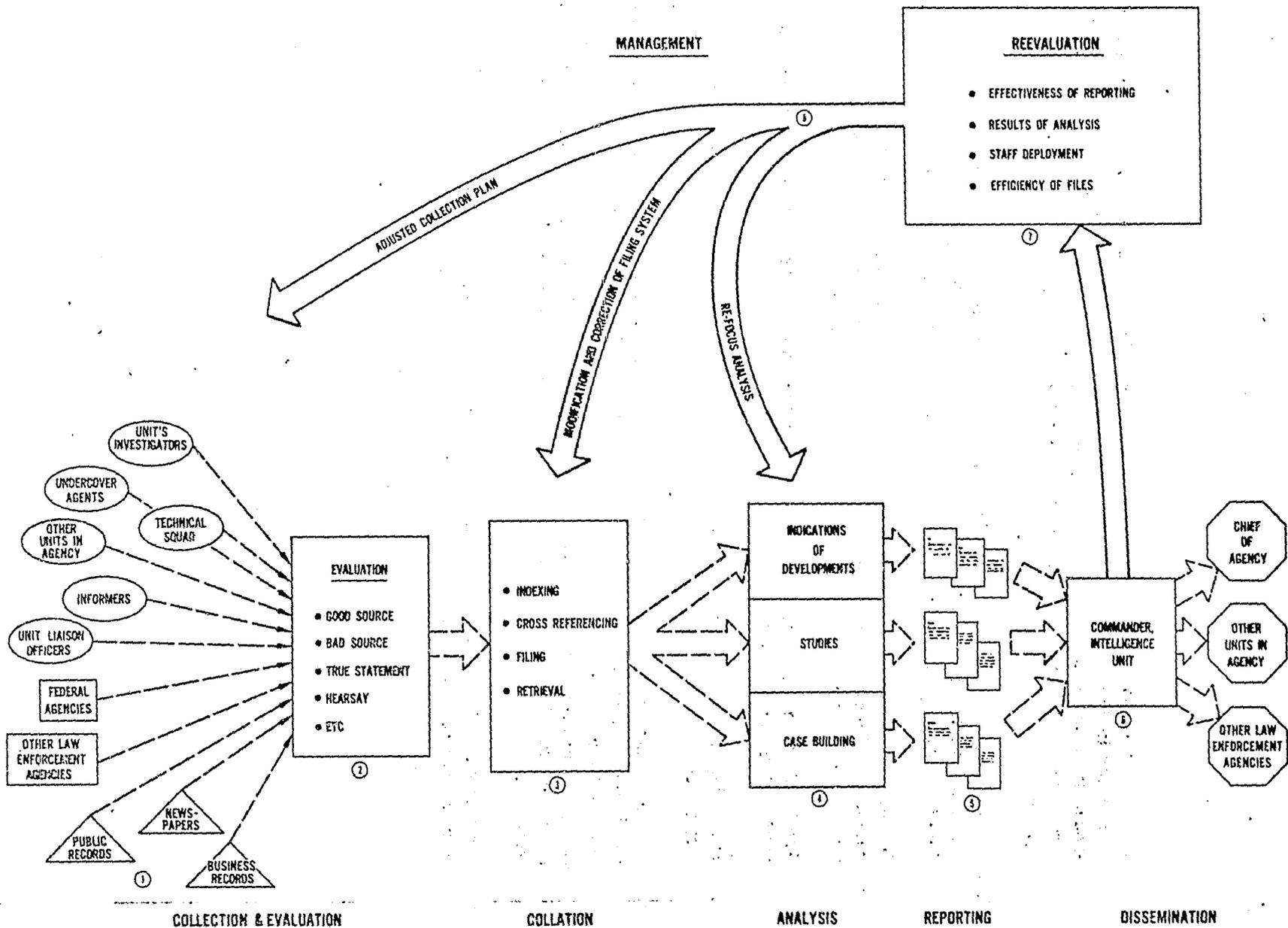


FIGURE 6

FIGURE 6 - THE INTELLIGENCE PROCESS

- | Step | Activity |
|------|--|
| 1. | The ultimate success of the intelligence process depends on a continuing flow of accurate, up-to-date, and relevant information from all possible sources. |
| 2. | Each intelligence unit must have some method for determining the value of incoming information that is to be entered into its files and/or to be acted upon. The evaluation can be initiated by the collection element but should also be performed by a knowledgeable person (knowledgeable in terms of accuracy of the reporter and correctness of the data reported) in the intelligence unit. Recording the evaluation can be simplified by use of number or letter code system. |
| 3. | It is essential that the information to be retained in the unit's files be indexed, cross-referenced, and filed in such a manner that it may be efficiently retrieved as required. The classification of files by name, address, business, function, etc., and the cross-referencing should be done in a manner that supports the analysts. |
| 4. | On the basis of the information flow, the analyst will seek to determine new developments and warn of impending activities, to perform on request studies of trends and networks of activities by organized criminals (or those suspected of such activities), and to assist in putting together evidence for case building. |
| 5. | The intelligence unit is responsible for producing reports, both those specifically requested and those generated by the flow of information. |
| 6. | The intelligence unit commander should in most circumstances approve of reports prepared in his unit before they are sent out. |
| 7. | The connecting link between the intelligence process and the management of the process is the action of reevaluation or assessment of the effectiveness with which the particular intelligence unit is performing its mission—that is, performing the intelligence process in such a manner that it is making an effective input to the agency's effort against organized crime. On the day-to-day basis, the commander of the intelligence unit must perform this function of reevaluation, of assessing the effectiveness of the operation of his unit. Periodically, the agency head will have some outside element inspect the unit. |
| 8. | The outcome of the reevaluation, whether it is performed by the commander alone or in a more formal manner, becomes the basis on which the commander redeploys or refocuses his assets. |

FIGURE 19
EXAMPLE-SUMMARY PRINTOUT CATEGORIES AND INPUT INFORMATION

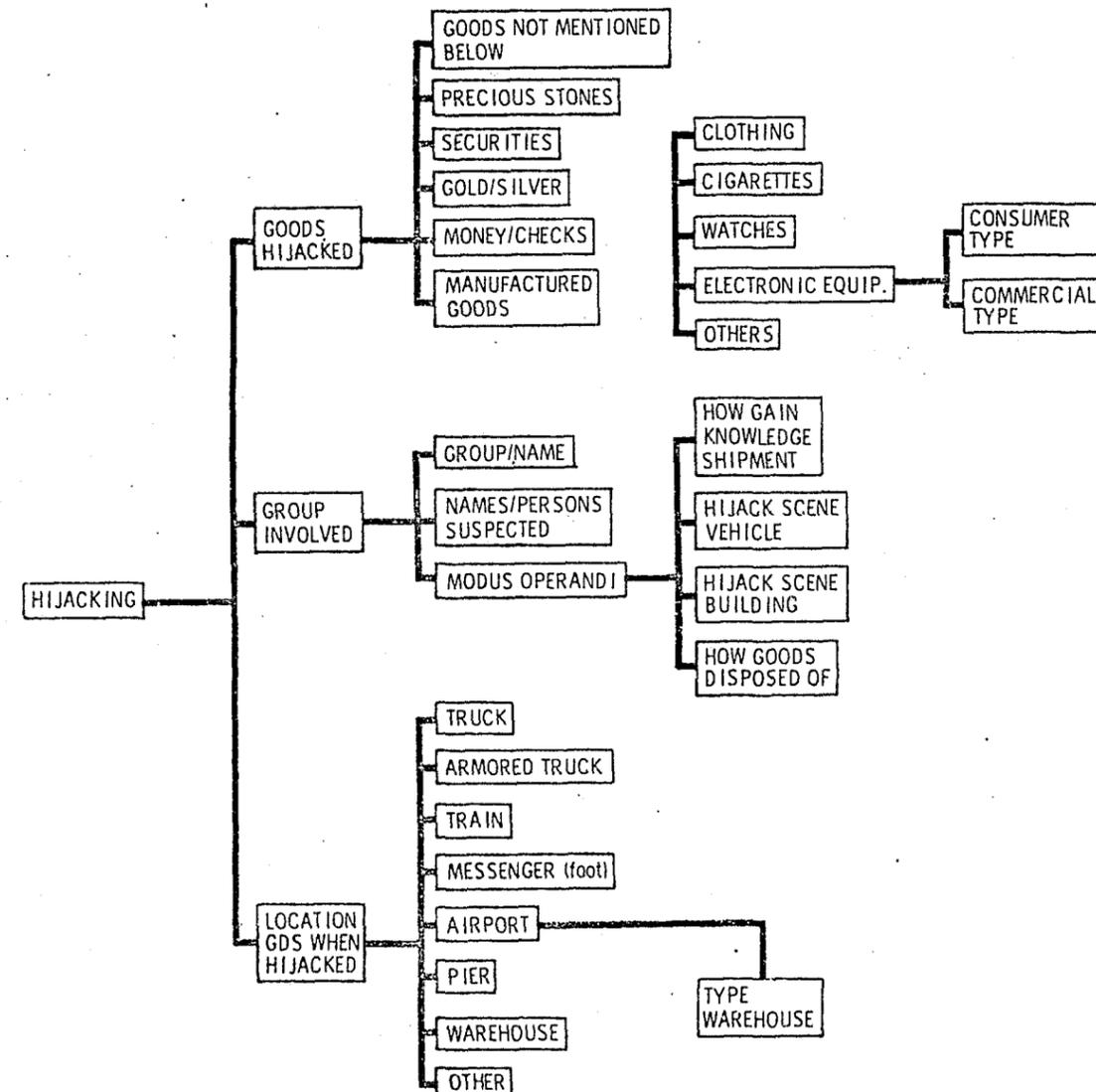


FIGURE 19 (continued)

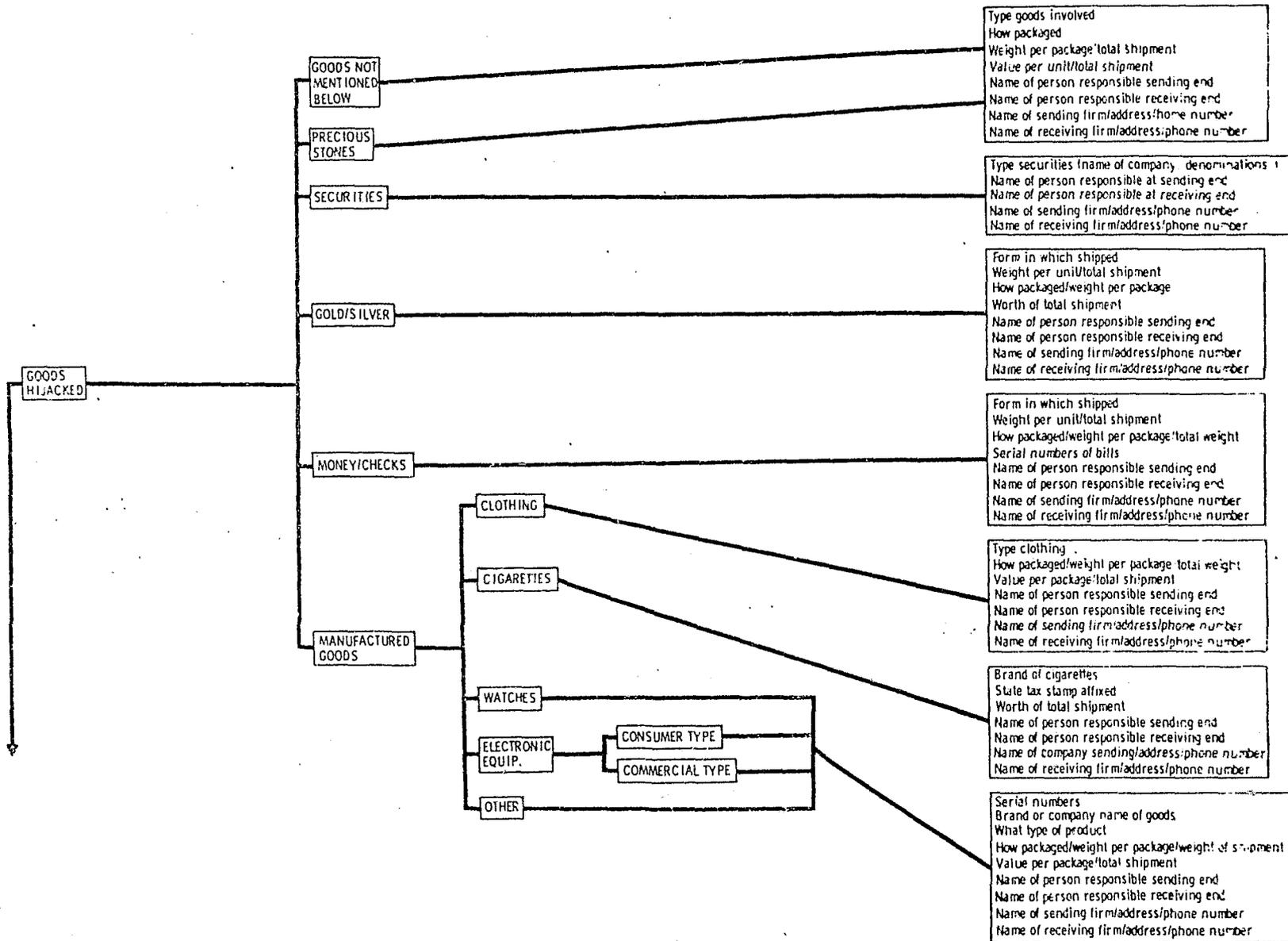


FIGURE 7 - ANALYSIS



1. Assembling available data on problem.



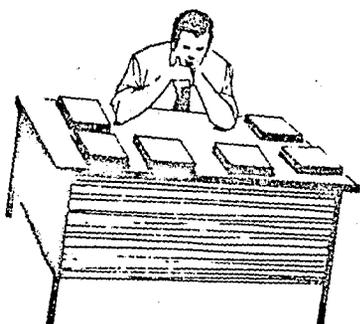
2. Identifying unavailable data and defining new collection targets to collectors.



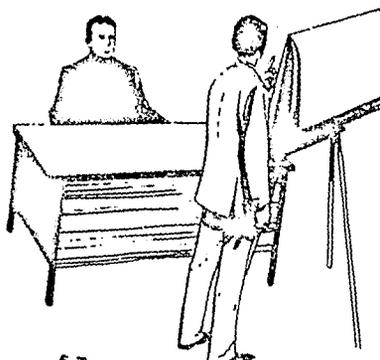
3. Additional data provided by collector adds to picture.



4. Reassembling data and checking with other analysts, investigators or other agencies.



5. Forming the hypothesis.



6. Testing the hypothesis.



7. Writing the report.

THE STRUCTURE OF THE INTELLIGENCE UNIT

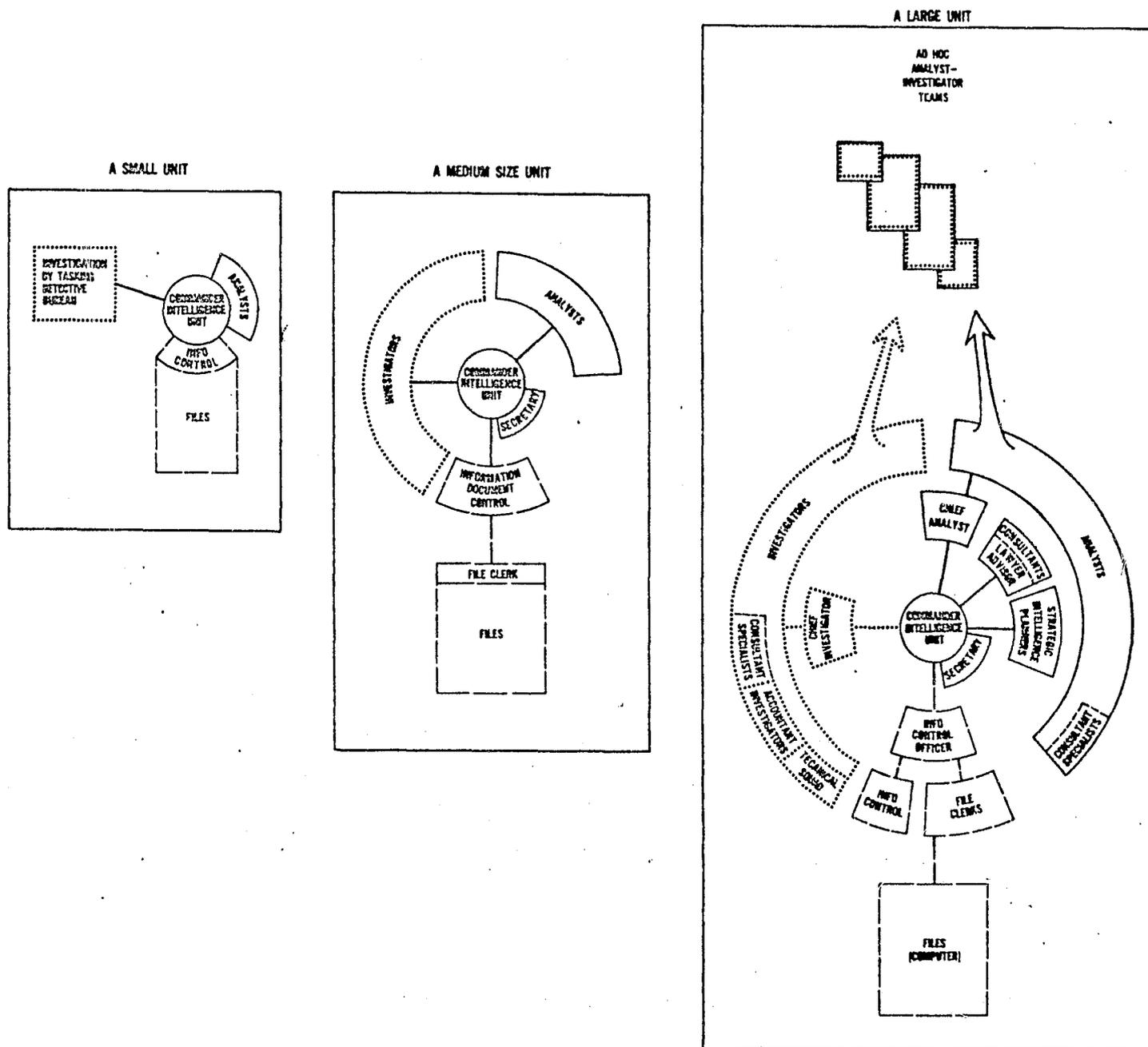


FIGURE 1

Figure 1

Sample Intelligence Report Form for
Use by Non-Intelligence Units 4/

INFORMATION REPORT FOR INTELLIGENCE UNIT		
Date: _____	Time: _____	Location: _____
Rptng Officer & Unit: _____		
Type Event: _____		
Names of Persons Involved: _____		
Any identification material noted: (Licenses, telephone numbers, serial nos., identification numbers, etc.) _____		

4/ This form, shown at actual size, should come in a pad and be printed on colored paper. The distinctive color used for all non-intelligence unit reporting to the intelligence unit emphasizes the special, and at the same time important nature of this function.

Figure 2

S A M P L E

Daily Patrol Report Form on Surveillance
of Locations of Interest to Intelligence
Unit 5/

DAILY PATROL REPORT TO INTELLIGENCE UNIT				
Date: _____ Reporting Officer's Name, Badge Number and Unit: _____				
Location* Surveilled	Time	Activity Noted	Names of Known Observed Persons	License No.
*Location surveilled indicated by identifying number given on intelligence request for patrol action.				

5/ This form, shown at actual size, should come in a pad and be printed on colored paper. The distinctive color, used for all non-intelligence unit reporting to the intelligence unit emphasizes the special, and at the same time important nature of this function.

Figure 3

SAMPLE EVALUATION SYSTEM -

RELIABILITY OF SOURCE AND CONTENT OF INFORMATION

1. General source of information can be indicated by a color tab, for example:

Intelligence investigator	Red
Intelligence unit, informer	Red cross hatching
Other intelligence units	Red dots
Other elements, same agency	Green
Other elements, other agency	Green dots

Or a tab can display a number, figure, or letter to indicate general source of information. Or the two can be combined with the color to show general type of agency and with number, figure, or letter to show element within an agency.

For example:

Other element, same agency - burglary squad
Green tab with large B in the center.

2. Specific evaluation to source and content of bit of information can be provided by a combination of letter and number indicators, for example:

<u>SOURCE</u>	<u>CONTENT OF INFORMATION</u>
1. Highly reliable	A. Factual
2. Usually reliable	B. Views of reporter
3. Not often reliable	C. Heresay/Unsubstantiated allegation
4. Unknown	D. Unknown

Thus, a report from a source that is considered usually reliable and containing some unsupported statements would be classified on the report as being "2 - C".

3. The system could be expanded to indicate a further classification for the source, for example:

1. Highly reliable
 - 1a. Highly reliable informer
 - 1b. Highly reliable intelligence investigator
 - 1c. Highly reliable officer, other element of agency

FIGURE 4

SAMPLE LOG SHEET: INCOMING DOCUMENTS AND INFORMATION RECEIVED BY PHONE

Date	Time In	Source Agency, office, name of sender	Title - Sufficient for Identification	Distribution - Handling instructions*	Doc.** Number
		S A M P L E			

* Distribution within the unit can be indicated in several ways. The recipient (or recipients) can be designated by name or by the use of standard distribution lists represented on the form by letter or number code. The person in charge of the information center (or the mail clerk) would be thoroughly familiar with these lists and codes.

** Document number can become part of identification system for documents which are filed.

FIGURE 7

CRITERIA FOR SELECTION OF INTELLIGENCE UNIT STAFF

<u>ESSENTIAL</u>	<u>HIGHLY DESIRABLE</u>	<u>DESIRABLE</u>
1. Integrity -- Honesty -- Personal candor -- Realistic about self	1. Flexibility -- Non-dogmatic -- Broad range of interests -- Open-minded	1. Perseverance -- Not easily discouraged or frustrated
2. High Intellectual Capacity -- Alertness -- Inquisitive mind -- Imaginative	2. Special Motivation -- Draws satisfaction from problem solving -- Particular desire to be Intelligence Officer	2. Planning Skill -- Good manager of time
3. Analytical Aptitude -- Thinks logically -- Capacity to synthesize -- Capacity to hypothesize	3. Articulate -- Writes well and concisely -- Speaks well and concisely	3. Self Discipline -- The "self-starter personality"
4. Meticulousness -- Thorough -- Pays attention to detail -- Precise in handling data	4. Resourcefulness -- The "digger" type -- "Where there's a will, there's a way"	4. Cooperativeness -- Capacity to work well with others
		5. Fast Learner -- Quick response capability

ESSENTIAL CHARACTERISTICS: Should be considered just that; the candidate who appears weak on any one of the characteristics should probably not be appointed.

HIGHLY DESIRABLE -- DESIRABLE CHARACTERISTICS: Should be considered as complementing the other qualities, and thus not all of them are necessary for successful careers in intelligence.

- Trade-offs are possible within each "bundle" of Highly Desirable and Desirable characteristics, and between the two "bundles".
- A less well developed capacity in one category can be made up for by great strength in one or more of the others.
- Forceful and skillful management can offset some weakness in the secondary characteristics.
- Subsequent training can be applied in some cases to turn a weakness into a strength.

FIGURE 9

SAMPLE - FINANCIAL QUESTIONNAIRE

Name _____ Date _____

1. Bank accounts

Do you, your wife, you and your wife jointly, and/or your children have a:

checking account Yes _____ No _____

savings account Yes _____ No _____

safety deposit box Yes _____ No _____

If so, give the name of the bank and the type of account and the name of the person in which the account appears:

2. Charge accounts

List the companies with which you, your wife, you and your wife jointly, and/or your children have charge accounts or credit card accounts:

3. Income

Do you receive income from any other source than your agency salary? Yes _____ No _____

If you do, give the source and amount:

Financial Questionnaire (cont.)

3. Income (cont.)

Does your wife, you and your wife jointly, and/or your children receive any income? Yes _____ No _____

If so, give the source and the amount, indicating the name of the person receiving the income:

4. Property

List all major items of property (real estate, automobiles, boats, etc.) owned by you, your wife, you and your wife jointly, and/or your children, giving the type of property, original amount paid, remaining indebtedness if any, and the address (in case of real estate):

List all stocks and bonds owned by you, your wife, you and your wife jointly, and/or your children, giving the company; the number of shares, and the date and cost per share when purchased:

I certify that the statements I have made are true, complete, and correct to the best of my knowledge, and belief.

Signature _____

FIGURE 10

SAMPLE - MONTHLY REPORT OF INTELLIGENCE UNIT'S ACTIVITIES

1. General Utilization of Staff

Type Activity	Number			Man Hours	
	Initiated During Month	Completed During Month	Continuing	Invgr	Anal
<u>Investigation</u>					
.subject/unit initiated					
.subject/requested by other element in agency					
.chief					
.detective element					
.enforcement element					
.internal squad					
.other					
.subject/requested by other agency					
.prosecutor (same jurisdiction)					
.federal agency					
.other					
<u>Special Study/Analysis</u> title and requestor:					

2. Subject Area of Activity

Areas of continuing study investigation (by function or person)

a. _____

b. _____

New areas of study/investigation (by function or person)

a. _____

b. _____

3. Developments which suggest new activities by organized criminals

a. _____

b. _____

CONTINUED

1 OF 5

GUIDELINES

Operation of An Intelligence Unit

I. The Intelligence Process is a continuous series of inter-related activities directed toward converting raw information into informed judgments. The products of each step in the process--collection of information, evaluation, collation, analysis, reporting, dissemination, and re-evaluation--are essential ingredients of the end product, the intelligence report.

A. Collection of information

1. Collection of information must be carefully planned.

- a. The collection effort by the intelligence unit should be directed against a specific target.
- b. The collection system with the best chance of success should be given the primary responsibility for the task.
- c. Collection efforts must be coordinated so as to avoid duplication.
- d. Collection should be directed at gaps in the information; there is no need to prove a fact more than once.
- e. Collection progress should be reviewed by the analyst at different phases of the investigation effort. In the early stages information can be general and indicative; in the latter stages precise evidence is needed.

2. The means of collecting information may be overt or covert.

a. Overt collection

- 1) The investigators assigned to the intelligence unit are an effective overt collection source.
 - a) The investigator develops the indications of criminal activity contained in information collected from one or more general sources.
 - b) He checks the validity of reports obtained from informers.
 - c) He works with the analyst to sharpen the target as the investigation progresses from a "looking into the situation", to the compilation of a study in depth, to a gathering of evidence.

d) Throughout the investigation, he should promptly record his findings on suitable report forms.

2) Information from non-intelligence units of the Law enforcement agency

a) The agency head must require that any information relating to organized crime, including gambling, narcotics, prostitution, usury, be passed on to the intelligence unit.

b) All elements of law enforcement agencies--patrolmen, patrol cars, detectives, desk sergeants, etc.-- should be encouraged to report to the intelligence unit any activity that relates to organized crime.

(i) Patrol units, where appropriate, should be assigned to note any activity around residences and businesses of major criminals in their area.

(ii) They should report their findings on a special intelligence report form. (See Intelligence Manual, p. for sample form.)

(iii) When appropriate, a representative from the intelligence unit should request specific help from other elements of agency and where indicated the personnel directly involved should be debriefed. (See Appendix C of the Intelligence Manual for sample debrief form.)

(vi) All intelligence reports from other elements of the agency should be routed directly to the intelligence unit, although supervisors should be informed.

(v) The intelligence unit should press for time in the various training courses to describe the role of intelligence against organized crime.

3) Information from other jurisdictions

a) Because organized crime often operates beyond the city limits, the agency head should, if possible, establish relations with authorities in surrounding suburbs and in neighboring cities.

- b) Appointment of a liaison officer is frequently useful in expediting and controlling the transmission of data between different agencies.
- 4) Information from sources other than law enforcement agencies
 - a) Newspapers and articles in journals should be examined for information on actions of members of organized crime both in and out of the agency's jurisdiction.
 - (i) Articles from newspapers and other periodicals can be clipped, filed, and cross-referenced, either by a member of the intelligence unit or a clipping service.
 - (ii) Abstracting articles and journals should be considered as an alternative method.
 - b) Public records and documents, such as trial records, grand jury commission hearings, and investigative hearings by state and federal legislators, are excellent sources of data, though usually they provide indicators rather than hard intelligence or evidentiary material.
 - c) Financial centers--local stores, bonding houses, banks, insurance companies, telephone companies--can formally or informally provide useful leads. But privacy considerations and state and local laws must be kept in mind. (See Appendix A "Intelligence and the Law" in the Intelligence Manual.)
 - d) Complainants. Information is often revealed by a citizen voluntarily, but , his report should be carefully checked out by the intelligence unit before it is accepted.
- b) Covert collection is the acquisition of information from a subject who is unaware he is being observed or overheard. Its use is essential if successful prosecution of leaders of organized crime is to be achieved, but it is expensive in terms of manpower.
 - (1) Physical surveillance - observation of movements of suspects without their knowledge--is most effective when used as a supplement to other types of covert collection. Although physical surveillance can lead to information on a suspect's associates, the places he visits, and his activities, this is not necessarily

- a useful technique for determining the purposes of a suspect's movements and the topics he is discussing.
- (2) Electronic surveillance--where, legal, the use of electronic surveillance devices enables an intelligence unit to acquire evidence of a direct relationship between a crime leader and an illegal act.
 - a) Organized crime leaders are becoming increasingly sophisticated. Methods and equipment must be adopted to these new circumstances.
 - b) The material gathered should be carefully processed, preferably by specially trained personnel.
 - c) Leads and indications beyond the case under investigation should be exploited, where this is legally defensible.
 - d) The actual operation of electronic surveillance gear turned over to experts.
- (3) Informers, individuals outside the police organization who are familiar with the operations of organized crime, are often a valuable source of information.
 - a) Effective exploitation of an informer requires that the informer be convinced that his contact in the agency always deals with him honestly and discreetly.
 - b) Money, the usual pay-off demanded by informers, raises serious problems for many agencies.
 - (i) A fund for such purposes must be approved by the political body which provides the agency with funds.
 - (ii) Safeguards against misuse of the funds, such as receipts, or the presence of an observer during the transaction, are highly desirable; if the informer will not agree, the risks of ignoring safeguards must be weighed against the value of the information likely to be obtained.

- c) "Management" of informers is an important aspect of an intelligence unit's duties.
- (i) It is insufficient that only the individual investigator know the identity of "his" informer. A more systematic and desirable approach is the establishment of a central registry of the names of informers, handled with the utmost security and in which more than one officer may evaluate the worth of the informer.
 - (ii) Consideration should be given to upgrading informers by a judicious feedback of information which will help them to be promoted within their criminal organization. This obviously is a tactic which is both difficult and dangerous.
- (4) Undercover agents are law enforcement officers who usually operate clandestinely on the fringes of an organized criminal group.
- a) To be effective the agent must have funds immediately available for entertaining, purchasing stolen goods, and drugs, gambling, etc.
 - b) He also can be more effective if wired for sound, but the risks involved must be carefully considered.
- B. Evaluation of intelligence inputs is an essential part of the production of intelligence
- 1) The validity of any report must be judged by the commander on the basis of the reliability of the reporter, as well as the substantive credibility of the report.
 - 2) The commander (or his designated subordinate) should:
 - a) Seek to verify facts in the report by comparing them with other information.
 - b) Decide which leads in a report should be followed up.
 - c) Grade the worth of the reporter.
 - d) Before it is filed, mark on each report his evaluation of the reliability of both its substance and the reporter so that it can be of use for future reference.

- C. Collation. Collation must be thought of as more than the simple storage of materials in files. It includes the sifting out of useless or irrelevant or incorrect information, the orderly arrangement of collected materials so that relationships between apparently disconnected data may be established, and a system for rapid retrieval of stored information created.
- 1) A filing system should provide for the quick retrieval of information on any one human subject or on a general area of criminal activity or on illicit businesses, phone numbers, licenses, etc. An extensive system of cross-reference and cross-indexing should be set up to allow pertinent material to be referred to under more than one category.
 - 2) A coding system for filing should be adopted. A code, using colors, numbers, and letters either alone or in combination, can be set up to designate functional and activity files. It can then be used to indicate on a multi-subject report how its substance has been filed and/or cross-indexed. The codes save time when compared to using full subject titles and referrals.
 - 3) The use of mechanical aids, such as automatic data processing may be essential for larger agencies. (See Appendix B)
- D. Analysis--is at the heart of the Intelligence System.
- 1) The analyst must first assemble data, often scattered and incomplete, on the area under investigation.
 - 2) From these facts he attempts to develop a logical pattern or an hypothesis explaining the operation or activity under study. The commander of the intelligence unit reviews the hypothesis. He may have to require further collection, or decide the hypothesis doesn't stand up or to wait for further development.
 - 3) A close working relationship should be maintained between the analyst and investigator so that the investigator can contribute his skills to the collection of specific information needed by the analyst.
- E. The end product of the intelligence process is a finished report. It may be prepared in written or oral form. It may be quite brief, for example, a summary of the suspicious activities of a tavern owner to be given to the precinct commander where the tavern is located. It may be quite complex;

i.e. a collection of documents prepared specifically for the highest consumer, the agency head or the prosecutor.

- 1) The report must be tailored to the needs of its principal recipients, the head of the agency or the prosecutor, or the enforcement elements of the agency.
- 2) It must be objective and dispassionately presented so that the decisionmaker can act on the basis of accurate information and sound analysis.
- 3) It must be structured so that the findings are described logically and concisely.
- 4) It must clearly separate positive information from hypotheses and inferences.

F. Dissemination of the intelligence report should primarily be the responsibility of the unit head.

- 1) The head of the agency must receive an intelligence report directly (or at least intact) to ensure that he is fully informed and that the message contained in the report is not distorted by opinions of other readers through whom it has passed.
- 2) Other recipients both inside and outside the agency should be selected on the basis of their need to know and the purpose of the report.
- 3) Security is important-especially in transmitting sensitive information or hypothetical analyses--but should not be the decisive factor in dissemination.

G. Re-evaluation: The unit commander must continuously review each operation of the process so that he can detect weak points before they become major problems.

- 1) The commander must evaluate the quality of reporting, the collection system, and analysis (particularly in identifying new areas of criminal operations.)
- 2) He must arrange for feedback from the agency head and other consumers on how useful the intelligence is.
- 3) He must develop tests to measure the effectiveness of the unit - its ability to produce quick analyses, to detect incipient criminal operations, to point out legitimate businesses which the syndicate may be beginning to penetrate.

II. The Structure of an Intelligence Unit

A. The relationship of the unit to other components of the agency

- 1) Traditionally the intelligence unit in law enforcement agencies has been looked upon as a clearinghouse or reference point primarily of use to the field investigator in developing his casework. This concept should be abandoned in favor of a two-directional unit that provides "strategic intelligence" to the agency head or prosecutor and "tactical intelligence" to the field investigator.
- 2) The intelligence unit should not be a part of the enforcement mechanism; it should not itself be operational. However, it cannot and should not stand apart and aside from enforcement responsibility.

a) It should examine--at the agency head's request, major pending enforcement tactical moves.

i) It should make available to the tactical planners all intelligence that might contribute to the success of the operation.

ii) It should interpret the reliability of information being used by the tactical planners.

iii) Where appropriate, it should appraise the potential value of the planned enforcement action.

b) The unit commander should make arrangements to exploit any intelligence collection opportunities during the operation itself.

B. Location of the intelligence unit

- 1) The intelligence unit should be a staff organization. It should be insulated as much as possible from day-to-day police functions so that it can stick to its intelligence mission.
- 2) The unit should be directly responsible to the agency head.
 - a) The unit must be positioned to contribute to the decision-making responsibilities of the head.
 - b) The unit commander must make himself aware of the agency head's needs and tailor the unit's activities and his own reports accordingly.

- c) Finished intelligence from the unit should be passed directly to the agency head to avoid the "filtering effect" of intermediate recipients.
- d) The head must be immediately and directly informed of any internal corruption uncovered by intelligence collection.

C. The shape of the intelligence unit.

- 1) Each step in the process of intelligence should be considered and understood as a distinct activity, but the office should be so structured that a smooth continuing flow from one step to another is maintained.
- 2) Incoming information and reports must be received at a central point and logged as a matter of course.
- 3) An information control system must be set up to ensure the unit of solid professional standards. It must:
 - a) Route information to analysts within the unit who might find it useful.
 - b) File documents returned by the analysts for storage
 - c) Protect sensitive materials from unauthorized circulation outside the intelligence unit.
 - i) The section must see that sensitive documents go only to appropriate recipients and that receipts from outside recipients are obtained and recorded.
 - ii) It must record evaluative judgments on reports, carry through on purging the files of what has proven to be fallacious matter.
- 4. The principal substantive work of the unit will be done by investigators and analysts; if the unit is large enough these functions can be grouped in sections.
 - a) The analysts and the investigators should be encouraged to work together as a team under the supervision of the unit commander.

- b) Where needed, specialists (economists, attorneys, sociologists, etc.) should supplement regular personnel.
- c) Adequate clerical support should be provided.

D. The intelligence unit command

1) The unit commander should:

- a) Monitor all parts of the intelligence process
- b) Evaluate the products of the teams of analysts and investigators and decide which products should be pushed further.
- c) Decide to whom all finished intelligence should be sent--and to whom it should not be sent.
- d) Regularly report to the agency head on all intelligence developments in organized crime.

2) The unit commander should have the responsibility for intra-agency intelligence relations and in this role he should:

- a) Ensure that all enforcement elements know what the intelligence unit is looking for, encourage all elements of the agency to pass along information and provide them with a simple reporting system.

3) The commander must establish contacts with those external agencies that may be valuable in terms of exchanging information and coordinating strategy.

III. Staffing the Intelligence Unit

- A. Three criteria should be applied to the selection of all levels of the staff: integrity, capability and personality.
- B. The most important personnel selection is that of the unit commander.

- 1) He must not only be himself a symbol of incorruptability; he must also instill in his unit a sense of pride in the organization's integrity.
 - 2) He must be able to amalgamate the work of different types of subordinates.
 - 3) He must have a lively curiosity and imagination.
 - 4) He must have organizational ability.
- C. Ideally the unit should be autonomous, outside the local civil service system, with full hiring and firing powers vested in the agency head.
- D. Candidates for both analyst and investigator jobs should be personally interviewed and should be given appropriate testing.
- E. Analysts can be either non-specialists or specialists.
- 1) The non-specialists (those who prepare reports, make appraisals, develop filing systems, etc.)-should be selected on the basis of their intelligence, precision, and motivation rather than on their experience.
 - 2) Specialists with advanced training, such as accountants, lawyers, economists, should be used to meet specific needs, temporarily or on a long-term basis,
- F. Investigators normally should be transferred into the unit from the detective branch.
- 1) They should be experienced
 - 2) They must be able to work in harness with the analyst--even to the extent of inter-changing some functions
 - 3) They must be able to accept direction but also be capable of taking initiative.
 - 4) They must be factually accurate in reporting, and in addition capable of analysis and interpretation.

G. Special problems may accompany the management of intelligence personnel.

- 1) In some jurisdictions because of the presence of both "badged" officers and civilians in the same office, the commander must work out special arrangements to enable these two groups to work together.
- 2) Because intelligence personnel rarely enjoy concrete recognition of their accomplishments, he must, in order to maintain morale:
 - a) personally keep unit members informed of how and for what their product is being used
 - b) push hard for promotions
 - c) vary assignments within the unit and seek temporary or rotational assignments outside the intelligence unit.
 - d) directly and aggressively correct any imbalance between compensation levels of "badged" officers and civil service analysts.

IV. Training and Intelligence

A. Intelligence training programs for the general patrol force, or non-intelligence officer

- 1) The training courses should clear away mysteries surrounding the concept of intelligence. Non-intelligence officers should be taught generally what the intelligence process is. They need not know the specifics of individual cases.
- 2) The contributions that non-intelligence officers, particularly those on patrol duty, can make to the final product of an intelligence agency should be explained. They should be made aware that a good observer and a good reporter can be invaluable source of information.
- 3) Several hours of the training program should be devoted to the matter of organized crime--its complexity and its sophistication.
- 4) The patrolman should be instructed on where and how he can gain access of the intelligence unit.
- 5) A lecture should be given on the policy-making function of the agency head and how this relates to intelligence.

B. Intelligence training programs for the intelligence officer

- (1) The primary emphasis in this course should be placed on analytic techniques.
- (2) The course should start with an exploration of the intelligence process.
 - (a) Emphasis should be made to explain the difference between the intelligence function and the operational function.
 - (b) The different categories of intelligence and their primary uses should be covered. The categories are indicative or warning, tactical, strategic and evidential.
- (3) The need for intelligence by the strategists of the agency should be stressed, but at the same time it must be made clear that intelligence is a contribution to strategy, not a determinant of strategy.
- (4) The status of organized crime in the particular locality should be thoroughly covered:
 - (a) The range of activities of organized crime, including its involvement in legitimate business,
 - (b) The susceptibility of the law enforcement agency to penetration
 - (c) The common misconception that organized crime is always ethnically (or family) based must be dispelled.

C. The command level

- (1) What intelligence can do for the command level should be the basic theme.
- (2) The training program should emphasize:
 - (a) The normal use of intelligence by policy makers.
 - (b) The methodology employed in the intelligence process and particularly the latest analytical techniques
 - (c) The responsibility of the command level for quality control of finished products for policy makers.

(3) Other themes may include

- (a) new developments in collection techniques
- (b) Managing the intelligence process
- (c) Court decisions and intelligence limitations

- (4) The techniques used in the training course should be carefully selected. Unless the training officer is thoroughly familiar with sophisticated methods, such as "war gaming", he should stick to traditional approaches, such as seminars and written exercises.

V. Security and the Intelligence Process

A. Security is a particular concern of the intelligence unit because of the sensitivity of the subject matter in the unit's file and the attractiveness of the unit to organized crime as a target of penetration or corruption.

B. To protect the integrity of the intelligence unit its commander must take appropriate steps in three areas:

(1) Personal security. To ensure the trustworthiness of an individual, the unit should

- (a) Conduct a background investigation on both professional and personal aspects of a candidate's life, including his financial status and his associates.
- (b) Conduct periodic updates of the background investigations of the unit's members
- (c) Indoctrinate new personnel with the importance of security.
- (d) Where legal, the polygraph can be used.

(2) Physical security. Information on file must be protected against access by any unauthorized persons, by whatever means.

- (a) Entrance to the area, occupied by the intelligence unit must be restricted to its own or approved personnel.
 - i) Barriers must be established to screen all entrants.
 - ii) At night, if no one is on duty, an electronic or mechanical alarm system should be in operation.

(b) Files containing sensitive material should be placed in a separate area and, preferably, stored in a safe. Other files can be kept in ordinary filing cases if there is no problem with securing the room.

- (c) The unit with a computer must take special measures to protect the computer and its data from penetration or misuse.
 - i) Access to its consoles must be limited to authorized personnel.
 - ii) Computer programs may be coded to restrict retrieval to those who know the code
 - iii) The computer should be programmed to refuse direct outstation inputs or retrieval.
 - iv) The computer room must be protected from unauthorized entry which could lead to the damage of the machinery and/or data stored on tapes.

(3) Operational security. The unit must ensure that the activities and plans of both the intelligence investigator and analyst are securely guarded.

- 1) Office phones should be checked periodically for wire taps and electronic eavesdrop devices.
- 2) The investigator should use unmarked and inconspicuous cars.
- 3) Security should be observed in communications between field and office.
 - i) Telephone calls--preferably from public phones - should be made directly to the intelligence unit, bypassing the agency switchboard.
 - ii) Where radio must be used, the intelligence unit should have a different frequency from the rest of the agency.
 - iii) On-going operational activities should not be disclosed to other elements of the agency unless absolutely necessary.

C. Security should not be an end in itself.

- 1. The ultimate purpose of determining the reliability of prospective recipients is to pass intelligence to all qualified consumers inside or outside the agency who have a need to know.
- 2. Security should not be used to conceal mistakes, corrupt activities or the employment of illegal techniques by members of the unit or agency.

- 3. Security must maintain the privacy of the information in the files from unauthorized persons.

ORGANIZED CRIME LAW ENFORCEMENT
TRAINING CONFERENCE

INSTRUCTOR'S GUIDE

WORKSHOP

TOPIC II: Intelligence Function in Organized Crime
Control

TIME: Tuesday, 8:30 a.m. - 4:30 p.m.

1. Objectives

The exercise is designed to develop an understanding of the function of analysis in the intelligence process and the role of the hypothesis.

2. Issues

1. How to structure questions related to intelligence information needs
2. How to form the hypothesis
3. How to develop a technique of analysis

3. Approach

After the presentation, the participants will be arranged in small workshop groups to analyze and discuss the exercise. To the greatest extent possible the problem should be so structured that there need not be a school solution but an approach that encourages the student to follow his own line of thought. The instructor must be ready on his part to evaluate different approaches where he might have requested other kinds of information. This is a problem to test technique rather than to test the ability of a student to follow a particular analytic path.

(See attached for detailed instructions for each phase of the exercise)

ATTACHMENT

INSTRUCTOR'S GUIDE

TOPIC: Intelligence Function in Organized Crime
Control

INTELLIGENCE ANALYSIS EXERCISE

PHASE I

Instructor gives information to the students:

The student is handed a piece of paper on which there is information purported to have been turned in by a reliable informer.

1. A woman by the name of Jane Doe was seen with Harry Jones. (Harry Jones is a known criminal, suspected of being involved in hijacking. He is a lower level captain in Central City's West Side syndicate.)
2. The two had dinner at the Eating Club and Harry paid for a very expensive evening.
3. Jane Doe was dressed expensively and was wearing what appeared to be real diamonds.
4. They arrived at the Eating Club in a white Cadillac. The license number was NY 61245. Jane Doe was driving.

The investigator handling the informer added his own views, stating:

1. Jane Doe was a new woman for Harry.
2. From the nature of the outing, Harry must have received a substantial increase in his cut of the proceeds from whatever operation he was involved in.

3. Harry was never reported before eating at the Eating Club which is Central City's most expensive restaurant.

Students are asked to respond to the report by:

1. Developing an hypothesis to explain Harry's changed activities.
2. Make a list of five questions giving in order of priority additional information they believed immediately necessary to better understand what Harry might be up to. The student must also pinpoint where he thinks the information can be found.

Sample Student Responses

Student 1: Hypothesis: The meeting had no significance other than what it appeared to be, namely a dinner date to which Harry Jones had taken a new girl friend.

List of questions: (Student didn't think further questioning was worthwhile.)

Student 2: Hypothesis: The new girl friend and the expensive surroundings together indicated some change in the pattern of operation for Harry Jones. It could be that Harry's reported hijacking activities were beginning to go into high gear. This report should be considered as an alerting item and more information should be sought on a high priority basis.

List of Questions:

- a. Who is Jane Doe? Query the files.
- b. Who is the registered owner of the Cadillac? Query the license bureau.
- c. What is the status of hijacking on the West Side? Query files.
- d. Who is involved in ownership of the Eating Club? Query liquor license bureau.

- e. What has been the pattern of Harry Jones' activities over the past year? Query files and the general police records.

Instructor's Reaction

To Student 1: This is a legitimate hypothesis but seems to be out of keeping with the potential meaning of the change in pattern for Harry Jones. Because of his rank, if for no other reasons, there should have been, at least, one round of further questions to determine who the girl was and what Harry has been doing recently.

To Student 2: This was an excellent hypothesis and one that could be tested rather quickly, at least, as to its general thrust and whether further activities should be focused on Harry Jones.

PHASE II

Instructor gives new information to students:

(The instructor can give only the answers detailed below, and then only if the instructor feels that the student asked a valid question obtainable from a logical source.)

1. Intelligence files--biographic.
 - a. No information on Jane Doe.
 - b. Harry Jones has a record of arrests for various crimes including armed robbery but not for hijacking. As informer report in his file states that he is newly in charge of hijacking operations for the West Side syndicate. The report is evaluated as probably true and the informer as being reliable.
2. Intelligence files-functional.
 - a. Hijacking: Substantial and increasing amount of hijacking on the East Side Dock areas. Small amount of hijacking on West Side Docks, beginning about six months ago.
 - b. Restaurants: According to unconfirmed reports, the Eating Club is owned by one of the criminal

syndicates, some members of which have connections in Midamerica City.

3. Auto license records--license reported issued to Jim Roe, a resident of the East Side of the City.

Each student is asked to respond to the new information by:

1. Update, change, or write a new hypothesis based on the new information he obtained from the instructor. (Each student may have a somewhat different data base since all may not ask the questions necessary to get all available information. As stated above, the instructor should only give out the information that is now required and logical sources from which it can be obtained.

Sample Student Responses

Student 3: Hypothesis: The presence of Jane Doe was a cover for a meeting in the Eating Club between Harry Jones and other unknown. It was probably an organizational meeting perhaps to bring Harry Jones together with the Midamerica City people who reputedly were owners of the Eating Club. The goal would appear to be to expand hijacking operations, especially focusing on means to unload the "hot" goods. It would appear that the Midamerica City connection might be the answer to the fencing problem.

List of Questions:

- a. Who is Jim Roe? Query the files.
- b. What information is available on fencing of the hijacked items from either the East or West side? Query the files under "Fencing". Also the burglary squad.
- c. Who are the real owners of the Eating Club? Query corporate license office of the state.
- d. Who are the known associates of Harry Jones? Query the files.
- e. Who is Jane Doe? Check telephone company, credit bureaus, city register, voting registration, drivers license registration.

f. Query Midamerica City the following:

1. Any record on Harry Jones?
2. Any record on Jim Roe?
3. Any record on Jane Doe?
4. Any records in intelligence files on hijacking that connects activities (including fencing of "hot" goods) between the two cities?
5. Any record of criminals holding ownership in Eating Club?

Student 4: Hypothesis: The dinner date represented out of town persons getting in contact with Harry Jones through the good offices of Jane Doe. The idea was to take over control of the city. The outside element was using both the woman and money to buy Harry. The meeting portends a possibility of a gang war and an increase in crime as Harry attempts to prove to his new leaders what a tough, effective crook he really is.

List of Questions:

- a. Send urgent queries to all major cities in the area seeking answers to the following:
 1. Any reports on criminals or others in their jurisdiction who were reportedly involved in hijacking in Central City or in the disposal of stolen goods therefrom?
 2. Any reports in their files on Jane Doe, James Roe, Harry Jones?
 3. Any reports on criminal gangs that appear to be attempting in any way to develop relations with any persons or groups in Central City?
- b. Query the Federal agencies on Jane Doe, James Roe, and Harry Jones.
- c. Query the Federal agencies on any reports having to do with hijacking in Central City and any link up between persons or groups in Midamerica City and Central City.

Instructor's Reaction

To Student 3: The hypothesis seemed reasonable in light of the information and would serve as a good guide to probing the problem further. It did not try to run away with the development as though it were a major threat. It might become such but the information available at the moment did not appear to support the Harry Jones operation as a major affair.

To Student 4: This hypothesis seemed to be running too far ahead of facts. It led the student to put too much pressure on a series of other law enforcement agencies to produce information. Finally, there was nothing in the information available to suggest that Harry Jones would be capable of taking over the city and thus worth such an effort by outsiders.

PHASE III

Instructor gives additional information to students:

(The instructor can give only the answers detailed below and then only if the instructor feels that the student asked a valid question obtainable from a logical source.)

1. Intelligence files--biographic.
 - a. Jim Roe has no arrest record but is reported to be a principal captain in the organized crime syndicate that controls the East Side. A reliable informer report links Roe with a criminal group in Midamerica City.
2. Intelligence files--functional.
 - a. East Side gang-syndicate. This group has as their attorney Sam Law and their leaders appear to use the Corner Bank. An informer reports a rumour that the fence for the East Side gang is in another city, some say Midamerica City. Another informer report, unverified, states that Jim Roe has bragged about his plan to take over the city.
 - b. Fences: The West Side gang is reported using a legitimate company as a front for getting rid of their hot goods. Apparent owner is a woman, Janet Joe, from Midamerica City.

- c. Banks: Information derived during an investigation on another case indicated that the majority ownership of the Corner Bank appears to be held through a front. Actual owner not known.
3. County Records. Ownership of Eating Club gives every appearance of being in non-criminal hands.
 4. Intelligence files--Midamerica Police Department.
 - a. Jane Doe has no arrest record. She was the wife of Bill Doe who was convicted of being a fence and subsequently died in prison.
 - b. Bill Doe had a record of a number of arrests for robbery and for acting as a fence. He had one prior conviction for fencing. He reportedly worked with one of the syndicates, the North Side gang, which in the six months before Doe's arrest was reportedly becoming involved in hijacking.
 - c. Jim Roe was born and raised in Midamerica City. He had several arrests and one conviction for auto theft. He reportedly was a friend of Bill Doe and was seen with members of the North Side gang but is not thought to have been a member of the gang.

Each student is asked to respond to the new information by:

1. Updating, changing, or writing a new hypothesis based on the new information he obtained from the instructor.

(The sample will end here. However, the example exercise could go on for several more phases. At each phase there should be answers that lead to nowhere, and others that are suggestive of totally different hypotheses. The goal is to test the capabilities of the students to put facts together and to construct a pattern, both tentatively to explain the events, and to guide the investigators in their search for additional facts.)

INTELLIGENCE ANALYSIS TECHNIQUES

WORKSHOP EXERCISE

Workshop Instructions

1. You are about to spend an hour or so developing and analyzing a situation. It starts with a few bits of information. Whatever additional information you obtain is up to you - you must ask questions to get answers. You must levy intelligence requirements against the collectors—investigators and other sources that form part of your intelligence unit, other sources within your own agency and outside law enforcement agencies, and non-law enforcement bodies and organizations.

2. The basis for asking questions will be your hypothesis of what the accumulating intelligence means. The hypothesis will be modified and changed by you as you gain more information.

3. This is a workshop exercise to help explain the function of analysis and the hypothesis in the intelligence process. There will be no correct or school solutions. However, you can expand on your information base only if you ask logical questions and request assistance that is legal and appears called for. You and the workshop director can argue and discuss these points.

Exercise

1. Initial Information Available.

The following information was made available by a reliable informer.

- a. A woman by the name of Jane Doe was seen with Harry Jones. (Harry Jones is a known criminal, suspected of being involved in hijacking. He is a lower level captain in Central City's West Side Syndicate.)
- b. The two had dinner at the Eating Club and Harry paid for a very expensive evening.
- c. Jane Doe was dressed expensively and was wearing what appeared to be real diamonds.

- d. They arrived at the Eating Club in a white Cadillac. The license number was NP 61245. Jane Doe was driving.

The investigator handling the informer added his own views, stating:

- a. Jane Doe was a new woman for Harry.
 - b. From the nature of the outing, Harry must have received a substantial increase in his cut of the proceeds from whatever operation he was involved in.
 - c. Harry was never reported before eating at the Eating Club which is Central City's most expensive restaurant.
2. First requirements.
- a. Develop a hypothesis to explain Harry's changed activities.
 - b. Make a list of five questions, giving in order or priority the additional information required to better understand what Harry might be up to. Source of information must be given.
3. Second requirement.
- a. In light of the information obtained in answer to your questions, review and modify as required your hypothesis as to what Harry was (or is) up to.
 - b. Make a list of five questions, giving in order of priority the additional information required to further test your developing hypothesis and to determine whether the whole effort is worth the time being spent on it.

4. Third requirement.

- a. Again, in light of the information obtained in answer to your questions, review and modify as required your hypothesis as to what Harry is up to.
- b. Make a decision as to whether more time should be spent on the Harry problem. Can it be left for a while or should more extensive investigation be laid on? Write down your reasons for your decision, either way.
- c. Now regardless of your decision, set down in order of priority the information you would want if you were to go ahead with a full-fledged investigation of Harry. Give the question and the source from which you would seek the additional information.

TOPIC III
INTELLIGENCE AND EVIDENCE
COLLECTION TECHNIQUES

ORGANIZED CRIME LAW ENFORCEMENT
TRAINING CONFERENCE

INSTRUCTOR'S GUIDE

TOPIC III: Intelligence and Evidence Collection
Techniques

SEGMENT A: Informants

TIME: Tuesday, 7:30 - 9:00 p.m.

STUDENT MATERIALS

1. Outline of Presentation

INSTRUCTIONAL AIDS

None

INSTRUCTIONAL GUIDANCE

The use of informants as an intelligence and evidence collection technique in investigating and prosecuting organized crime cases should be emphasized throughout the presentation.

The considerations that should be stressed for investigative and prosecutive management and supervisory personnel are those related to:

- . the direction to be given the operation of informants in relation to making organized crime cases;
- . comparison of the benefits to be derived from this technique versus other intelligence and evidence collection techniques;

- . proper use of informants with other intelligence and evidence collection techniques;
- . determination of the peculiar characteristics of different organized criminal activities and the manner in which informants could be used effectively; and
- . funding and other supportive aspects for the effective use of informants.

Operational considerations related to informants should be discussed only to the extent that they can be used to clarify the management process related to informants.

TOPIC III: Intelligence and Evidence Collection Techniques

SEGMENT A: Informants

TIME: Tuesday, 7:30-9:00 p.m.

LEARNING OBJECTIVES

The purpose of this segment is to give the participants an understanding of the process for developing and utilizing informants in organized crime investigations. The presentation will describe how informants are used in the various types of organized crime activities; such as gambling, loan-sharking, thefts and fencing, frauds, labor racketeering, infiltration of legitimate business, and public corruption. More sophisticated and improved methods of developing and utilizing informants will be explored.

OUTLINE OF PRESENTATION

NOTES

I. Function of Informants in Organized Crime Cases

A. Distinction between intelligence and evidence.

B. Debriefing for past or present knowledge and future information.

C. Guidance by prosecutor in type of evidence needed to build a case.

III.A.1

NOTES

D. Determining reliability

. Past reliability.

. Independent corroboration.

. Informant as a witness.

II. Developing Informants

A. The "bust'em and turn'em method.

. Use in organized crime investigation.

. Use in developing long-term higher level cases.

B. Prison interview program.

III.A.2

NOTES

C. Broad-spectrum debriefing of current informants.

D. Directing debriefing to admissible evidence.

III. Control of Informants

A. Handling informants.

B. Problems of security.

IV. Funding and Fiscal Control

A. Payment of informants

B. Funding and control of "buy-money"

C. Inter-agency pooling

D. Other sources

III.A.3

ORGANIZED CRIME LAW ENFORCEMENT
TRAINING CONFERENCE

INSTRUCTOR'S GUIDE

TOPIC III: Intelligence and Evidence Collection Techniques

SEGMENT B: Undercover Agents

TIME: Wednesday, 8:30 - 10:30 a.m.

STUDENT MATERIALS

1. Outline of Presentation

INSTRUCTIONAL AIDS

None

INSTRUCTIONAL GUIDANCE

Throughout the entire presentation, special emphasis should be given to the specific utilization of undercover agents as an intelligence and evidence collection technique in organized crime activities.

The considerations that should be stressed for investigative and prosecutive management and supervisory personnel are those related to

- o direction to be given the operation of undercover techniques in relation to making organized crime cases;
- o comparison of the benefits to be derived from this technique versus other intelligence and evidence collection techniques;

- o proper mix of these techniques in relation to the target(s) that have been identified;
- o an analysis of the cost of implementing this technique in dollars, resources and time vis-a-vis the expected benefits; and
- o undercover personnel development and training considerations

Operational considerations related to undercover agents should be discussed only to the extent that they can be used to clarify the management process related to this technique.

TOPIC III: Intelligence and Evidence Collection Techniques

SEGMENT B: Undercover Agents

TIME: Wednesday, 8:30-10:30 a.m.

LEARNING OBJECTIVES

The purpose of this segment is to acquaint the participant with techniques of effectively using undercover agents in the investigation and prosecution of organized crime activities. Training, techniques, infiltration methods and the type of protection available to the undercover agent will be discussed. The presentation will also examine the opportunities that best lend themselves to acquiring information through the use of undercover agents.

OUTLINE OF PRESENTATION

NOTES

I. Introduction

A. Distinction between undercover agents and informants.

B. Distinction between deepcover and single transaction.

C. Use of undercover agents in organized crime cases.

II. The Qualification of Undercover Agents

III.B.1

NOTES

- A. Resources available for undercover agents.
- B. Proper training.
- C. Cover for agents.
- D. Methods of development.
- E. Methods of infiltration into Organized Crime groups
- F. Protection of undercover agents.

III. When and Where to Use Undercover Agents

- A. Types of information best obtained through use of agents.
- B. When to utilize agents as opposed to use of other forms of intelligence techniques.

III.B.2

NOTES

- C. Case examples of proper and improper uses of undercover agents.
- D. Federal and State sources of assistance to local authorities in the training of undercover agents.

IV. Verification and Corroboration

III.B.3

ORGANIZED CRIME LAW ENFORCEMENT
TRAINING CONFERENCE

INSTRUCTOR'S GUIDE

TOPIC III: Intelligence and Evidence Collection
Techniques

SEGMENT C: Forensic Science in Organized Crime
Control

TIME: Wednesday, 10:30 a.m. - 2:00 p.m.

STUDENT MATERIALS

1. Outline of Presentation
2. Reading Assignment No. 1, "Advanced Instrumentation in Forensic Examinations"
3. Reading Assignment No. 2, "The Ninhydrin Process"

INSTRUCTIONAL AIDS

1. Public Address System
2. Lectern
3. Lecture Notes
4. 850 Kodak Slide Projector
5. Movie Projector Screen
6. 35mm Slides
7. Instructor's Evaluation Form

INSTRUCTIONAL GUIDANCE

This lecture panel discussion will involve two presentations and a brief discussion period. The first forty (40) minutes will involve a lecture/slide presentation on the latest techniques in latent prints from letters and old documents (NINHYDRIN PROCESS), and techniques of analyzing suspected counterfeit documents.

The second forty (40) minutes will involve two presentations on non-destructive neutron activation analysis, atomic absorption analysis, ink analysis library and other techniques.

Special emphasis should be placed throughout these presentations on how these latest forensic science tools can be used in investigating and prosecuting organized crime. Therefore, it is essential during these presentations that the lecturers not only briefly describe each new forensic science tool but also make reference to specific examples of how each technique has been used in fighting organized crime.

Because the training conference is being directed to supervisory and management personnel, the lecturers should also address their considerations to include cost of these techniques, resource utilization and other management considerations.

Comment should also be made on the court acceptability of the forensic science techniques.

TOPIC III: Intelligence and Evidence Collection Techniques

SEGMENT C: Forensic Science in Organized Crime Control

TIME: Wednesday, 10:30-12:00

LEARNING OBJECTIVES

The purpose of this segment is to develop an understanding of how the latest forensic science tools can be used to fight organized crime. Emphasis will be given to the various activities in which organized criminals are engaged, such as counterfeiting, fraud, bootlegging, public corruption, and so forth.

OUTLINE PRESENTATION

NOTES

I. Role of Counterfeiting in Organized Crime

II. Use of the Latest Forensic Science Techniques in Investigating and Prosecuting Counterfeiting and Fraud

A. When should they be used?

III.C.1

B. How should they be used?

C. How can they be used more imaginatively?

D. What are the most common mistakes in investigating counterfeiting?

III. Application of Ninhydrin Process to Different Organized Criminal Activities

A. The ninhydrin process, i.e. developing latent prints on documents

B. Use of ninhydrin process in the investigation of organized criminal activities

C. Court acceptance of process

III.C.2

NOTES

D. Are the benefits worth the cost in resources?

IV. Use of Neutron Activation Analysis (Non-destructive Analysis Techniques) in Investigating and Prosecuting Organized Crime

A. How has it been used to date to fight organized crime?

B. Is it acceptable in court?

C. When and how it should be used?

D. Are the benefits worth the cost in resources?

V. Atomic Absorption Analysis (destructive Analysis Technique)

III.C.3

NOTES

A. How has it been used to date to fight organized crime?

B. What are its advantages and disadvantages over the neutron activation process?

VI. Other Forensic Science Techniques and how They Have Been Used to Fight Organized Crime

A. Voice Print

B. Ink Library

C. Other processes

VII. Steps to follow in presenting new Techniques in Court

III.C.4

NOTES

- A. Demonstrate that it is a valid recognized scientific technique
- B. Apply technique to your specific problem
- C. Show that techniques gives meaningful results

READING ASSIGNMENTS

1. "Advanced Instrumentation in Forensic Examinations:"
M.J. Pro and C.M. Hoffman, National Office Laboratory,
Alcohol and Tobacco Tax Division, Internal Revenue
Service.
2. The Ninhydrin Process, Description of Ninhydrin Process,
Developed by the U.S. Secret Service

III.C.5

Advanced Instrumentation in Forensic Examinations

By M. J. PRO and C. M. HOFFMAN (National Office Laboratory, Alcohol and Tobacco Tax Division, Internal Revenue Service, Washington, D.C. 20224)

The last three decades have seen an increased use of instrumentation in the forensic laboratory. The speed and analytical ease afforded by such instruments as the emission spectrograph and the absorption spectrophotometer were enough incentive to justify their use on a routine basis, and today they are considered standard tools in these laboratories.

Recent court decisions concerned with violations of individual rights have placed a new importance on the role of physical evidence in criminal investigations and prosecution. This emphasis has challenged the forensic scientist to obtain more information from the physical evidence submitted for analysis. To meet this challenge, the potential usefulness of many new instruments to specific laboratory problems has been explored. The results of this search for new methods have shown that many of today's sophisticated instruments merit a place in the forensic scientist's arsenal because of the valuable information they can provide when used to examine physical evidence.

In the past years, the laboratory could only identify types of materials and determine their major constituents. When sufficient sample was available, this was accomplished by a combination of physical examination and wet-chemical analysis. As the specificity and sensitivity of instruments available to the laboratory increased, the forensic scientist was able to identify, in certain cases, some of the individual characteristics of the materials submitted for comparison. On the basis of this added in-

formation about the individuality of materials, it became possible to make some conclusions about the relative origin of these substances.

Today, instruments are available which can be employed to examine very small samples of organic and inorganic materials with a sensitivity and specificity never before achieved. It is possible to detect and measure trace quantities of impurities which have been incorporated in a product through the raw materials used in its manufacturing process. These individualizing trace impurities are very much like fingerprints, enabling the forensic scientist to make comparisons and determine the relative origin of natural and manufactured items.

Research has begun on the trace elemental composition of a variety of materials commonly found as physical evidence, and the results show that meaningful comparisons are possible for many of these materials. For example, it has not only been shown that paint or surgical adhesive tapes produced by different manufacturers can be distinguished from each other through their compositional variations, but it is also possible to measure batch-to-batch variations in these materials.

One practical method which has emerged during the past 3 to 4 years is atomic absorption spectrometry. With this equipment it is possible to detect and measure almost 60 of the chemical elements in the parts per million concentration range. This is accomplished with high specificity because each element absorbs light at well defined wavelengths. Although atomic absorption is a destructive

technique requiring complete solution of the sample, it is suited for measuring elements that are not detectable by other methods either because of poor sensitivity or because of interference problems arising from a complex sample matrix. This instrument has shown potential usefulness in the examination of soils, metals, liquids, and other materials for which the solution of the sample is not a problem. For many forensic problems the use of atomic absorption, neutron activation analysis, and gas chromatography provides the analyst with the capability of determining a sufficient number of identifying characteristics which would be impossible if only one method was used. This multi-analysis approach to physical evidence examination is valuable because it provides the necessary points of identification to support conclusions.

Neutron activation analysis is another method of elemental analysis and it offers the capability for determining about 75 of the chemical elements, many in ultra-small quantities. This nuclear method makes it possible to identify elements in a sample by measuring the induced radioactivity from the activated species produced by the neutron bombardment of stable isotopes. The advantages of this technique are high specificity, excellent sensitivity, and the potential for non-destructive analysis. This method is particularly suitable for the analysis of paints, metals, papers, and other materials weighing only a few micrograms. Predominantly organic substances such as drugs, tapes, rubber-hose, plastics, and illicit distilled spirits have been compared successfully through their trace elemental composition.

The supersensitivity of neutron activation analysis for measuring submicrogram quantities of barium and antimony has provided the basis for detecting gunshot residue deposited on the hand of an individual who has fired a revolver. This procedure is now replacing the nonspecific dermal nitrate test (paraffin test) which has only limited acceptance in the courts.

In a rather unusual application, neutron activation analysis was used to nondestructively authenticate a valuable 1943 copper penny, and in another instance, a philatelic

fraud was uncovered by measuring the elemental composition of small portions of ink and paper from areas on postage stamps which had been altered.

Instrumentation utilizing X-ray emission such as the photon fluorescence spectrometer and electron microprobe are products of rapid growth in this field during the past two decades. Although these instruments are not particularly sensitive for many chemical elements, they offer the forensic scientist the tools for effectively analyzing items of special interest. X-ray fluorescence is used to analyze minerals, ores, and petroleum products for their trace element content without problems arising from sample matrix. The electron microprobe has been employed in forensic work to detect alteration of small areas on coins. The sensitive detection system of the recently developed photon fluorescence spectrometer is being considered as a tool suitable for identifying the composition of pigments, an important factor in determining the authenticity of oil paintings.

Although visible, ultraviolet, and fluorescence spectrophotometers are used for measuring the major organic components of physical evidence samples, they do not provide the information needed to individualize these materials. For characterization, the technique must possess sensitivity and the capability for separating trace organic constituents. Gas, gas-liquid, and pyrolytic gas chromatography meet these requirements.

Many published applications show that gas chromatographic techniques have been employed to individualize petroleum products, paint vehicles, illicitly produced distilled spirits, and other organic materials. On the basis of this early work, gas chromatographic analysis of physical evidence appears to hold great promise because the analysis can be carried out on small samples with considerable speed and sensitivity.

A major problem with gas chromatography is that peak identification on gas chromatograms is often difficult. This is particularly true for unknown samples such as those commonly submitted for comparison in forensic laboratories. Although total patterns can be used for relative comparisons of questioned and known samples, it is preferable to have

each peak identified. Preparatory gas chromatography coupled with infrared spectrophotometry, mass spectrometry, and nuclear magnetic resonance offers a means for both isolation and identification of the organic components. Recent research indicates that the pyrolysis method can be useful in comparing adhesives, hair, synthetic fibers, and other items whose composition is primarily organic. These advances in gas chromatography indicate that it will have an important future in criminalistics.

The future holds great promise for the use of many instruments which today have only limited application in criminalistics. Spark source mass spectrometry is an example of such an instrument. This tool is capable of determining many of the chemical elements in the periodic table in the parts per million range or even lower concentrations with pre-concentration and complete vaporization of the sample. Recent experimental work shows that a laser beam ionization source is capable of analyzing a 5-10 micron sample area for many elements. The laser source when coupled to an emission spectrograph offers the advantage of a rapid qualitative analysis without destroying a significant amount of sample.

In the nuclear field, linear accelerators, cyclotrons, neutron generators, and nuclear sources are being studied to determine their potential usefulness in criminalistics. Recently it was shown that lead can be determined accurately with a linear accelerator (photonuclear activation analysis) by irradiating aluminum encapsulated samples with Bremsstrahlung from 25 MeV electrons via (λ, η) reactions. Experimental work also shows that this technique has considerable value where the interference of sodium is a problem, as in neutron activation analysis. Thin films of sulfur on coins were determined with great sensitivity by bombarding these samples with a deuteron beam produced by Van de Graaff accelerators and measuring the protons produced in the nuclear reaction. This method should also prove useful for rapidly measuring other film deposits with the intent of showing that materials were once in a common environment.

Although wet-chemical and conventional

instrumental methods are now accepted by the courts, this came about slowly. The admissibility of results obtained by methods such as emission spectrography involved years of appeal through the higher courts. Today, however, the courts are accepting the newer techniques more readily and during the past five years tritium dating, neutron activation analysis, charged particle analysis, atomic absorption, and gas chromatography have been introduced in United States courts on numerous occasions. Currently the problem is no longer one of acceptance of the method, but how much weight should be placed on the interpretation of the results. For this reason, the forensic scientist must equip himself with a good working knowledge of the advantages and limitations of the newer instruments and be able to support his conclusions through data obtained in control studies.

Although this array of specialized instrumentation provides the tools for solving many problems, these new approaches cannot be regarded as forensic panaceas. No single instrumental technique has the capability of solving all forensic problems. Therefore, the ideal situation is to have available many types of instrumentation so that a large variety of physical evidence can be adequately examined. However, the cost of much of this equipment limits its purchase to only the larger police laboratories, private enterprise, or government agencies. This economic factor can impede the technical progress of the smaller laboratories and seriously limit the extent of the physical examinations needed to make equitable conclusions.

For example, the need for forensic laboratories to employ all of the available techniques is well illustrated by some actual court cases. In the prosecution of several conspirators for violating the National Firearms Act, it was necessary to determine whether soil found on machine gun parts in the possession of two defendants was the same as soil found in a barn and on 500,000 pounds of machine gun parts owned by a third defendant. Because of the unusually high lanthanum, barium, and scandium concentrations in these soils, it was not possible to determine elements such as samarium, cop-

per, potassium, chromium, and zinc by gamma spectrophotometry alone. Instead of employing lengthy radiochemical separations, these elements were determined by atomic absorption and the total number of points of identification was increased from 5 to 15.

In another case involving the manufacture of illicit "moonshine", the presence of almost 100 parts per million zinc and antimony obscured the activation analysis spectra of other elements such as strontium, copper, magnesium, calcium, and potassium, which were present in smaller quantities. These elements were easily determined by atomic absorption. The identification was further strengthened by employing gas-liquid chromatography for the determination of ethyl acetate and several fusel soil components.

A number of cases involving the examination of metallic alloys containing large quantities of copper and iron were successfully compared by the use of several techniques such as neutron activation analysis, atomic absorption, X-ray diffraction, and chemical

This paper will be presented at the 81st Annual Meeting of the Association of Official Analytical Chemists, Oct. 9-12, 1967, at Washington, D.C.

analysis. In these cases each technique extended the analysts' capabilities for determining additional elements; hence, a greater number of points of identification were obtained.

In some cases smaller police facilities are physically located near scientific institutions equipped with many of the newer instruments and special examinations can be carried out on a limited basis without interfering with the prime functions of these laboratories. Although the use of borrowed equipment can help in the solution of some problems, the real need is more research oriented towards the development of wider applications of these instruments to the broad spectrum of forensic science so that their purchase even by the smaller laboratories can be justified. One positive approach to meeting this problem is by funding research through government agencies or special commissions.

With the growing problem of criminal activity in our society, there is no time better than the present to employ our best technical resources to help reduce the incidence of crime.

READING ASSIGNMENT No. 2

NINHYDRIN PROCESS

The ninhydrin process for latent print development on paper-type evidence represents one of the major advances made in the field of identification during this century. Although the other processes for developing latent prints-- fingerprint powders, iodine fumes, silver nitrate-- are not outmoded, the ninhydrin process has provided a new approach to latent print development. Furthermore, Secret Service experience with this process and with others has clearly implemented, but in most instances is the most reliable and productive procedure. Each process, however, has its place as a forensic investigative aid.

Since amino acid and protein residues, on which the ninhydrin reacts, have indeterminate longevity on paper-type surfaces, the length of time between the deposit of these residues in the form of latent prints and their development is of little concern. For instance, published sources have reported that latent prints thirty years old have been developed by the ninhydrin process. The longest time span between deposit and development recorded by the U.S. Secret Service is five years.

Most of the latent print processing performed by the Secret Service involves questioned documents and counterfeit currency. During the early stages of our use of ninhydrin solutions, adjustments had to be made in the mixtures (concentration of ninhydrin in solvents) as well as the solvents used as carriers for the ninhydrin. Adjustments were necessary inasmuch as some inks and papers encountered in counterfeit cases were reacting adversely to the most commonly used .5 percent acetone-ninhydrin solution. The polar solvent acetone "ran" most inks profusely, particularly writing and offset printing inks.

In order to minimize possible ink "running" or destruction, solvents of a non-polar nature were introduced. Mr. David A. Crown, M. Crim., U.S. Post Office Identification Laboratory, San Francisco, developed in 1964, a method using a non-polar solvent such as diethyl ether (medical ether) to carry the ninhydrin onto the documents. The non-

polar solvents cause very little, if any, running of the inks. This, of course, increases the usefulness of ninhydrin on documents where protection of the inks is imperative. Mr. Crown's method was described in detail in a paper presented by James V.P. Conway, Director, U.S. Post Office Identification Laboratory, San Francisco, at the Joint Meeting of the American Society of Questioned Document Examiners and the Crime Detection Laboratories, Royal Canadian Mounted Police at Ottawa, Ontario, Canada, on August 20, 1965.

The .5 percent concentration of ninhydrin in solution has provided the most desirable results in practically all document cases processed by the Secret Service during the past several years. However, there have been some exceptions to the .5 percent concentration due to differences in papers encountered. In that regard, it has been necessary, on occasion, to reduce the concentration to .4 percent for use on high rag content papers having glutinous sizing. It was observed that in most instances the stronger concentration would develop the backgrounds of the papers faster and more vividly than it developed the latent prints, consequently, the weaker concentration proved to be more beneficial in these instances. Particular situations, and experience with uncommon or problem papers would dictate the correct solvent and concentration to be employed.

After the documents have been treated with the ninhydrin solution either by spraying, painting or immersion, development of latent prints can be accelerated by placing the documents in a heat and humidity environment. Our experience has shown that a temperature range between 50 and 60 percent provide favorable results.

The ninhydrin process as applied to counterfeit currency investigations is fast becoming an indispensable forensic aid. An excellent example of this was a recent case in which the owner of a printing establishment was arrested and tried on charges of manufacturing and possession of counterfeit \$20 Federal Reserve Notes. In this case, the fingerprint examiner was able to determine that the latent fingerprint of the defendant was placed on the note subsequent to the printing of the note, thus discounting the defendant's claim that he may have handled the paper prior to any printing of counterfeit currency. The

The defendant was convicted. Since the counterfeit notes were several months old before processing, it is doubtful if any other latent print process would have been as effective as ninhydrin.

In another instance, ninhydrin was employed in treating forty-one "sample" counterfeit notes obtained by an undercover agent. Latent fingerprints were developed on two notes, and were identified as being those of a long-suspected counterfeiter. After the suspect was identified, a month-long surveillance of his movements and activities culminated with his arrest and the seizure of more than four million dollars in counterfeit currency. This seizure is among the largest in Secret Service history.

An interesting episode involving the ninhydrin process occurred just recently. An anonymous letter and envelope, considered important evidence in a criminal conspiracy, were treated with ninhydrin. No latent prints of value were developed on either the letter or envelope; however, when the 6¢ U.S. postage stamp was removed and processed with ninhydrin, two partial fingerprints were developed in the mucilage on the rear of the stamp. One of the latent prints was identified as that of a suspect who later implicated other persons involved in the case.

ORGANIZED CRIME LAW ENFORCEMENT
TRAINING CONFERENCE

INSTRUCTOR'S GUIDE

TOPIC III: Intelligence and Evidence Collection Techniques

SEGMENT D: Financial and Documentary Analysis

TIME: Wednesday, 1:00-4:30

STUDENT MATERIALS

1. Outline of Presentation
2. Workshop material
3. Reading Assignment No. 1, "How Accountants Can Fight Organized Crime."
4. Reading Assignment No. 2, "The Nature, Impact, and Prosecution of White-Collar Crime."
5. Reading Assignment No. 3, "Decisions on Net Worth."
6. Student's evaluation form.

INSTRUCTIONAL AIDS

1. Elevated speaker's platform
2. Lectern
3. Public address system
4. Pack-chart and stand
5. Magic markers
6. Blackboard or chart showing final balance sheet
7. Instructor's evaluation form

INSTRUCTIONAL GUIDANCE

Special emphasis should be placed throughout the presentation on the importance of financial and documentary analysis in investigating and prosecuting organized crime. The introductory presentation should cover the net worth method of analysis, its acceptability by the courts, and how it can be used in combination with other investigating tools.

Because the training conference is being directed to supervisory and management personnel, the lecturer should address his considerations to their level of concern in performing the investigating and prosecuting functions. His reference to operational considerations should be made principally to lend clarity and understanding to the intelligence management function.

TOPIC III: Intelligence and Evidence Collection Techniques

SEGMENT D: Financial and Documentary Analysis

TIME: Wednesday, 1:00-4:30 p.m.

LEARNING OBJECTIVES

The purpose of this segment is to give the participants an understanding of the process for developing and utilizing financial documentation in organized crime investigations and prosecutions. This segment will consist of a brief lecture (approximately 15 minutes) on background material and three hours of problem solving and how to use this information in combination with other law enforcement tools.

OUTLINE OF PRESENTATION

NOTES

I. An overview of financial and documentary analysis

A. Importance of documentation in fighting organized crime.

B. Net worth method of analysis.

. Acceptability by the courts;

. Briefing on the concept of net worth;

. How the concept can be used to prove an illegal act; and

III.D.1

. Basic records which can be used.

C. How to obtain additional training.

II. Workshop

READING ASSIGNMENTS

1. Lacey, Frederick B.; "How Accountants can Fight Organized Crime"; World; Peat, Marwick, Mitchell & Co., Summer 1970.

2. The Nature, Impact, and Prosecution of White-Collar Crime, National Institute of Law Enforcement and Criminal Justice, pp. 46-49.

3. Decisions on Net Worth, two key United States Supreme Court decisions on net worth.

III.D.2

How accountants can fight Organized crime

by Frederick B. Lacey

The author of the following article is the U.S. Attorney in the State of New Jersey. He has become known nationally in recent months for his success in spotlighting many of the nefarious activities of Organized Crime in his home state. Organized Crime, he says, is far broader than the two dozen families of the Mafia, notwithstanding a popular impression to the contrary. And the evil it perpetrates goes beyond vice, gambling, extortion, narcotics and loan sharking. Its ever-spreading tentacles threaten to poison the free enterprise system itself. As a leading law enforcement officer, it is the author's belief that no one is in a better position to turn back the criminal infiltrators of legitimate business than members of the accounting profession. Here he outlines the problem and suggests the actions that the CPA might take to help legitimate business protect itself against criminal penetration.

Ten per cent of all special agents in the Federal Bureau of Investigation are trained accountants. That figure underlines the FBI's recognition of the important role that the accounting profession can play in the war against crime. Nevertheless, CPAs in mufti don't ever seem to think of themselves as potential crime fighters. I think they should become more aware of the contribution that public accountancy can make toward stopping one of the pernicious evils of the day—the infiltration of legitimate business by Organized Crime.

Even more than the lawyer, the accountant is singularly equipped to note the incipient stage at which organized crime begins its penetration of a legitimate business. Apathy, indifference, disbelief can only help the criminal spread his filthy and dangerous tentacles into our free enterprise economy.

Have no doubt about it: the underworld is moving in on the business community. And the infiltration—too often with the help of businessmen themselves—has been going on for a long time.

As far back as the Kefauver hearings it was reported that "in some instances legitimate businessmen have aided the interests of the underworld by awarding lucrative contracts to gangsters and mobsters in return for help in handling employees, defeating attempts at unionization, and in breaking strikes."

A few years ago the Illinois Crime Commission, after investigating a service industry in Chicago, stated: "There is a disturbing lack of interest on the part of some legitimate business concerns regarding the identity of the persons with whom they deal. This lackadaisical attitude is conducive to the perpetration of frauds and the infiltration

and subversion of legitimate businesses by the organized criminal element."

In one city, Organized Crime gained a monopoly in garbage collection by preserving the business's nonunion status and by using its cash to offset temporary losses incurred when the mob company lowered prices to drive competitors out of the field.

One must not make the mistake of thinking that Organized Crime limits its takeovers to such businesses as garbage collection, jukebox distribution, and restaurant services. The President's Commission on Law Enforcement and Administration of Justice reported that control of "certain brokerage houses was obtained by foreclosing on usurious loans, with the businesses thereafter being used to sell fraudulent stock, causing a loss of \$2 million to the public."

The Commission also reported that "The kinds of production and service industries and businesses that organized crime controls, or has invested in, range from accounting firms to yeast manufacturing. One criminal syndicate alone has real estate interests with an estimated value of \$300 million. In a few instances, racketeers control nationwide manufacturing and service industries with known and respected brand names."

It can truly be said that every legitimate commercial enterprise in this country is a potential victim of organized crime. Of course, with the larger companies sophisticated means are substituted for the muscular extortionists often used by the mob to acquire control of local enterprises.

There is, for example, the use of foreign banking operations. The mob arranges for the transmission of its illegal gains to a foreign bank where, under the laws of secrecy that prevail, the identity of the criminals is concealed. The foreign bank is then used to acquire the stock of an American company and acts as a nominee, still concealing the name of the criminal investors. Thereby, as pointed out by Will Wilson, the Assistant Attorney General who heads the Criminal Division of the Department of Justice: "... substantial equity positions in key industries are being acquired with the proceeds of vice, gambling, extortion, narcotics and loan sharking, as well as from the illegal operations of legal businesses."

A variation of the foregoing procedure is to have a foreign trust owned and funded by American underworld interests lend money to a cooperative American businessman who, in turn, through a holding company, uses the proceeds of the loan to acquire major positions in public companies.

Attorney General John Mitchell has told of the dreadful incursions into the air freight business by organized crime. And we all have become aware in recent years that

the security of banking institutions and brokerage houses has been compromised in many instances. Trafficking in stolen securities is now an extensive mob activity.

The racketeer goes into legitimate business for three reasons: to make more money; to achieve an aura of respectability for himself and his family; and to establish a source of funds which, after taxes, is available for expenditures in an amount to explain his mode of living. The latter reason ameliorates the racketeer's gravest concern, income tax prosecution.

As indicated above, the criminal may follow any of a variety of roads in his penetration of legitimate business. He keeps tabs on the business proprietor who is a big-stakes gambler. Should the businessman run up a substantial gambling debt, he may be told that the only payment he can make is a transfer of a portion, or all, of his interest in the business to a member of the mob.

The businessman who is at the end of his line of credit with the banks might give in to the temptation to borrow from a shylock at an extortionate rate of interest. Ultimately the interest, which can be as high as 2% a day, becomes impossible to pay. At this point, the businessman is given a choice: live under the threat of severe physical injury from the shylock's musclemen or pay off his debt by transferring his interest in the business to the mob.

Sometimes business is penetrated through dishonest labor channels. The businessman, the crooked union representative and the mob he represents team up to keep labor peace.

And of course, the member of the mob with vast sums of cash on hand can simply buy his way into a business.

No matter how the criminal gets into the business, one thing is certain to happen when the mob takes control: cash will begin to flow out of the company. This is the hallmark of a company that has been taken over by criminals. At this point the mob, even though it controls the proprietor, is vulnerable to the alert CPA.

If the corporate financial records show that cash is being funneled out of the company into unusual sources, the accountant should immediately request that the client furnish him with the raw data supporting the outlays. The auditor should bear in mind that we have found from time to time in our own investigations that these cash outlays have been supported by invoices and bills that are not legitimate. Suspicions shouldn't be put aside too easily. Not only does the accountant have a duty to his profession but he should try to save the client from himself if he seems to be following the path of least resistance to the demands of the mob. There can be only one result: the businessman is going to lose his business and no one is in a better position to spell this out for him than his auditor.

Among the danger signs that the accountant should be alert to is the sudden appearance on the payroll of the names of men who are said to be performing services that in the past required no employees. Just possibly these new employees have been placed by the mob to serve as watchdogs over the newly penetrated business.

The accountant should act quickly when he senses the infiltration of Organized Crime. If he waits for things to develop, the company may be lost. The mob has been

known to use arsonists to burn buildings and their contents in order to collect fire insurance. The syndicate is more likely, however, to put into play one of its favorite ploys: the planned bankruptcy. The working of a planned bankruptcy was recently illustrated by the plundering of a New York meatpacking firm that had passed into the hands of the mob as payment for gambling debts. While the original owners remained in nominal management positions, the mob used its control to place extensive orders for products, using established lines of credit, then selling off the finished product almost immediately at low prices before the suppliers were paid. A quick profit of \$750,000 was made from the sale of the products. When the suppliers tried to collect, the company went into bankruptcy.

Unusual things begin to happen to a company when a criminal bankruptcy is being prepared. Credit is used heavily for unexplained increases in inventory. A customer makes large, but equally unexplained, increases in his orders. Remittances lag. The auditor should be aware that these are warning signals.

Without suggesting in any way that the CPA abridge his professional or ethical responsibilities, he should be prepared to aid law enforcement authorities. For one thing he should discuss his suspicions with his client and do everything he can to persuade him to meet with the proper authorities. Perhaps, before he goes to the client, it would be best to obtain assistance from the company's legal counsel. The two professions acting together might be more persuasive.

What should the accountant do if the businessman denies that there is a criminal element in his company or if he refuses to cooperate with the law? I don't want to get into the question of professional ethics, but I believe that the auditor is responsible ultimately if an annual report is published that does not truly reflect the real financial condition of the company. If he is fairly sure that organized crime has penetrated his client company, the accountant must take a strong stand. Either the client discloses to the accountant the true state of his affairs or the accountant abandons the client.

I have felt for some time that businessmen are not telling us, the law enforcement agencies, each and every instance when they have been victimized by organized crime in recent years. I ascribe it in part at least to a general apathy on the part of the public. Those guilty of this general apathy include businessmen.

It will be only when we get complete cooperation from the public in general, and business and the professions in particular, that we are going to eliminate or reduce Organized Crime to something that is not very meaningful in our society. Trade associations and chambers of commerce can be of help in conveying to the businessman, particularly those in small and moderate-sized businesses, the dangers they face if they fail to come forward at the first sign that someone is casting an illegal eye on their businesses. But no one is in a better position to point an accusing finger at the criminal infiltrator of legitimate business than the accountant. This is a challenge that I expect him to accept as a professional and as a citizen. ■

Excerpts From: THE NATURE, IMPACT AND
 PROSECUTION OF
 WHITE-COLLAR CRIME

By: National Institute of Law Enforcement and
 Criminal Justice

 U. S. Department of Justice
 Law Enforcement Assistance Administration

Pages: 46 - 49

A major problem in prosecuting major white-collar crimes is delay, a difficulty not unique to white-collar crimes. In one sense white-collar prosecutions are less harmed by delay than are other prosecutions. They are more frequently provable by documents and records which, unlike memories, are not easily altered by the passage of time. Notwithstanding this, delay may wreak greater havoc on white-collar criminal prosecutions because there are more excuses for delay, and also because turnover of personnel in prosecutors' offices makes it difficult to be certain that the prosecutor who generated the prosecution and knows most about it will still be on board when the case is finally to be tried.

Since the trials are lengthy and complicated, and since questions of guilt or innocence will often turn on inferences drawn, much study of the facts and research of the law may be necessary before a case can be tried. Typical questions would be: (1) Although the indictment charges a conspiracy, were there not in fact two or three, as a matter of law? (2) Was the economic interest sold a "security" within the meaning of the Securities Act of 1933? This question might entail an exhaustive analysis of the underlying business; (3) Although monies solicited for a church were promptly bet at a local dog track, did the defendant really believe that his gambling was commanded by God; (4) Could there be a mail fraud

where a defendant's advertising promised pornography but delivered material of only mildly salacious content? (5) Do continuous, unexplained payments to a Swiss corporation spell out a criminal tax evasion where the defendant pleads the fifth amendment and Swiss law prohibits tracing of the funds? (6) Where the condemnation of land for a public purpose is immediately preceded by two sales of the same property, at markedly higher prices on each transaction, was there a scheme to defraud the government by creating a fictitious value for condemnation purposes?

Prosecutions in which such questions are relevant are fertile soil for complex motions for bills of particular, for discovery of filing cabinets full of documents, and for pretrial disputations as to the meaning of documents and constructions of and limitations on indictment language.

It may well be that the marked contrasts between the trial of white-collar crimes and common crimes stems from the fact that in white-collar criminal trials the issue of why something was done generally dominates the trial. If five manufacturers equally raise their prices within a 1-week period, there will be no antitrust violation if they did so independently and without collusive communications or agreements, but there will be a criminal violation if their actions did involve such communications and agreements. The basic issue of criminal intent thus would depend on inferences or actual proof with respect to the simultaneous price rise. Contrast this to a homicide or burglary, where there is usually no question as to whether a crime has been committed; the only question is who did it and whether there is available evidence competent and admissible in such measure as to prove guilt beyond a reasonable doubt.

To further illustrate this point, it would be helpful to examine other specific questions which are quite common in representative white-collar criminal cases:

(a) Section 5 of the Securities Act of 1933 makes it a felony to publicly offer securities for sale without filing a registration statement with the Securities and

Commission, unless the offering comes within some specific statutory exemption. A promoter (issuer) offers stock to 40 people and sells to 20, without registration. If this was a public offering he has committed a felony; if it is a private offering he has not. The line may be hard to draw, since the test may be whether the offerees were in a position to have had access to the kind of information which would have been disclosed in the course of a registration. S.E.C. release No. 5847 (Oct. 21, 1967).

(b) A homeowner borrows \$3,500 from a lending institution to add a room to his house, the loan being guaranteed by the FHA in reliance on his application stating the purpose for which the money is to be borrowed. Immediately on receipt of the loan proceeds, the borrower pays off business debts. If he falsely represented the purpose for which he applied for the loan, he violated 18 U.S.C. 1010, a felony. If he honestly stated his purpose but thereafter changed his mind there would be no federal criminal statute proscribing his conduct. Thus his guilt would have to be inferable from his circumstances and conduct, rather than simply from the fact that he misused the loan proceeds.

(c) A businessman short of operating capital increases his buying on credit from suppliers and, as soon as the merchandise arrives he sells it at a loss, using the proceeds to finance pressing business obligations, living expenses, and other undisclosed purposes. At this point he is exposed to prosecution under the Mail Fraud and Wire Fraud statutes for a scheme to buy with no intention to pay, and to prosecution for bankruptcy fraud for alleged concealment of assets, since the disposition of proceeds of sales is in part unexplained. His defense to the fraud charges is that he expected to pay for the merchandise because he always anticipated the business tide would turn momentarily, and that the missing assets were gambled away in a desperate effort to recoup when he knew the tide would not turn in time. The basic issue would not be what he did, but with what motive, since the facts as to the purchases and sales would be clear, and the defendant would at least have visited a race track and made a few bets, even if he were pocketing or secreting the missing funds.

(d) A corporate road contractor bills a public authority for 500 truck-loads of fill, but a subsequent survey shows that not more than 300 truck-loads of fill are actually in the roadbed. The corporate contractor defends on the ground that it was all a paperwork mistake, and that no responsible officer of his company knew about the false billing. The truckdrivers all filed delivery tickets, and there are 500 such tickets, with the 15 truck drivers having no recollection of filing false tickets. Whether a crime was committed depends on the proof of willful falsities which might, in turn, depend on such proof as finding evidence that the same corporate officer who filed the claim for 500 truck-loads actually purchased only 325 -- but even here he could claim that his right hand didn't know what his left hand was doing, still leaving the issue of criminal intent for the jury.

(e) A corporation issues a promotional blurb with respect to a new product development, which is deliberately misleading. As a consequence the common stock of the corporation rises in value, and later collapses with substantial losses to the investing public. Criminal culpability might well rest on the ability of the prosecutor to show that the corporate officer issuing the statement had its stock market impact in mind, or at least some specific motive to affect the price of the shares. If a jury believed that the corporate officer was only "puffing" the merchandise to increase sales, the same facts might only spell out deceptive practices which would be a predicate for cease and desist proceedings by the Federal Trade Commission.

A further complication with respect to proving criminal intent arises from the fact that most white-collar crimes arise in noncriminal contexts, and are often only illegal appendages attached to the otherwise proper execution of a previously legitimate role. Thus an insolvent businessman might commit bankruptcy fraud after months of fending off disaster in good faith, and the fraud would be executed by continuing a prior course of conduct but for a different purpose. A broker may have taken a heavy position in a stock, to the point where its further decline would spell disaster for him -- at which point a continuation of advice to clients to buy the stock might well be altered in character from a mistake in

judgment to a criminal manipulative and deceptive device in connection with the purchase of a security. (SEC Rule 10b-5, 17 C.R. 240.10b-5). Crimes of omission, such as the failure of a landlord to provide heat or repairs, would be classic instances of the equivocal contexts in which most white-collar crimes are committed.

The importance of intent, as contrasted with the facts of admitted occurrences or acts, places a premium, both for prosecution and for the defense, on eliciting every minute scrap of evidence which might be available. There is rarely a point for the prosecution when it has enough evidence for its prima facie case or for rebuttal of anticipated defenses. In major cases indictments therefore tend to become lengthy, with numerous counts, and some critics will make the point that major white-collar criminal cases tend to be "overtried." If this is so it stems from the well justified concern of the prosecutor that he has no way of knowing in advance what quantum of evidence will be sufficient. It must also be understood that in a major white-collar prosecution there may be no realistic limit to the evidence, since either the prosecutor or the defense might just as easily find and use 5,000 relevant documents as 50 relevant documents, in contrast to common crimes where the amount of relevant and admissible evidence is more circumscribed by the nature of the criminal acts involved.

When one examines the issues in such cases and the lack of natural boundaries with respect to the quantity of admissible and relevant evidence, it is possible to understand the potentials of delay in pretrial period, and the drawn out nature of the trials which follow. There are innumerable sub-issues quite properly the subject of extensive pretrial motions. Once the outlines of permissible discovery are drawn by the judge, weeks or months may be consumed in the arduous work of examining and considering documents which may be produced. These will, in turn, be a launching platform for further motion practice. Thus intricate and involved cases trigger maximum utilization of procedural potentials for further delay, and each step in the cycle energizes and justifies further steps. If a defense attorney deliberately exploits

this system to obtain delay, the effect on orderly prosecution can be deadly, especially if indulged by the courts or by the instinctive reluctance of overworked prosecutors to become involved in lengthy and time consuming cases.

SUPREME COURT OF THE UNITED STATES

Marion L. Holland and
Ethel E. Holland, Petitioners,

On Writ of Certiorari to
the United States Court
of Appeals for the Tenth
Circuit.

v.

United States of America

(December 6, 1954.)

Mr. Justice Clark delivered the opinion of the Court.

Petitioners, husband and wife, stand convicted under § 145 of the Internal Revenue Code ^{1/} of an attempt to evade and defeat their income taxes for the year 1948. The prosecution was based on the net worth method of proof, also in issue in three companion cases ^{2/} and a number of other decisions here from the Courts of Appeals of nine circuits. During the past two decades this Court has been asked to review an increasing number of criminal cases in which proof of tax evasion rested on this theory. We have denied certiorari because the cases involved only questions of evidence and, in isolation, presented no important questions of law. In 1943 the Court did have occasion to pass upon an application of the net worth theory where the taxpayer had no records. *United States v. Johnson*, 319 U.S. 503.

^{1/} 26 U.S.C. § 145. Penalties. "(b) Failure to collection and pay over tax, or attempt to defeat or evade tax. Any person required under this chapter to collect, account for, and pay over any tax imposed by this chapter, who willfully fails to collect or truthfully account for and pay over such tax, and any person who willfully attempts in any manner to evade or defeat any tax imposed by this chapter or the payment thereof, shall, in addition to other penalties provided by law, be guilty of a felony"

^{2/} *David Friedberg v. United States*, No. 18; *United States v. Edward B. Calderon*, No. 25; *Daniel Smith v. United States*, No. 52. Because of the extensive factual backgrounds they require, and the significant differences in the problems they present, the cases are treated in separate opinions.

In recent years, however, tax evasion convictions obtained under the net worth theory have come here with increasing frequency and left impressions beyond those of the previously unrelated petitions. We concluded that the method involved something more than the ordinary use of circumstantial evidence in the usual criminal case. Its bearing, therefore, on the safeguards traditionally provided in the administration of criminal justice called for a consideration of the entire theory. At our last Term a number of cases arising from the Courts of Appeals brought to our attention the serious doubts of those courts regarding the implications of the net worth method. Accordingly, we granted certiorari in these four cases and have held others to await their decision.

In a typical net worth prosecution the Government, having concluded that the taxpayer's records are inadequate as a basis for determining income tax liability, attempts to establish an "opening net worth" or total net value of the taxpayer's assets at the beginning of a given year. It then proves increases in the taxpayer's net worth for each succeeding year during the period under examination and calculates the difference between the adjusted net values of the taxpayer's assets at the beginning and end of each year involved. The taxpayer's nondeductible expenditures, including living expenses, are added to these increases, and if the resulting figure for any year is substantially greater than the taxable income reported by the taxpayer for that year, the Government claims the excess represents unreported taxable income. In addition, it asks the jury to infer willfulness from this understatement, when taken in connection with direct evidence of "conduct, the likely result of which would be to mislead or conceal." *Spies v. United States*, 317 U.S. 492, 499.

Before proceeding with a discussion of these cases, we believe it important to outline the general problems implicit in this type of litigation. In this consideration we assume, as we must in view of its widespread use, that the Government deems the net worth method useful in the enforcement of the criminal sanctions of our income tax laws. Nevertheless, careful study indicates that it is so fraught with danger for the innocent that the courts must closely scrutinize its use.

One basic assumption in establishing guilt by this method is that most assets derive from a taxable source, and that when this is not true the taxpayer is in a position to explain the discrepancy. The application of such an assumption raises serious legal problems in the administration of the criminal law. Unlike civil actions for the recovery of deficiencies, where the determinations of the Commissioner have prima facie validity, the prosecution must always prove the criminal charge beyond a reasonable doubt. This has led many of our courts to be disturbed by the use of the net worth method, particularly in its scope and the latitude which it allows prosecutors. E. g., *Demetree v. United States*, 207 F. 2d 892, 894 (1953); *United States v. Caserta*, 199 F. 2d 905, 907 (1952); *United States v. Fenwick*, 177 F. 2d 488.

But the net worth method has not grown up overnight. It was first utilized in such cases as *Capone v. United States*, 51 F. 2d 609 (1931) and *Guzik v. United States*, 54 F. 2d 618 (1932), to corroborate direct proof of specific unreported income. In *United States v. Johnson*, supra, this Court approved of its use to support the inference that the taxpayer, owner of a vast and elaborately concealed network of gambling houses upon which he declared no income, had indeed received unreported income in a "substantial amount." It was a potent weapon in establishing taxable income from undisclosed sources when all other efforts fails. Since the Johnson case, however, its horizons have been widened until now it is used in run-of-the-mine cases regardless of the amount of tax deficiency involved. In each of the four cases decided today the allegedly unreported income comes from the same disclosed sources as produced the taxpayer's reported income and in none is the tax deficiency anything like the deficiencies in Johnson, Capone or Guzik. The net worth method, it seems, has evolved from the final volley to the first shot in the Government's battle for revenue, and its use in the ordinary income-bracket cases greatly increases the chances for error. This leads us to point out the dangers that must be consciously kept in mind in order to assure adequate appraisal of the specific facts in individual cases.

1. Among the defenses often asserted is the taxpayer's claim that the net worth increase shown by the Government's statement is in reality not an increase at all because of the existence of substantial cash on hand at the starting point. This favorite defense asserts that the cache is made up of many years' savings which for various reasons were hidden and not expended until the prosecution period. Obviously, the Government has great difficulty in refuting such

a contention. However, taxpayers too encounter many obstacles in convincing the jury of the existence of such hoards. This is particularly so when the emergence of the hidden savings also uncovers a fraud on the taxpayer's creditors.

In this connection the taxpayer frequently gives "leads" to the Government agents indicating the specific sources from which his cash on hand has come, such as prior earnings, stock transactions, real estate profits, inheritances, gifts, etc. Sometime these "leads" point back to old transactions far removed from the prosecution period. Were the Government required to run down all such leads it would face grave investigative difficulties; still its failure to do so might jeopardize the position of the taxpayer.

2. As we have said, the method requires assumptions, among which is the equation of unexplained increases in net worth with unreported taxable income. Obviously such an assumption has many weaknesses. It may be that gifts, inheritances, loans and the like account for the newly acquired wealth. There is great danger that the jury may assume that once the Government has established the figures in its net worth computations, the crime of tax evasion automatically follows. The possibility of this increases where the jury, without guarding instructions, is allowed to take into the jury room the various charts summarizing the computations; bare figures have a way of acquiring an existence of their own, independent of the evidence which gave rise to them.

3. Although it may sound fair to say that the taxpayer can explain the "bulge" in his net worth, he may be entirely honest and yet unable to recount his financial history. In addition, such a rule would tend to shift to the burden of proof. Were the taxpayer compelled to come forward with evidence, he might risk lending support to the Government's case by showing loose business methods or losing the jury through his apparent evasiveness. Of course, in other criminal prosecutions juries may disbelieve and convict the innocent. But the courts must minimize this danger.

4. When there are no books and records, willfulness may be inferred by the jury from that fact coupled with proof of an understatement of income. But when the Government uses the net worth method, and the books and records of the taxpayer appear correct on their face, an inference of willfulness from net worth increases alone might be unjustified, especially where the circumstances surrounding the deficiency are as consistent with innocent mistake as with willful violation. On the other hand, the very failure of the books to disclose a proved deficiency might indicate deliberate falsification.

5. In many cases of this type the prosecution relies on the taxpayer's statements, made to revenue agents in the course of their investigation, to establish vital links in the Government's proof. But when a revenue agent confronts the taxpayer with an apparent deficiency, the latter may be more concerned with a quick settlement than an honest search for the truth. Moreover, the prosecution may pick and choose from the taxpayer's statement, relying on the favorable portion and throwing aside that which does not bolster its position. The problem of corroboration, dealt with in the companion cases of *Smith v. United States* and *United States v. Calderon*, therefore becomes crucial.

6. The statute defines the offense here involved by individual years. While the Government may be able to prove with reasonable accuracy an increase in net worth over a period of years, it often has great difficulty in relating that income sufficiently to any specific prosecution year. While a steadily increasing net worth may justify an inference of additional earnings, unless that increase can be reasonably allocated to the appropriate tax year the taxpayer may be convicted on counts of which he is innocent.

While we cannot say that these pitfalls inherent in the net worth method foreclose its use, they do require the exercise of great care and restraint. The complexity of the problem is such that it cannot be met merely by the application of general rules. Cf. *Universal Camera Corp. v. Labor Board*, 340 U. S. 474, 489. Trial courts should approach these cases in the full realization that the taxpayer may be ensnared in a system which, through difficult for the prosecution to utilize, is equally hard for the defendant to refute. Charges should be especially clear, including, in addition to the formal instructions, a summary of the nature of the net worth method, the assumptions on which it rests, and the inferences available both for and against the accused. Appellate courts should review the cases bearing constantly in mind the difficulties that arise when circumstantial evidence as to guilt is the chief weapon of a method that is itself only an approximation.

With these considerations as a guide we turn to the facts.

The indictment returned against the Hollands embraced three counts. The first two charges Marion L. Holland, the husband, with attempted evasion of his income tax for the years 1946 and 1947. He was found not guilty by the jury on both of these counts. The third count charged Holland and his wife with attempted evasion in 1948 of the tax on \$19,736.74 not reported by them in their joint return. The jury found both

of them guilty; Mrs. Holland was fined \$5,000, while her husband was sentenced to two years' imprisonment and fined \$10,000.

The Government's opening net worth computation shows defendants with a net worth of \$19,152.59 at the beginning of the indictment period. Shortly thereafter defendants purchased a hotel, bar and restaurant and began operating them as the Holland House. Within three years, during which they reported \$31,265.92 in taxable income, their apparent net worth increased by \$113,185.32.^{3/} The Government's evidence indicated that during 1948, the year for which defendants were convicted, their net worth increased by some \$32,000, while the amount of taxable income reported by them totaled less than one-third that sum.

USE OF NET WORTH METHOD WHERE BOOKS ARE APPARENTLY ADEQUATE

As we have previously noted, this is not the first net worth case to reach this Court. In *United States v. Johnson* supra, the Court affirmed a tax-evasion conviction on evidence showing that the taxpayer's expenditures had exceeded his "available declared resources." Since Johnson and his concealed establishments had destroyed the few records they had, the Government was forced to resort to the net worth method of proof. This Court approved on the ground that "to require more . . . would be tantamount to holding that skilful concealment is an invincible barrier to proof," supra, at 517-518. Petitioners ask that we restrict the Johnson case to situations where the taxpayer has kept no books. They claim that § 41 of the Internal Revenue Code,^{4/} expressly limiting the authority of the Government to deviate from the taxpayer's method of accounting, confined the net worth method to situations where the taxpayer has no books or where his books are inadequate. Despite some support for this view among the lower courts, see *United States v. Riganto*, 121 F. Supp. 158, 161, 162; *United States v. Williams*, 208 F. 2d 437, 437-438; *Remmer v. United States*, 205 F. 2d 277, 286, judgment vacated on other grounds, 347 U. S. 277,

^{3/} This is a corrected figure taking into account certain nontaxable income and nondeductible expenses of defendants.

^{4/} 26 U. S. C. "Part IV—Accounting Periods and Methods of Accounting. § 41. General Rule.

"The Net income shall be computed upon the basis of the taxpayer's annual accounting period (fiscal year or calendar year, as the case may be) in accordance with the method of accounting regularly employed in keeping the books of such taxpayer;"

taxpayer," refers to methods such as the cash receipts or the accrual method, which allocate income and expenses between years. *United States v. American Can Co.*, 280 U. S. 412, 419. The net worth technique, as used in this case, is not a method of accounting different from the one employed by defendants. It is not a method of accounting at all, except insofar as it calls upon taxpayers to account for their unexplained income. Petitioners' accounting system was appropriate for their business purposes; and, admittedly, the Government did not detect any specific false entries therein. Nevertheless, if we believe the Government's evidence, as the jury did, we must conclude that the defendants' books were more consistent than truthful, and that many items of income had disappeared before they had even reached the recording stage. Certainly Congress never intended to make § 41 a set of blinders which prevents the Government from looking beyond the self-serving declarations in a taxpayer's books. "The United States has relied for the collection of income tax largely upon the taxpayer's own disclosures. . . . This system can function successfully only if those within and near taxable income keep and render true accounts." *Spies v. United States*, supra, 495. To protect the revenue from those who do not "render true accounts," the Government must be free to use all legal evidence available to it in determining whether the story told by the taxpayer's books accurately reflects his financial history.

ESTABLISHING A DEFINITE OPENING NET WORTH.

We agree with petitioner that an essential condition in cases of this type is the establishment, with reasonable certainty, of an opening net worth, to serve as a starting point from which to calculate future increases in the taxpayer's assets. The importance of accuracy in this figure is immediately apparent, as the correctness of the result depends entirely upon the inclusion in this sum of all assets on hand at the outset. The Government's net worth statement included as assets at the starting point stock costing \$29,650 and \$2,153.09 in cash. ^{5/} The Hollands claim that the Government failed to include in its opening net worth figure an accumulation of \$113,000 in currency and "hundreds and possibly thousands of shares of stock" which they owned at the beginning of the prosecution period. They asserted that the cash had been accumulated prior to the opening date, \$104,000 of it before 1933, and the balance between 1933 and 1945. They had kept the money, they claimed, mostly in \$100 bills and at various times in a canvas bag, a suitcase, and a metal box. They had never dipped into it until 1946, when it became the source of the apparent increase in wealth, which the Government later found in the form of

^{5/} As of this time petitioners' liabilities were listed as \$12,650.50

a home, a ranch, a hotel and other properties. This was the main issue presented to the jury. The Government did not introduce any direct evidence to dispute this claim. Rather it relied on the inference that anyone who had had \$104,000 in cash would not have undergone the hardship and privation endured by the Hollands all during the late 20's and throughout the 30's. During this period they lost their cafe business; accumulated \$35,000 in debts which were never paid; lost their household furniture because of an unpaid balance of \$92.20; suffered a default judgment for \$506.66; and were forced to separate for some eight years because it was to their "economical advantage." During the latter part of this period, Mrs. Holland was obliged to support herself and their son by working at a motion picture house in Denver while her husband was in Wyoming. The evidence further indicated that improvements to the hotel, and other assets acquired during the prosecution years, were bought in installments and with bills of small denominations, as if out of earnings rather than from an accumulation of \$100 bills. The Government also negated the possibility of petitioner's accumulating such a sum by checking Mr. Holland's income tax returns as far back as 1913, showing that the income declared in previous years was insufficient to enable defendants to save any appreciable amount of money. The jury resolved this question of the existence of a cache of cash against the Hollands, and we believe the verdict was fully supported.

As to the stock, Mr. Holland began dabbling in the stock market in a small way in 1937 and 1938. His purchases appear to have been negligible and on borrowed money. His only reported income from stocks was in his tax returns for 1944 and 1945 when he disclosed dividends of \$1,600 and \$1,850 respectively. While the record is unclear on this point, it appears that during the period from 1942 to 1945 he pledged considerable stock as collateral for loans. There is no evidence, however, showing what portions of this stock Mr. Holland actually owned at any one time, since he was trading in shares from day to day. And even if we assume that he owned all the stock, some 4,550 shares, there is evidence that Mr. Holland's stock transactions were usually in "stock selling for only a few dollars per share." In this light, the Government's figure of approximately \$30,000 is not out of line. In 1946 Holland reported the sale of about \$50,000 in stock, but no receipt of dividends; nor were dividends reported in subsequent years. It is reasonable to assume that he sold all of his stock in 1946. In fact, Holland stated to the revenue agents that he had not "fooled with the stock market" since the beginning of 1946; that he

had not owned any stock for two or three years prior to 1949; that he had saved about \$50,000 from 1933 to 1946, and that in 1946 he had \$9,000 in cash with the balance of his savings in stocks. 6/ The Government's evidence, bolstered by the admissions of petitioners, provided convincing proof that they had no stock other than the amount included in the opening net worth statement. By the same token, the petitioners' argument that the Government failed to account for the proceeds of stock sold by them before the starting date must also fail. The Government's evidence fully justified the jury's conclusion that there were no proceeds over and above the amount credited to petitioners.

THE GOVERNMENT'S INVESTIGATION OF LEADS.

So overwhelming, indeed, was the Government's proof on the issue of cash on hand that the Government agents did not bother to check petitioners' story that some of the cash represented proceeds from the sales of two cafes in the 20's; and that in 1933 an additional portion of this \$113,000 in currency was obtained by exchanging some \$12,000 in gold at a named bank. While sound administration of the criminal law requires that the net worth approach—a powerful method of proving otherwise undetectable offenses—should not be denied the Government, its failure to investigate leads furnished by the taxpayer might result in serious injustice. It is, of course, not for us to prescribe investigative procedures, 7/ but it is within the province of the courts to pass upon the sufficiency of the evidence to convict. When the Government rests its case solely on the approximations and circumstantial inferences of a net worth computation, the cogency of its proof depends upon its effective negation of reasonable explanations by the taxpayer

6/ "Q. In other words, to summarize this whole thing: you had a net worth of \$157,000 at January 1, 1946, which consisted of \$104,000 which you had since Dec. 22, 1933, and the balance of \$9,000 in currency, and your investment in securities—or the value of your securities.

"A. Yes." (R.303.)

7/ This Court will formulate rules of evidence and procedure to be applied in federal prosecutions where it appears necessary to maintain "proper standards for the enforcement of the federal criminal law in the federal courts." *McNabb v. United States*, 318 U. S. 332, 341.

inconsistent with guilt. Such refutation might fail when the Government does not track down relevant leads furnished by the taxpayer—leads reasonably susceptible of being checked, which, if true, would establish the taxpayer's innocence. When the Government fails to show an investigation into the validity of such leads, the trial judge may consider them as true and the Government's case insufficient to go to the jury. This should aid in forestalling unjust prosecutions, and have the practical advantage of eliminating the dilemma, especially serious in this type of case, of the accused's being forced by the risk of an adverse verdict to come forward to substantiate leads which he had previously furnished the Government. It is a procedure entirely consistent with the position long espoused by the Government, that its duty is not to convict but to see that justice is done.

In this case the Government's detailed investigation was a complete answer to the petitioners' explanations. Admitting that in cases of this kind it "would be desirable to track to its conclusion every conceivable line of inquiry," the Government centered its inquiry on the explanations of the Hollands and entered upon a detailed investigation of their lives covering several states and over a score of years. The jury could have believed that Mr. Holland had received moneys from the sale of cafes in the twenties and that he had turned in gold in 1933 and still it could reasonably have concluded that the Hollands lacked the claimed cache of currency in 1946, the crucial year. Even if these leads were assumed to be true, the Government's evidence was sufficient to convict. The distant incidents relied on by petitioners were so remote in time and in their connection with subsequent events proved by the Government that, whatever petitioners' worth in 1933, it appears by convincing evidence that on January 1, 1946, they had only such assets as the Government credited to them in its opening net worth statement.

NET WORTH INCREASES MUST BE ATTRIBUTABLE TO TAXABLE INCOME

Also requisite to the use of the net worth method is evidence supporting the inference that the defendant's net worth increases are attributable to currently taxable income.

The Government introduced evidence tending to show that although the business of the hotel apparently increased during the years in question, the reported profits fell to approximately one quarter of the amount declared by the

previous management in a comparable period; 8/ that the cash register tapes, on which the books were based, were destroyed by the petitioners; and that the books did not reflect the receipt of money later withdrawn from the hotel's cash register for the personal living expenses of the petitioners and for payments made for restaurant supplies. The unrecorded items in this latter category totaled over \$12,500 for 1948. Thus there was ample evidence that not all the income from the hotel had been included in its books and records. In fact, the net worth increase claimed by the Government for 1948 could have come entirely from the unreported income of the hotel and still the hotel's total earnings for the year would have been only 73% of the reported by the previous owner for the comparable period in 1945.

But petitioners claim the Government failed to adduce adequate proof because it did not negative all the possible nontaxable sources of the alleged net worth increases—gifts, loans, inheritances, etc. We cannot agree. The Government's proof, in our view, carried with it the negations the petitioners urge. Increases in net worth, standing alone, cannot be assumed to be attributable to currently taxable income. But proof of a likely source, from which the jury could reasonably find that the net worth increases sprang, is sufficient. In the Johnson case, where there was no direct evidence of the source of the taxpayer's income, this Court's conclusion that the taxpayer "had large, unreported income . . . was reinforced by proof . . . that (for certain years his) private expenditures . . . exceeded his available declared resources." This was sufficient to support "the finding that he had some unreported income which was properly attributable to his earnings . . ." United States v. Johnson, supra, at 517. There the taxpayer was the owner of an undisclosed business capable of producing taxable income; here the disclosed business of the petitioners was proven to be capable of producing much more income than was reported and in a quantity sufficient to account for the net worth increases. Any other rule would burden the Government with investigating the many possible nontaxable sources of income, each of which is as unlikely as it is difficult to disprove. This is not to say that the Government may disregard explanations of the defendant reasonably

8/ The record indicates that the income of the hotel as reported for 1946 was approximately 12 1/2% of that reported by the previous owner in 1945; in 1947 the ratio was 12%; and in 1948 it was 26%.

susceptible of being checked. But where relevant leads are not forthcoming, the Government is not required to negate every possible source of nontaxable income, a matter peculiarly within the knowledge of the defendant. See *Rossi v. United States*, 289 U. S. 89, 91-92.

THE BURDEN OF PROOF REMAINS ON THE GOVERNMENT.

Nor does this rule shift the burden of proof. The Government must still prove every element of the offense beyond a reasonable doubt though not to a mathematical certainty. The settled standards of the criminal law are applicable to net worth cases just as to prosecutions for other crimes. Once the Government has established its case, the defendant remains quiet at his peril. Cf. *Yee Hem v. United States*, 268 U. S. 178, 185. The practical disadvantages to the taxpayer are lessened by the pressures on the Government to check and negate relevant leads.

WILLFULNESS MUST BE PRESENT.

A final element necessary for conviction is willfulness. The petitioners contend that willfulness "involves a specific intent which must be proven by independent evidence and which cannot be inferred from the mere understatement of income." This is a fair statement of the rule. Here, however, there was evidence of a consistent pattern of underreporting large amounts of income, and of the failure on petitioners' part to include all of their income in their books and records. Since, on proper submission, the jury could have found that these acts supported an inference of willfulness, their verdict must stand. *Spies v. United States*, supra, at 499-500.

THE CHARGE TO THE JURY.

Petitioners press upon us, finally, the contention that the instructions of the trial court were so erroneous and misleading as to constitute grounds for reversal. We have carefully reviewed the instructions and cannot agree. But some require comment. The petitioners assail that refusal of the trial judge to instruct that "where the Government's evidence is circumstantial it must be such as to exclude every reasonable hypothesis other than that of guilt." There is some support for this type of instruction in the lower court decisions, *Garst v. United States*, 180 F. 339, 343; *Anderson v. United States*, 30 F. 2d 485-487; *Stutz v. United States*, 47 F. 2d 1029, 1030; *Hanson v. United States*, 208 F. 2d 914, 916, but the better rule is that where the jury is properly instructed on the standards for reasonable doubt, such an additional instruction on circumstantial evidence

is confusing and incorrect, *United States v. Austin Bagley Corp.*, 31 F. 2d 229, 234, cert. denied, 279 U. S. 863; *United States v. Becker*, 62 F. 2d 1007, 1010; 1 *Wigmore, Evidence* (3d ed.) § § 25-26.

Circumstantial evidence in this respect is intrinsically no different from testimonial evidence. Admittedly, circumstantial evidence may in some cases point to a wholly incorrect result. Yet this is equally true of testimonial evidence. In both instances, a jury is asked to weigh the chances of the evidence is correctly pointing to guilt against the possibility of inaccuracy or ambiguous inference. In both, the jury must use its experience with people and events in weighing the probabilities. If the jury is convinced beyond a reasonable doubt, we can require no more.

Even more insistent is the petitioners' attack, not made below, on the charge of the trial judge as to reasonable doubt. He defined it as "the kind of doubt... which you folks in the more serious and important affairs of your own lives might be willing to act upon." We think this section of the charge should have been in terms of the kind of doubt that would make a person hesitate to act, see *Bishop v. United States*, 107 F. 2d 297, 303, rather than the kind on which he would be willing to act. But we believe that the instruction as given was not of the type that could mislead the jury into finding no reasonable doubt when in fact there was some. A definition of a doubt as something the jury would act upon would seem to create confusion rather than misapprehension. "Attempts to explain the term 'reasonable doubt' do not usually result in making it any clearer to the minds of the jury," *Miles v. United States*, 103 U.S. 304, 312, and we feel that taken as a whole the instructions correctly conveyed the concept of reasonable doubt to the jury.

Petitioners also assign as error the refusal of the trial judge to give instructions on the wording of the criminal statute under which they were indicted, even though the judge fully and correctly instructed the jury on every element of the crime. The impossibility of pointing to any way in which defendants' rights were prejudiced by this assuming it were error, is enough to indicate that the trial judge was correct, see *United States v. Center Veal and Beef Co.*, 162 F. 2d 766, 771. There is here no question of the jury's duty to apply the law to the facts. That operation implies the application of a general standard to the specific physical facts as found by the jury. The meanings of standards such as willfulness were properly explained by the trial judge

in no greater particularity than necessary, and thus the jury's function was not invaded.

In the light of these considerations the judgment is
Affirmed.

testifying to a negative fact: he had not included cash because he had found no evidence of cash. The evidence which he then summarized on redirect was only that which had already been introduced at the trial. It is difficult to see how he invaded the province of the jury; nor do we see how petitioner's question could have been answered otherwise.

Finally, error is asserted in the trial judge's final instruction to the jury, which was given some three to four hours after it had begun its deliberations. Petitioner contends that the instruction called upon the jury to compromise the issues. ^{2/} It may be that "compromise" in its literal sense, if used alone, would leave improper connotations. Though its use here was unfortunate, we do not think it misled the jury. We note that no objection was made to any of the instructions, nor was any of petitioner's oral argument devoted to them a week later on motion for a new trial. This is persuasive evidence that he did not originally consider this section of the charge prejudicial, and since the remaining instructions were fair and negated any inference that a compromise verdict was permissible, we are inclined to agree. In the face of this record, we can hardly conclude that this error is sufficient ground for reversal.

Affirmed.

^{2/} The instruction was:

"The court will stand in recess until one-thirty. The Court may say to the jury at this time that I want you to make an honest and sincere effort to reach an agreement as to the merits of this case. I do not want you to shirk your duty. I want you to be fair to the Government, the United States, and the defendant. Nevertheless, this case has taken many days to try, and I hope you will make a sincere effort to compromise and adjust your differences and reach a verdict, if possible."

ORGANIZED CRIME LAW ENFORCEMENT
TRAINING CONFERENCE

INSTRUCTOR'S GUIDE

WORKSHOP

TOPIC III: Intelligence and Evidence Collection Techniques

SEGMENT D: Financial and Documentary Analysis

TIME: Wednesday, 1:00-4:30

1. Objectives

The participant is expected to develop a net worth statement on a bartender suspected of selling \$25,000 of narcotics.

2. Issues

1. What financial records does a local investigator have access to?
2. Will a net worth investigating approach aid in fighting organized crime?
3. Can better planned prosecutions result?
4. Does the net worth approach represent an effective use of personnel, funds, and resources?

3. Approach

Utilizing a case approach, the instructor is to introduce the participants to the various financial records available to local investigators, how to extract data from these records, and how to compile all this data in the form of a net worth statement.

SAFE DEPOSIT CO. INC. CAT. NO. 1-3220-2

RENTAL BILLING DATE No. 6 Day 15 Rate 6-15-68 10.50

Test Name Suspect, A. First Name Initial

SIGNATURE *A. Suspect* Address 1000 Main St., Springfield, Va.

WIRE HEIGHT 180 EYES Blue HAIR Brown BIRTH DATE 6-15-37 BIRTHPLACE Springfield, Va. MOTHER'S MAIDEN NAME Amy Jones

SIGNATURE N/A Business and Address

Passport (Both Signatures)

Approved *J. Doe* J. Doe, Asst. Cashier

SAFETY NO. 101

None

REMINGTON RAND - 11 DIVISION OF SPERRY RAND CORPORATION

REMINGTON RAND - 11 DIVISION OF SPERRY RAND CORPORATION

SPECIMEN

BOX NO. 101

ADJUT: A. Suspect

MEMBER A. Suspect

DATE OF ENTRANCE	SIGNATURE OF MEMBER	TIME	INITIALS OF ATTENDANT	REMARKS
6-15-70	<i>A. Suspect</i>	10:30	<i>A.S.</i>	<i>New acct</i>
9-17-70	<i>A. Suspect</i>	11:30	<i>A.S.</i>	
1-8-71	<i>A. Suspect</i>	10:50	<i>A.S.</i>	
4-7-71	<i>A. Suspect</i>	11:45	<i>A.S.</i>	
6-3-71	<i>A. Suspect</i>	12:10	<i>A.S.</i>	
6-16-71	<i>A. Suspect</i>	1:20	<i>A.S.</i>	

SPECIMEN

2

SAFE DEPOSIT BOX ENTRANCE RECORD (Over)

57

No. 125

SPECIMEN

June 18, 19 ~~71~~

68-750
514

PAY TO THE ORDER OF Cash

\$ 25,000.00

Twenty-five thousand and no/100

DOLLARS

THE NORTHERN VIRGINIA BANK
SPRINGFIELD, VA.

A. S. ect

⑆0514⑆0750⑆ 123 456 7
⑈000 000⑈0⑈

002500000

THE NORTHERN VIRGINIA BANK
ABA 68-750
June 18, 1969

SPECIMEN

53



THE NORTHERN VIRGINIA BANK

68-750
514

68-750

SPRINGFIELD, VIRGINIA June 19, 1971 No. 35605

PAY TO THE
ORDER OF CASH

SPECIMEN

\$ 10,000.00

CASHIER'S CHECK

B. Smith, Jr.

B. Smith, Jr., Cashier

AUTHORIZED SIGNATURE

00514 0750 009 647 011A

FOR DEPOSIT ONLY
in The National Bank
of Washington
Bache and Co.

The National Bank of
Washington
ABA 15-7

JUN 23 PAID

The Northern Virginia
Bank
ABA 68-750

JUN 24 PAID

SPECIMEN

689



THE NORTHERN VIRGINIA BANK

68-750

SPRINGFIELD, VIRGINIA

June 19, 1971

No. 35606

PAY TO THE ORDER OF

CASH

\$ 10,000.00

SPECIMEN

CASHER'S CHECK

B. Smith, Jr.
Smith, Jr., Cashier

AUTHORIZED SIGNATURE

⑈051110750⑈ J09 697⑈01⑈

78

SPECIMEN

FOR DEPOSIT ONLY
in The National Bank of
Washington
Bache and Co.

The National Bank of
Washington
ABA 15-7

JUN 25 PAID

The Northern Virginia
Bank
ABA 68-750

JUN 26 PAID



THE NORTHERN VIRGINIA BANK

68-750
514

68-750

SPRINGFIELD, VIRGINIA June 19, 1971 No1 35608

PAID TO THE
ORDER OF

CASH

SPECIMEN

\$ 5,000.00

CASHIER'S CHECK

B. Smith, Jr.

B. Smith, Jr., Cashier

AUTHORIZED SIGNATURE

⑆0564⑉075⑆

JO9 697⑉0⑆

FOR DEPOSIT ONLY
in The National Bank of
Washington
Bache and Co.

The National Bank of
Washington
ABA 15-7
JUN 27 PAID

The Northern Virginia
Bank
ABA 68-750

JUN 30 PAID

SPECIMEN

88

CONTINUED

2 OF 5

September 30, 1971

A. Suspect
1000 Main Street
Springfield, Virginia

YOUR ACCOUNT NUMBER
247630

STATEMENT OF YOUR SECURITY ACCOUNT
WITH

BACHE & CO.
Founded 1879

MEMBERS NEW YORK STOCK EXCHANGE AMERICAN STOCK EXCHANGE
TORONTO STOCK EXCHANGE AND OTHER LEADING STOCK AND COMMODITY EXCHANGES
36 WALL ST. • NEW YORK 5, N. Y.

10 SPECIMEN

KINDLY MENTION YOUR
ACCOUNT NUMBER WHEN
REFERRING TO THIS
STATEMENT OR OTHER
TRANSACTIONS.

DATE	QUANTITY BOUGHT OR RECEIVED	QUANTITY SOLD OR DELIVERED	DESCRIPTION	PRICE OR SYMBOL	AMOUNT DEBITED (CHARGED) TO YOUR ACCOUNT	AMOUNT CREDITED TO YOUR ACCOUNT	BALANCE (BY TYPE OF ACCOUNT)
8-19			Check			10,000.00	10,000.00
8-19	100		ABC Corp.	100	10,000.00		-0-
8-20			Check			10,000.00	10,000.00
8-20	100		ABC Corp.	100	10,000.00		-0-
8-23			Check			5,000.00	5,000.00
8-23	200		DEF Corp.	25	5,000.00		-0-
8-15			ABC Corp. Div Rec'd 200 shares @ \$1.00			200.00	200.00
8-20			DEF Corp. Div Rec'd 200 shares @ \$0.25			50.00	250.00

KINDLY DIRECT INQUIRIES CONCERNING THIS STATEMENT TO THE BACHE OFFICE WHICH SERVICES YOUR ACCOUNT, SEE REVERSE SIDE FOR ADDRESS AND TELEPHONE NUMBER.

LEDGER

FOR DESCRIPTION OF TYPE OF ACCOUNT AND EXPLANATION OF SYMBOLS USED, SEE REVERSE SIDE.

Branch	Account Number	Code	SAVINGS ACCOUNT	THE RIGGS NATIONAL BANK OF WASHINGTON, D.C.
7	SA-7-12547			

A. Suspect

The undersigned hereby agree to the conditions printed on the reverse side of card.

SIGNATURE		Home Phone 411-3564	
Mr. Mrs. Miss		Work Phone 249-1939	
Mailing Address			Zip Code
1000 Main Street, Springfield, Virginia			22151
Where Employed and Position		Citizenship	
"Win. Place, 2 Shaw", Fairfax, Va. - Bartender		American	
Date of Birth	Place of Birth	Mother's Maiden Name (For I.D. Purposes)	Social Security No.
5/21/34	Herndon, Va.	Amy Brown	211-17-3941
SIGNATURE		Phone	
Mr. Mrs. Miss			
Mailing Address		Zip Code	Where Employed and Position
Date of Birth	Place of Birth	Mother's Maiden Name (For I.D. Purposes)	Social Security No.
Previous or Other Bank Accounts—Account No. if Known			
Date Opened	Amount Opened	Introduced by	Approved by
SIGNATURE FOR BANK REFERENCE			

THE RIGGS NATIONAL BANK
OF WASHINGTON, D. C.

STATEMENT OF SAVINGS
PLEASE READ INSTRUCTIONS
ON BACK

A. SUSPECT
1000 MAIN STREET
SPRINGFIELD, VIRGINIA 22151

DATE	DEPOSITS	WITHDRAWALS	BALANCE
10-1-70			\$ 4,550.00
11-1-70	\$ 400.00		\$ 4,950.00
12-31-70	INT. \$ 50.00*		\$ 5,000.00
		BALANCE FORWARD	
			\$ 5,000.00

ACCT. NO. SA7-12547 SOC. SEC. NO. 211-17-3941 CLOSE OF BUSINESS 12-31-70

INTEREST - YEAR TO DATE \$ 185.00 INTEREST PAID THIS QTR. \$ 50.00 CREDIT BALANCE \$ 5,000.00

AGREEMENT AND POWER OF ATTORNEY

The depositor agrees with The Riggs National Bank of Washington, D.C., that the Bank in receiving items for deposit or collection acts only as depositor's collecting agent and assumes no responsibility beyond due care; that all items are credited subject to final payment to the Bank at its own office in cash or solvent credits; that the Bank will use due diligence in the selection of collecting agents, but will not be liable in case of their failure or negligence, or for losses in transit; that each correspondent so selected shall not be liable except for its own negligence; that the Bank or collecting agents may send items, directly or indirectly, to any bank, including the drawee or payor, may accept check, draft or credit as conditional payment in lieu of cash, and shall not be liable for dishonor of checks or drafts or for reversal of credits so received in payment nor for losses thereon; that items and their proceeds may be handled by any Federal Reserve bank in accordance with applicable Federal Reserve rules, and by this Bank or any correspondent, in accordance with any common bank usage, with any practice or procedure that a Federal Reserve bank may use or permit another bank to use, or with any other lawful means. That the Bank may charge back any item at any time before actual final payment, whether returned or not, and may also charge back any item drawn on the Bank if, within the Bank's normal handling period for such item, it is determined by the Bank that the item is not to be honored against the drawer's account; that in collecting bonds or coupons the Bank may charge back amount of income tax, if any; and that this account is subject to all laws and regulations of the United States and of the District of Columbia now or hereafter in force.

SAVINGS ACCOUNT. The rules and regulations furnished me by the Bank have been particularly called to my attention, and are known to and understood by me. I assent and subscribe to these rules and regulations, and agree to be bound thereby, and by any additions or changes therein hereafter duly made. It is also agreed that there will be a reasonable service charge on each account opened and not remaining a sufficient length of time to reimburse the Bank for the cost of servicing the account, stationery, etc., and on accounts with balances less than \$50.00 which have been inactive for three years or more.

JOINT ACCOUNT. We, the depositors signing this card on the reverse side, do hereby agree, each with the other, and with The Riggs National Bank of Washington, D.C., that all sums now on deposit or hereafter deposited in our account with the said Bank, shall be owned by us jointly with the right of survivorship and not as tenants in common, and shall be payable to either of us, or to the survivor; and that each of the undersigned appoints the other and/or the Bank as attorney-in-fact to indorse any and all checks, drafts, or other items payable to the order of either or both of us; and that said Bank is authorized to receive for deposit in said joint account any and all such items so indorsed, and also such other funds as may be paid said bank for account of either or both of us. Should said account be closed at any time or times by withdrawal of the balance to the credit thereof, and later re-opened by either or both, such re-opened account or accounts shall be subject to all the terms and conditions of this agreement.

The **FIDELITY** NATIONAL BANK
 of WASHINGTON, D. C.

STATEMENT OF SAVINGS

PLEASE READ INSTRUCTIONS
 ON BACK

*A. SUSPECT
 1000 MAIN STREET
 SPRING-FIELD, VIRGINIA 22151*

ACCT. NO.	SOC. SEC. NO.	CLOSE OF BUSINESS				
<i>SA7-12547</i>	<i>211-17-3941</i>	<i>12-31-71</i>	DATE	DEPOSITS	WITHDRAWALS	BALANCE
			<i>10-1-71</i>		BALANCE FORWARD	<i>\$ 8,000.00</i>
			<i>11-15-71</i>	<i>\$ 375.00</i>		<i>\$ 8,375.00</i>
			<i>12-31-71</i>	<i>INT. \$ 125.00</i>		<i>\$ 8,500.00</i>

MOORE BUSINESS FORMS, INC.

F 1161
 (REV. 2-69)

INTEREST - YEAR TO DATE <i>\$ 375.00</i>	INTEREST PAID THIS QTR. <i>\$ 125.00</i>	CURRENT BALANCE <i>\$ 8,500.00</i>
---	---	---------------------------------------



SOLD TO A. Suspect

ADDRESS 1000 Main Street
Springfield, Virginia

MAKE	MODEL	NEW OR USED	CHASSIS NO.	ENGINE NO.
Buick	Super 90	New	AU717042	SU464107

SALESMAN _____ KEY NOS. _____

INSURANCE COVERAGE INCLUDES
 FIRE & THEFT PUBLIC LIABILITY - AMT.
 COLLISION - AMT. DEDUCTIBLE PROPERTY DAMAGE - AMT.

GROUP	DESCRIPTION	PRICE
<p>* 12/15/65 - Paid on Delivery</p> <p>A. Customer's Personal Check \$1,000.00</p> <p>B. Riggs National Bank 3,500.00</p> <p><u>\$4,500.00</u></p>		

TRAINING SPECIMEN

NO LIABILITY INSURANCE INCLUDED

USED CAR TRADED

YEAR	MAKE	MODEL	CHASSIS NO.	ENGINE NO.

Color Blue

DATE		INVOICE NO.		STOCK NO. KEY	
12/4/67		N9		I	
CAR SALES - SOURCE					
10	12	20	DESCRIPTION	COST	KEY ACC'T NO. SALE KEY
			NEW AUDI-SUPER 90		C 4 1 1 1 1 1 4779 00
			NEW AUDI-SUPER 90 WAGON		C 4 1 1 1 1 1
			NEW AUDI 100LS		C 4 1 1 1 1 1
			NEW PORSCHE 911		C 4 1 1 1 1 1 5
P			NEW PORSCHE 914/4		C 4 1 1 1 1 1 1
R			NEW PORSCHE 914/6		C 4 1 1 1 1 1 1
I					C 4 1 1 1 1 1
C					C 4 1 1 1 1 1
E			DEMONSTRATOR		C 4 1 1 1 1 1 7 1
			NEW UNITS - OTHER MAKES		C 4 1 1 1 1 1
O			DEALER INSTALLED ACCESS.		C 4 1 1 1 1 1
F					C 4 1 1 1 1 1
			OVERALLOWANCE/DISCOUNT		C 4 1 1 1 1 1
C					C 4 1 1 1 1 1
A			USED OTHER RETAIL		C 4 1 1 1 1 1
R			USED WHOLESALE		C 4 1 1 1 1 1
					C 4 1 1 1 1 1
			INVENTORY-NEW VEHICLE		C 4 1 1 1 1 1
CAR DEAL NO.					
LICENSE FEES				24	21 00
SALES TAX				24	200 00
TOTAL CASH PRICE					5000 00
FINANCING					
INSURANCE					
TOTAL TIME PRICE					
S			DEPOSIT	24	500 00
E			CASH ON DELIVERY *	13	4500 00
T			VEHICLE ACCOUNTS RECEIVABLE	13	02
I			USED CAR ALLOWANCE		
M			PAYMENTS		
E			MONTHS		
N			DOLLARS		
T			PER MONTH		
TOTAL					5000 00
LIEN PAY-OFF				22	01
CONTRACTS IN TRANSIT				12	02
LABOR PORTION - DLR. INST. ACCESSORIES				51	02
COST OF SALES-USED PORSCHE-AUDI				52	01
COST OF SALES-USED OTHER MAKES				52	01
LABOR-DLR. INST. ACCESSORIES				51	04
USED VEHICLE-PORSCHE-AUDI RECONDITIONING				52	03
OTHER MAKES RECONDITIONING				52	03
VALUE OF TRADE				14	12
STOCK NO.					

FORM VW-A 22-99-10000

The RIGGS NATIONAL BANK
of WASHINGTON, D. C.

15-3
540

Washington, D.C. DECEMBER 29, 1969 No 008181

Pay to the order of Capital Furniture, Inc.

\$5,000.00

FIVE THOUSAND AND -00/100 HUNDREDS - Dollars

M/R. Carney Smith, Cashier

CASHIER'S CHECK

VOID

AUTHORIZED SIGNATURE

⑈008180⑈ ⑆0540⑈0003⑆ 01⑈09220093⑈

DECEMBER 29, 1969 No 008181

FIVE THOUSAND AND -00/100 HUNDREDS

M/R. Carney Smith, Cashier

CASHIER'S CHECK

VOID

GENERAL LEDGER CHECK PAYMENT REGISTER

⑈008181⑈ ⑆0540⑈0003⑆ 01⑈09220093⑈

PURCHASER

A. Suspect (1000 Main Street, Springfield, VA)

The RIGGS NATIONAL BANK
of WASHINGTON, D. C.

15-3
540

Washington, D.C. MAY 23, 1970 No 008180

Pay to the order of Peerless Jewellers

\$5,000.00

FIVE THOUSAND AND -00/100 HUNDREDS - Dollars

M/R. Carney Smith, Cashier

CASHIER'S CHECK

VOID

AUTHORIZED SIGNATURE

⑈008180⑈ ⑆0540⑈0003⑆ 01⑈09220093⑈

MAY 23, 1970 No 008180

FIVE THOUSAND AND -00/100 HUNDREDS

M/R. Carney Smith, Cashier

CASHIER'S CHECK

VOID

GENERAL LEDGER CHECK PAYMENT REGISTER

⑈008181⑈ ⑆0540⑈0003⑆ 01⑈09220093⑈

PURCHASER

A. Suspect (1000 MAIN ST., SPRINGFIELD, VA.)

CAPITAL FURRIERS, INC.
 124 BROAD STREET
 VIENNA, VIRGINIA 22180

Sold to: A. SUSPECT
 Address 1000 MAIN STREET
~~VIENNA~~ SPRINGFIELD
 City & State VIRGINIA
 Zip Code 22151

Order No. 11224
 Date 12/10/69
 Cash _____
 Charge ✓
 Date Satisfied 12/30/69
 * ~~CUSTOMER'S PERSONAL CHECK~~
 CASHIER'S CHECK

Send to: JOYCE SUSPECT, SAME ADDRESS AS ABOVE

Qty.	Id. No.	Description	Unit Cost	Total
1	24	BLACK MINK COAT, SATIN LINED, SIZE 34.	\$5,000 00	\$5,000 00

Customer's Signature, if Charge 12/ A. Suspect
 Approved 11/ Joseph L. White, Manager

PEERLESS JEWELERS
 701 PENN AVENUE
 ALEXANDRIA, VIRGINIA 22304

Sold to: A. SUSPECT
 Address 1000 MAIN STREET
 City & State SPRINGFIELD, VIRGINIA
 Zip Code 22151

Order No. 7180
 Date 5/24/70
 Cash ✓
 Charge _____
 Date Satisfied _____
 * ~~CUSTOMER'S PERSONAL CHECK~~
 CASHIER'S CHECK. 15-3

Send to: _____

Qty.	Id. No.	Description	Unit Cost	Total
1		MAN'S DIAMOND RING, 2 1/2 CARATS, 18 POINTS "SOUTHERN STAR" CUT, IN WHITE GOLD SETTING	\$5,000 00	\$5,000 00

Customer's Signature, if Charge _____
 Approved _____

THIS DEED,

made and entered into this 26th day of November, 1964, between John L. Smith and Mary D. Smith, his wife, parties of the first part; and A. Suspect and Joyce Suspect, his wife, tenants by the entirety, parties of the second part,

WITNESSETH,

that for and in consideration of the sum of \$5.00 cash in hand paid and other good and valuable considerations, the receipt of all of which is hereby acknowledged, the parties of the first part do hereby grant, bargain, sell and convey with GENERAL WARRANTY OF TITLE, unto the parties of the second part as tenants by the entirety with the common law right of survivorship expressly retained, that is, in case of death of either of the parties of the second part, title to the land together with structures and appurtenances thereon, hereby conveyed, shall vest in the survivor, in fee simple, all of that certain lot or parcel of land located in the Backlick District, Fairfax County, Virginia, with all rights, easements, improvements and appurtenances thereunto belonging bounded and described as follows:

"Beginning at a point 70 feet west of the center of Main Street, and 275 feet north of Broad Avenue, thence in a northerly direction 175 feet to a point, thence westwardly 350 feet to a point, thence southwardly 175 feet to a point, thence eastwardly 350 feet to the point of beginning, having erected thereon a two-story brick dwelling with attached garage known and numbered as 1000 Main Street, Springfield, Virginia."

And being the same land which was conveyed to the parties of the first part by Paul Winslow, widower, by deed dated March 30, 1961, and recorded in Deed Book No. 162, page 871 of the land records of said County.

REFERENCE is hereby made to said deed for a further and more detailed description of the realty hereby conveyed.

The parties of the first part covenant that they have the right to convey the said land; that the parties of the second part shall have quiet possession of the same, free from all encumbrances; and that they, the parties of the first part, will execute such further assurances as may be deemed appropriate.

WITNESS the following signatures and seals:

John L. Smith (SEAL)

Witness Mary D. Smith (SEAL)

State of Virginia,
County of Fairfax, to-wit:

I, _____, a Notary Public in and for the said State and County, do hereby certify that this day personally appeared before me in my said County, JOHN L. SMITH and MARY D. SMITH, his wife, whose names are signed to the foregoing deed dated November 26, 1964, and acknowledged the same before me in my said County.

My commission expires: May 31, 1965

GIVEN under my hand this 26 day of November, 1964.

Notary Public as aforesaid

\$40.00 Commonwealth of Virginia
real estate transfer stamps.

KEY TO CODES

STATEMENT OF MORTGAGE ACCOUNT

A. SUSPECT &
JOYCE SUSPECT
1000 MAIN STREET
SPRINGFIELD, VIRGINIA 22151

- 243 INCREASE PRINCIPAL
- 245 DECREASE PRINCIPAL
- 249 PAYMENT REVERSAL
- 253 LATE CHG. REVERSAL
- 255 CONST. ADVANCE REVERSAL
- 259 FIRE INS. DISB. REV.
- 261 COUNTY TAX DISB. REV.
- 265 TOWN TAX DISB. REV.
- 267 FHA MORTG. INS. REV.
- 271 MISC. ESCROW DISB. REV.
- 273 REGULAR PAYMENT
- 283 CONSTRUCTION ADVANCE
- 285 ESCROW PAYMENT
- 289 LATE CHG. PAYMENT
- 291 PRINCIPAL CURTAILMENT
- 295 INTEREST PAYMENT
- 297 FIRE INS. DISB.
- 301 COUNTY TAX DISB.
- 305 TOWN TAX DISB.
- 307 FHA MORTG. INS. DISB.
- 311 MISC. ESCROW DISB.

MORTGAGE LOAN ACCOUNT NUMBER	DATE OF STATEMENT	DATE PAID THROUGH	INTEREST RATE	CURRENT ESCROW BALANCE	ANNUAL TAX DISBURSEMENT	ANNUAL INTEREST PAID
189406	1 10 69	12 31 66	7 1/2% P.A.	80.00	700.00	1720.00

CODE	TRANSACTION AMOUNT	DATE PAID	PRINCIPAL PAID	INTEREST PAID	ESCROW PAID	PRINCIPAL BALANCE
	BALANCE	12 31 67				35,000.00
245 285 245	3000.00	1 7 68	2000.00	220.00	780.00	33,000.00
245 295	4000.00	6 2 68	3000.00	1000.00		30,000.00
301	350.00	6 15 68			(350.00)	
301	350.00	12 15 68			(350.00)	
	BALANCE	12 31 68				30,000.00

KEY TO CODES

STATEMENT OF MORTGAGE ACCOUNT

A. SUSPECT &
JOYCE SUSPECT
1000 MAIN STREET
SPRINGFIELD, VIRGINIA 22151

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- 291 PRINCIPAL CURTAILMENT
- 295 INTEREST PAYMENT
- 297 FIRE INS. DISB.
- 301 COUNTY TAX DISB.
- 305 TOWN TAX DISB.
- 307 FHA MORTG. INS. DISB.
- 311 MISC. ESCROW DISB.

MORTGAGE LOAN ACCOUNT NUMBER	DATE OF STATEMENT	DATE PAID THROUGH	INTEREST RATE	CURRENT ESCROW BALANCE	ANNUAL TAX DISBURSEMENT	ANNUAL INTEREST PAID
189406	1 10 70	12 31 67	7 1/2% P.A.	80.00	700.00	3500.00

CODE	TRANSACTION AMOUNT	DATE PAID	PRINCIPAL PAID	INTEREST PAID	ESCROW PAID	PRINCIPAL BALANCE
	BALANCE	12 31 68				30,000.00
245 285 295	5000.00	2 7 69	2500.00	1800.00	700.00	27,500.00
301	350.00	6 15 69			(350.00)	
245 295	4200.00	10 2 69	2500.00	1700.00		25,000.00
301	350.00	12 15 69			(350.00)	
	BALANCE	12 31 69				25,000.00

STATEMENT OF MORTGAGE ACCOUNT

KEY TO CODES

- | | |
|-----------------------------|---------------------------|
| 243 INCREASE PRINCIPAL | 283 CONSTRUCTION ADVANCE |
| 245 DECREASE PRINCIPAL | 285 ESCROW PAYMENT |
| 249 PAYMENT REVERSAL | 289 LATE CHG. PAYMENT |
| 253 LATE CHG. REVERSAL | 291 PRINCIPAL CURTAILMENT |
| 255 CONST. ADVANCE REVERSAL | 295 INTEREST PAYMENT |
| 259 FIRE INS. DISB. REV. | 297 FIRE INS. DISB. |
| 261 COUNTY TAX DISB. REV. | 301 COUNTY TAX DISB. |
| 265 TOWN TAX DISB. REV. | 305 TOWN TAX DISB. |
| 267 FHA MORTG. INS. REV. | 307 FHA MORTG. INS. DISB. |
| 271 MISC. ESCROW DISB. REV. | 311 MISC. ESCROW DISB. |
| 273 REGULAR PAYMENT | |

A. SUSPECT &
JOYCE SUSPECT
1000 MAIN STREET
SPRINGFIELD, VIRGINIA 22151

MORTGAGE LOAN ACCOUNT NUMBER	DATE OF STATEMENT	DATE PAID THROUGH	INTEREST RATE	CURRENT ESCROW BALANCE	ANNUAL TAX DISBURSEMENT	ANNUAL INTEREST PAID
189406	1 10 69	12 31 70	7 1/2% P.A.	130 00	700 00	2,250 00

CODE	TRANSACTION AMOUNT	DATE PAID	PRINCIPAL PAID	INTEREST PAID	ESCROW PAID	PRINCIPAL BALANCE
	BALANCE	12 31 69				25,000 00
245 285 295	3,200 00	2 2 70	2,000 00	850 00	350 00	23,000 00
301	350 00	6 15 70			(350 00)	
245 285 295	4,800 00	8 2 70	3,000 00	1,400 00	400 00	29,000 00
301	350 00	12 15 70			(350 00)	
	BALANCE	12 31 70				20,000 00

STATEMENT OF MORTGAGE ACCOUNT

KEY TO CODES

- | | |
|-----------------------------|---------------------------|
| 243 INCREASE PRINCIPAL | 283 CONSTRUCTION ADVANCE |
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| 273 REGULAR PAYMENT | |

A. SUSPECT &
JOYCE SUSPECT
1000 MAIN STREET
SPRINGFIELD, VIRGINIA 22151

MORTGAGE LOAN ACCOUNT NUMBER	DATE OF STATEMENT	DATE PAID THROUGH	INTEREST RATE	CURRENT ESCROW BALANCE	ANNUAL TAX DISBURSEMENT	ANNUAL INTEREST PAID
189406	1 10 70	12 31 71	7 1/2% P.A.	30 00	800 00	2,500 00

CODE	TRANSACTION AMOUNT	DATE PAID	PRINCIPAL PAID	INTEREST PAID	ESCROW PAID	PRINCIPAL BALANCE
	BALANCE	12 31 70				20,000 00
245 285 295	4,500 00	2 2 71	3,000 00	1,200 00	300 00	17,000 00
301	400 00	6 15 71			(400 00)	
245 285 295	13,700 00	9 2 71	12,000 00	1,300 00	400 00	5,000 00
301	400 00	12 15 71			(400 00)	
	BALANCE	12 31 71				5,000 00

RUST & HURST
ATTORNEYS AT LAW
4009 CHAIN BRIDGE ROAD
FAIRFAX, VIRGINIA 22030

Fairfax, Va., *November 23*, 19*64*

\$ *35,000.00*

FOR VALUE RECEIVED

The Riggs National Bank, a Corporation
the sum of *thirty-five thousand and 00/100* Dollars

with interest from date at the rate of *7 1/2%* per cent per annum, negotiable and payable at

The Riggs National Bank, 1503 Pennsylvania Avenue, N.W., Washington D.C. 20013

and we, the makers and endorsers, each hereby jointly and severally waive the benefit of our home-
stead exemption as to this debt, and we also each jointly and severally waive demand, protest, notice
of presentment, notice of protest and notice of the nonpayment and dishonor of this note.

It is expressly understood and agreed that payment of principal and interest on this note shall be
with the amount listed below together with an additional amount which shall be sufficient to satisfy the real estate obligations as they become due on the property. The Riggs National Bank agrees to place such interest on behalf of the mortgagor from the additional amount paid for principal and interest.
in monthly installments of the sum of \$ *255.20* (with the privilege of making larger payments in any
amount at the time any monthly installments shall be due and payable hereunder), the first monthly
installment of \$ *255.20* to be payable on the *2nd* day of *January*, 19*65*, and a like
payment of \$ *255.20* to be payable on the *2nd* day of each and every month thereafter
for a total of two hundred forty such payments, or a lesser number of larger payments

until this note has been paid in full with interest, the said monthly payments to be applied first to the
unpaid interest and the balance upon the unpaid principal, and upon failure to make any one or more
of the said monthly installments the entire amount remaining unpaid, principal and interest, upon this
note, shall immediately become due and payable and enforceable at law, and if this note, after matur-
ity, is placed in the hands of an Attorney for collection, whether suit is instituted on same or not, the makers
and endorsers hereof shall pay to the said Attorney the sum of 15%
additional of the principal and interest due hereon as an Attorney's
fee for collection and \$25.00 shall be the minimum of such fee.

Witness the following signatures and seals:

A. Suspect (SEAL)
J. J. Suspect (SEAL)
..... (SEAL)
..... (SEAL)

This is to certify that this is
the promissory note described in a cer-
tain deed of trust of even date herewith,
to *A. Coleman Waller*

, Trustee

secured on *November 23, 1964*

Notary Public.

ADDRESS:

Retain this note after payment so that Trustees may be satisfied as to its cancellation when a release is desired.

A. SUSPECT
1000 MAIN ST.
SPRING-FIELD, VIRGINIA 22151

TYPE	DATE	LOAN NO.	BR	OFFICER
04	21	190845	7	<i>Hughes</i>
DUE	RATE	DISCOUNT		
	6%			
CURRENT BALANCE		PAYOFF		
<i>3500.00</i>		<i>230.80</i>		

12/31/67

REBATES					
DISCOUNT	LIFE INS.	RESERVE #1	RESERVE #2	RESERVE #3	TOTAL

FACE AMOUNT	ADVANCED	CONTRACT DATE	MATURITY DATE	TERM	RET. ITEMS	# EXT.	NEXT PAYMT. DUE	REGULAR PAYMENT
\$ 4130.00	\$ 3,500.00	11/4/65	11/4/68	36 mos.				350.114.75 1 @ 114.75
LIFE INS.	COLL. INS.	RESERVE #1	RESERVE #2	RESERVE #3	UNEARNED DISC.	DOC. FEES		

DEALER LIABILITY

ENDORERS OR CO-MAKERS

COLATERAL

TRAN. CODE	AMOUNT	LATE CHARGES	DATE

TRAN. CODE	AMOUNT	LATE CHARGES	DATE

1177
4/67

STATE
VI

A. SUSPECT
 1000 MAIN ST.
 SPRINGFIELD, VIRGINIA 22151

TYPL	DEALER	LOAN NO.	BR	OFFICER
04	21	190845	7	Hager
DUE	RATE	DISCOUNT		
	6.7%			
CURRENT BALANCE			PAYOFF	
P 2400.00 E 420.00				

12/31/68

REBATES					
DISCOUNT	LIFE INS.	RESERVE #1	RESERVE #2	RESERVE #3	TOTAL

FACE AMOUNT	ADVANCED	CONTRACT DATE	MATURITY DATE	TERM	RET. ITEMS	# EXT.	NEXT PAYMT. DUE	REGULAR PAYMENT
\$4,130.00	\$3,500.00	12/4/65	12/4/68	36 mos				35-114.73 1-114.75
LIFE INS.	COLL. INS.	RESERVE #1	RESERVE #2	RESERVE #3	UNEARNED DISC.	DOC. FEES		

DEALER LIABILITY

ENDORSERS OR CO-MAKERS

COLLATERAL

TRAN CODE	AMOUNT	LATE CHARGES	DATE

TRAN CODE	AMOUNT	LATE CHARGES	DATE

FINANCIAL AND DOCUMENTARY ANALYSIS

LIST OF SPECIAL AGENTS

INTELLIGENCE DIVISION
U. S. INTERNAL REVENUE SERVICE

Augusta District

Richard D. Wormwood
Chief, Intelligence Division
Federal Building
68 Sewall Street
Augusta, Maine

Telephone No. 207-622-6441

Philip A. Ingegneri
Special Agent
New Federal Building
202 Harlow Street
Bangor, Maine

Telephone No. 107-942-8370

Ronald P. Bancroft
Special Agent
Federal Building
151
Portland, Maine 04104

Telephone No. 207-775-0503

Boston District

Robert J. Calhoun, Jr.
Chief, Intelligence Division
JFK Federal Office Building
Room E 300-R
Boston, Mass.

Telephone No. 617-223-6014

Frederick L. Donovan, Jr.
Special Agent
1214 Kempton Street
New Bedford, Mass

Telephone No. 617-997-7233

Paul A. Sullivan
Group Supervisor
Post Office Building
Room 416, Dwight Street
Springfield, Mass.

Telephone No. 413-781-2381

Robert M. Ferrick
Special Agent
Post Office Building
Room 501-C
Worcester, Mass.

Telephone No. 617-791-2319

Brooklyn District

Joseph P. Tague
Chief, Intelligence Division
35 Tillary Street
Brooklyn, New York 11201

Telephone No. 212-596-4230

Vincent J. Clayton
Group Supervisor
114 Old Country Road
Mineola, New York 11501

Telephone No. 516-248-7100

Frances M. Downey
Special Agent
444 Route 111
Smithtown, New York 11787

Telephone No. 516-724-8824

Buffalo District

Bernard H. Colebert
Chief, Intelligence Division
34 W. Hohawk Street
Buffalo, New York 14202

Telephone No. 716-842-3420

Walter F. Florczyk
Special Agent
Post Office Building
Room 206
Binghamton, New York 13902

Telephone No. 607-772-5440

Buffalo District

John E. Hennessy
Group Supervisor
41-45 State Street
Rochester, New York 14614

Telephone No. 716-546-1442

Leo G. Smith
Group Supervisor
Room 414
Hunter Plaza
E. Fayette and S., Salina St.
Syracuse, New York

Telephone No. 315-473-6610

Patrick C. Putney
Special Agent
276 Genesee Street
Utica, New York 13502

Telephone No. 315-724-1155

Burlington District

Joseph C. O'Kane, Jr.
Chief, Intelligence Division
11 Elmwood Avenue
Burlington, Vermont

Telephone No. 802-862-6331

Hartford District

Mr. Ralph U. Berry
Chief, Intelligence Division
Room 410, Federal Building
450 Main Street
Hartford, Connecticut

Telephone No. 203-244-3576

Hartford District

Vincent J. Aquino
Group Supervisor
Room 215 Federal Building
915 Lafayette Blvd.
Bridgeport, Conn. 06603

Telephone No. 203-366-3316

Joseph A. Zulkoski
Special Agent
1221 Chapel Street
New Haven, Conn. 06511

Telephone No. 203-772-6358

Robert J. Balcerzak
Special Agent
300 Broad Street, Room 305
Stamford, Conn. 06901

Telephone No. 203-327-3255

Charles A. Ruffini
Special Agent
14 Cottage Place
Waterbury, Conn. 06702

Telephone No. 203-755-3246

William A. Smith
Special Agent
1 Thames Plaza
Norwich, Conn. 06360

Telephone No. 203-887-7805

Manhattan District

Alfred E. Walters, Jr.
Chief, Intelligence Division
120 Church Street
New York, New York

Telephone No. 212-264-2020

Manhattan District

Joseph M. Brogan
Special Agent
2467-81 Jerome Avenue
Bronx, New York 10468

Telephone No. 212-933-7800

Milton Solomon
Special Agent
39 South Main Street
Spring Valley, New York 10977

Telephone No. 914-352-2899

James A. King
Special Agent
45 Bay Street
Staten Island, New York 10301

Telephone No. 212-447-0886

Moe Leifer
Group Supervisor
95 Church Street
White Plains, New York 10601

Telephone No. 914-761-4322

Portsmouth District

Arthur P. McDeed, Jr.
Chief, Intelligence Division
1270 Elm Street
Manchester, New Hampshire 03101

Telephone No. 603-669-7778

Thomas F. Carroll
Special Agent
80 Daniel Street
Portsmouth, New Hampshire

Telephone No. 603-436-7752

Providence District

Charles A. Harmon, Jr.
Chief, Intelligence Division
130 Broadway
Providence, Rhode Island

Telephone No. 401-528-5277

Baltimore District

Robert L. Browne
Chief, Intelligence Division
Room 717, Federal Building
31 Hopkins Plaza
Baltimore, Maryland

Telephone No. 301-962-3173

Anthony V. Langone
Group Supervisor
1201 E Street, N.W., Room 1000
Washington, D. C.

Telephone No. 201-645-2145

Newark District

John J. O'Hara
Chief, Intelligence Division
1504C-970 Broad Street
Newark, New Jersey

Telephone No. 201-645-2145

J. Spielberger
Group Supervisor
9th & Cooper Street
Camden, New Jersey

Telephone No. 609-963-2392

V. J. Carbone
Group Supervisor
401 Munroe Avenue
Asbury Park, New Jersey

Telephone No. 201-775-7760

A. Drutz
Special Agent
2924 Atlantic Avenue
Atlantic City, New Jersey 08401

Telephone No. 609-344-4273

Carl E. Reichelt
Special Agent
3 Schuyler Place
Morristown, New Jersey 07960

Telephone No. 201-538-3811

Michael Kozar
Special Agent
POD-430 E. State Street
Trenton, New Jersey 08608

Telephone No. 609-599-3309

Philadelphia District

Thomas F. Martin
Chief, Intelligence Division
Room 752, Terminal Commerce Bldg.
401 N. Broad Street
Philadelphia, Pa.

Telephone No. 215-597-2250

Edward E. Tyson
Special Agent
65 E. Elizabeth Avenue
Bethlehem, Pa.

Telephone No. 215-867-8947

Bernard J. Dugan
Group Supervisor
U. S. Courthouse & Federal Bldg.
228 Walnut Street
Harrisburg, Pa. 17101

Telephone No. 717-782-4550

Russell J. Millhouse
Special Agent
525 Franklin Street
Reading, Pa.

Telephone No. 215-372-8244

Michael Roskos
Group Supervisor
Room 324 Connell Building
125 North Washington Avenue
Scranton, Pa.

Telephone No. 717-344-7273

Leo F. Zynel
Special Agent
Federal Building
Room 240, 197 S. Main Street
Wilkes-Barre, Pa.

Telephone No. 717-825-6251

Pittsburgh District

Robert H. Clark
Chief, Intelligence Division
Federal Building
1000 Liberty Avenue
Pittsburgh, Pa.

Telephone No. 412-644-5678

William J. Yankovich
Special Agent
Lingenfelter-Scott Building
1109-12th Street
Altoona, Pa.

Telephone No. 814-944-4669

Theodore A. Givler
Special Agent
408 Rothrock Bldg.
121 W. 10th Street
Erie, Pa.

Telephone No. 814-453-2204

Pittsburgh District

James A. Porter
Special Agent
Room 237
Post Office Building
Locust Street Entrance
Johnstown, Pa.

Telephone No. 814-536-1474

Richmond District

E. L. Richards
Chief, Intelligence Division
Federal Building
Room 5026, 400 N. Eighth Street
Richmond, Va.

Telephone No. 703-782-2252

Michael L. Alexander
Group Supervisor
Baileys Crossroads Branch
5707 Seminary Road
Falls Church, Virginia 22041

Telephone No. 703-557-0663

Robert O. Biggs
Special Agent
Virginia National Bank Bldg.
1 Commercial Place
Norfolk, Va. 23510

Telephone No. 703-627-7747

Robert E. Smoot
Group Supervisor
First Federal Bldg., Room 502
First Street and Church Avenue
Roanoke, Va.

Telephone No. 703-343-6322

Wilmington District

Samuel R. Rivello
Chief, Intelligence Division
800 Delaware Avenue
Wilmington, Delaware

Telephone No. 302-658-6201

Harold J. Maloney
Special Agent
10 E. Pine Street
Georgetown, Delaware

Telephone No. 302-658-6201

Atlanta District

John E. Mask
Chief, Intelligence Division
Federal Office Building
Room 541, 275 Peachtree Street, NE
Atlanta, Georgia

Telephone No. 404-526-6004

C. H. Farr
Special Agent
1412 Dawson Road
Albany, Georgia

Telephone No. 912-436-0173

Maro P. Huff
Group Supervisor
Room 435, New Post Office Bldg.
451 College Street
Macon, Ga.

Telephone No. 912-743-2296

Emile G. Abbott, Jr.
Special Agent
111 E. Liberty Street
Savannah, Georgia

Telephone No. 912-232-4285

Columbia District

John M. Rankin
Chief, Intelligence Division
Federal Office Building
Room 310, Sumter Street
Columbia, South Carolina

Telephone No. 803-765-5753

Robert M. Hulme
Special Agent
334 Meeting Street
Room 205
Charleston, South Carolina

Telephone No. 803-577-4216

Larry R. Hyatt
Special Agent
183 S. Colt Street
Florence, South Carolina 29501

Telephone No. 803-669-2348

William O. Teasley
Special Agent
Room 127, Federal Bldg. & Cthse.
300 E. Washington Street
Greenville, South Carolina

Telephone No. 803-232-4335

Greensboro District

William A. Morris
Chief, Intelligence Division
Federal Office Building
Room 503, 320 S. Ashe Street
Greensboro, North Carolina

Telephone No. 919-275-9218

Clifford E. Tyson, Jr.
Group Supervisor
316 E. Morehead Street
Charlotte, North Carolina

Telephone No. 704-372-7422

Worth W. Wells
Group Supervisor
Federal Office Building
Room 262, 310 New Bern Avenue
Raleigh, North Carolina

Telephone No. 919-755-4606

Larry D. Dickens
Special Agent
Post Office Building
16 S 16th Street
Wilmington, North Carolina

Telephone No. 919-763-9511

Peter M. Hutts
Group Supervisor
Greensboro, North Carolina

Telephone No. 919-275-9268

Jacksonville District

G. T. Register, Jr.
Chief, Intelligence Division
Federal Building, 400 West Bay Street
Jacksonville, Fla.

Telephone No. 904-791-2963

Salvatore C. Sparacino
Special Agent
2309 N. Federal Hwy.
Fort Lauderdale, Fla. 33305

Telephone No. 305-350-7286

John A. McRae
Group Supervisor
Room 620, Federal Office Building
51 S.W. First Avenue
Miami, Fla. 33130

Telephone No. 305-350-5367

Jacksonville District

David L. Webb
Group Supervisor
2520 N. Orange Avenue
Orlando, Florida

Telephone No. 904-377-2242

Milton P. Watford
Special Agent
Internal Revenue Building
Room 10, 40 E. Chase Street
Pensacola, Florida

Telephone No. 904-377-5241

Kenneth H. Snyder
Special Agent
408 N. Adams Street
Tallahassee, Florida 32301

Telephone No. 904-377-4228

Don J. Gentgen
Group Supervisor
Federal Building
500 Zack Street
Tampa, Florida 33602

Telephone No. 813-228-7324

John C. Cronin
Special Agent
421 Iris Street
West Palm Beach, Florida 33401

Telephone No. 305-655-3139

Parkersburg District

Clyde R. Henry
Chief, Intelligence
425 Juliana Street
Parkersburg, W. Virginia

Telephone No. 304-422-8242

Parkersburg District

Billy E. Whaley
Group Supervisor
Federal Building
Room 3005, 500 Quarrier Street
Charleston, West Virginia

Telephone No. 304-343-1262

William P. Clevenger
Special Agent
Room 200, Schroath Building
Third and Washington Sts.
Clarksburg, West Virginia

Telephone No. 304-624-1331

Edward Jackfert
Special Agent
Hawley Building, Room 908
1025 Main Street
Wheeling, West Virginia

Telephone No. 304-343-1025

ORGANIZED CRIME LAW ENFORCEMENT
TRAINING CONFERENCE

INSTRUCTOR'S GUIDE

TOPIC III: Intelligence and Evidence Collection
Techniques

SEGMENT E: Physical Surveillance

TIME: Thursday, 8:30 - 9:30 a.m.

STUDENT MATERIALS

1. Five flip charts (Eastern Conference)
2. Lecture Notes

INSTRUCTIONAL GUIDANCE

The application of physical surveillance as an intelligence and evidence collection technique to organized crime cases should be emphasized throughout the presentation.

The considerations that should be stressed for investigative and prosecutive management and supervisory personnel are those related to the:

- . direction to be given the operation of physical surveillance in relation to making organized crime cases;
- . comparison of the benefits to be derived from this technique versus other intelligence and evidence collection techniques;

- . proper use of physical surveillance with other intelligence and evidence collection techniques;
- . determination of the peculiar characteristics of different organized criminal activities and the manner in which physical surveillance could be used effectively;
- . understanding of particular characteristics of different physical surveillance equipment; and
- . personnel development and training considerations

Operational considerations related to physical surveillance should be discussed only to the extent that they can be used to clarify the management process related to physical surveillance.

TOPIC III: Intelligence and Evidence Collection Techniques

SEGMENT E: Physical Surveillance

TIME: Thursday, 8:30-9:30 a.m.

LEARNING OBJECTIVES

The purpose of this segment is to develop an understanding in the participant of the use, techniques and limitations of physical surveillance as an intelligence collection tool in organized crime investigation. Emphasis will be given to the application of physical surveillance to the various activities in which organized criminals are engaged; such as gambling, loansharking, thefts and fencing, frauds, labor racketeering, infiltration of legitimate business, and public corruption.

OUTLINE OF PRESENTATION

I. Objectives

- A. Identify problem
- B. Determine objectives
- C. How can it be used more imaginatively?
- D. Determine type of surveillance to be employed: Are the benefits worth the cost in resources?

III.E.1

NOTES

E. What are the most common mistakes in conducting physical surveillance?

II. Application of Physical Surveillance to Different Organized Criminal Activities.

- A. Gambling
- B. Loansharking
- C. Thefts and fencing
- D. Narcotics
- E. Labor racketeering
- F. Infiltration of legitimate business

III.E.2

NOTES

G. Public corruption

H. Other

III. Physical Surveillance Techniques

A. Intelligence sources

B. Types of information

. General intelligence

. Specific item of admissible evidence

C. Problems

IV. Personnel Selection

III.E.3

NOTES

A. Qualifications

B. Attitude

C. Suitability for undercover work

V. Equipment Selection

A. Stationary units

B. Mobile units

C. Specialized equipment

VI. Considerations In the Implementation of a Surveillance Force

III.E.4

NOTES

- A. Metro concept
- B. Central point of control
- C. Inventory of equipment
- D. Funding program

III.E.5

ORGANIZED CRIME LAW ENFORCEMENT
TRAINING CONFERENCE

INSTRUCTOR'S GUIDE

TOPIC III: Intelligence and Evidence Collection Techniques

SEGMENT F: Court Authorized Electronic Surveillance

TIME: Thursday, 9:45-12:00

STUDENT MATERIALS

1. Outline of Presentation

INSTRUCTIONAL AIDS

1. Lecture Notes

INSTRUCTIONAL GUIDANCE

Special emphasis should be placed throughout the presentation on how electronic surveillance can be used in the investigation of organized crime activities and known criminal figures.

As the law on electronic surveillance varies significantly in different states, care has to be taken to make the presentation interesting and informative to attendees from all states. State and local investigators and prosecutors should be apprised of Federal statutes and how Federal efforts can fit into State and Local investigative procedures.

Because the training conference is being directed to supervisory and management personnel, the lecturer should address his considerations to how they can enhance their staff involvement in electronic surveillance by planning, organization, and utilization of resources.

As the legality of the use of electronic surveillance is always in question, tips as to ways to stay within the framework of the law will be helpful.

ORGANIZED CRIME LAW ENFORCEMENT
TRAINING CONFERENCE

INSTRUCTOR'S GUIDE

TOPIC VII: Problems in Investigating and Prosecuting
Organized Crime

SEGMENT D: Loansharking

TIME: Sunday, 1:00-3:00

STUDENT MATERIALS

1. Outline of Presentation
2. Student's Evaluation Form

INSTRUCTIONAL AIDS

1. Elevated speakers platform
2. Lectern
3. Public address system
4. Pack-chart and stand
5. Magic markers
6. Instructor's evaluation form

INSTRUCTIONAL GUIDANCE

Special emphasis should be placed throughout the presentation on the relationship of loansharking to organized crime activities and known criminal figures.

Because the training conference is being directed to supervisory and management personnel, the lecturer should direct his presentation principally to the organization, planning and utilizations of resources in combatting loansharking as an organized crime activity. Operational considerations should enter into the discussion as improving the communication to the level of law enforcement personnel present.

Special emphasis should be given to the application of the various investigative and prosecutive tools to combat loansharking and the peculiar problem it present.

TOPIC VII: Problems in Investigating and Prosecuting
Organized Crime

SEGMENT D: Loansharking

TIME: Sunday, 1:00-3:00 p.m.

LEARNING OBJECTIVES

The objective of this segment is to study the nature and extent of loansharking by organized crime, and to learn the techniques of investigation and prosecution. The federal Extortionate Credit Transaction statute will be discussed as well as typical state statutes. For those jurisdictions without effective criminal loanshark statutes, alternative theories of prosecution will be examined.

OUTLINE OF PRESENTATION

NOTES

I. Nature of Problem

A. Nationwide criminal activity

- . Estimated revenue to organized crime over one billion dollars per year
- . Is it a victimless crime?
The narcotics analogy
- Migrant workers often subject to loansharking activities

VII.D.1

NOTES

- Blue collar workers in urban areas victims of loansharks
- The desperate executive who has a sure thing seeks out the loanshark
- B. Means of "laundering" money obtained from other criminal activity and of supplying the customers of organized crime services with additional money
 - . Narcotics and gambling prime source of funds used by loansharks
 - . Connected with every gambling, narcotics or prostitution operation there is loanshark money to keep the customer on the hook and to meet the needs of the racket employee who has no available sources of credit --thus acts to tighten grasp of mob on both its customers and employees

VII.D.2

TOPIC VII: Problems in Investigating and Prosecuting
Organized Crime

SEGMENT D: Loansharking

TIME: Sunday, 1:00-3:00 p.m.

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OUTLINE OF PRESENTATION

NOTES

I. Nature of Problem

A. Nationwide criminal activity

- . Estimated revenue to organized crime over one billion dollars per year

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- Migrant workers often
subject to loansharking
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Special emphasis should be given to the application of the various investigative and prosecutive tools to combat loansharking and the peculiar problem it present.

ORGANIZED CRIME LAW ENFORCEMENT
TRAINING CONFERENCE

INSTRUCTOR'S GUIDE

TOPIC VII: Problems in Investigating and Prosecuting
Organized Crime

SEGMENT D: Loansharking

TIME: Sunday, 1:00-3:00

STUDENT MATERIALS

1. Outline of Presentation
2. Student's Evaluation Form

INSTRUCTIONAL AIDS

1. Elevated speakers platform
2. Lectern
3. Public address system
4. Pack-chart and stand
5. Magic markers
6. Instructor's evaluation form

INSTRUCTIONAL GUIDANCE

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ORGANIZED CRIME LAW ENFORCEMENT
TRAINING CONFERENCE

INSTRUCTOR'S GUIDE

TOPIC III: Intelligence and Evidence Collection Techniques

SEGMENT F: Court Authorized Electronic Surveillance

TIME: Thursday, 9:45-12:00

STUDENT MATERIALS

1. Outline of Presentation

INSTRUCTIONAL AIDS

1. Lecture Notes

INSTRUCTIONAL GUIDANCE

Special emphasis should be placed throughout the presentation on how electronic surveillance can be used in the investigation of organized crime activities and known criminal figures.

As the law on electronic surveillance varies significantly in different states, care has to be taken to make the presentation interesting and informative to attendees from all states. State and local investigators and prosecutors should be apprised of Federal statutes and how Federal efforts can fit into State and Local investigative procedures.

Because the training conference is being directed to supervisory and management personnel, the lecturer should address his considerations to how they can enhance their staff involvement in electronic surveillance by planning, organization, and utilization of resources.

As the legality of the use of electronic surveillance is always in question, tips as to ways to stay within the framework of the law will be helpful.

The types of cases when electronic surveillance can be used and examples of successfully completed cases assisted through the use of electronic surveillance equipment should be illustrated.

TOPIC III: Intelligence and Evidence Collection Techniques

SEGMENT F: Court Authorized Electronic Surveillance

TIME: Thursday, 9:45-12:00 noon

LEARNING OBJECTIVES

During this lecture and workshop, the participant should be acquainted with the Federal and State legislation that governs wiretapping and microphone surveillance. It will also discuss key court cases that define the scope in which wiretapping and microphone surveillance may be used. Examples will be provided which show how effective electronic evidence can be utilized in the investigation and prosecution of organized crime cases.

OUTLINE OF PRESENTATION

NOTES

I. Legal Limitations for Electronic Surveillance

A. Federal statutes

B. State statutes

C. Case experience of how this has assisted states in Organized Crime activities

III.F.1

NOTES

II. Statutory and Case Law

- A. Probable Cause
- B. Unavailability of other investigative methods
- C. Disclosure of findings
- D. Must refer to a specific crime
- E. How to apply for a intercept order
- F. Reports filed with the Court

III. Types of Cases For Which Electronic Investigation May Be Employed

- A. Cases which are considered to be legally eligible

III.F.2

NOTES

- B. Variation in laws by state

- C. Emergency interceptions without prior authorizations

IV. Use of Evidence Derived From an Intercepted Communication

- A. May be used by law enforcement officer as he would use evidence gathered in other ways

- B. May be used in grand jury and other criminal proceedings

- C. Disclosure requirements

V. Investigative Consideration in the Use of Electronic Surveillance in Organized Crime Cases

III.F.3

NOTES

- A. When should it be used?
- B. How should it be used?
- C. Are the benefits worth the costs?

VI. General Use of Electronic Eavesdropping

- A. Incidental intelligence
- B. Relationship of intelligence to other cases under investigation
- C. Correlation with other investigative methods

TOPIC IV
INTERDEPARTMENTAL
AND
INTERJURISDICTIONAL
COORDINATION AND COOPERATION

ORGANIZED CRIME LAW ENFORCEMENT
TRAINING CONFERENCE

INSTRUCTOR'S GUIDE

TOPIC IV: Interdepartmental and Interjurisdictional
Coordination and Cooperation

SEGMENT B: The Roles of the Attorney and Investigator
in an Investigative/Prosecutive Task Force

TIME: Friday, 8:30 - 9:30 a.m.

STUDENT MATERIALS

1. Outline of Presentations

INSTRUCTIONAL AIDS

None

INSTRUCTIONAL GUIDANCE

The unique purpose of the joint Task Force in investigating and prosecuting organized crime should be indicated at the outset of this lecture. From there, the remaining portion of the presentation should focus on the fundamental management problems of organizing a joint task force, defining the relative functions of the investigator and prosecutor, and planning, control and reporting functions.

The benefits to be derived from the joint Task Force approach in making higher level cases should be stressed and exemplified where possible.

TOPIC IV: Interdepartmental and Interjurisdictional
Coordination and Cooperation

SEGMENT B: The Roles of the Attorney and Investigator in
an Investigative/Prosecutive Task Force

TIME: Friday, 8:30-9:30 a.m.

LEARNING OBJECTIVES

The participant will develop an understanding of the separate and joint functions of the prosecutor and investigator in a joint task force. They will acquire an appreciation of the need to work together in selecting targets and setting priorities; providing legal assistance in preparing warrants; guiding the investigator toward admissible evidence; determining when an investigation is complete, or should be directed or abandoned; and selecting alternative investigatory methods.

OUTLINE PRESENTATION

NOTES

I. Purpose of a Joint Task Force in
Investigating and Prosecuting
Organized Crime Cases.

A. Efficiency

B. Direction

C. Communication

IV.B.1

NOTES

D. Effectiveness

II. Organization

A. Leadership

B. Functions

C. Assignments of responsibilities

D. Resource requirements -
disciplines and quantities

E. Funding support

III. Role of Investigator

A. Intelligence

IV.B.2

NOTES

B. Surveillance

C. Selection of investigative
techniques

IV. Role of Prosecutor

A. Direct evidence collection

B. Legal assistance on preparing
warrants

C. Case preparation

D. Case presentation

V. Joint Roles

A. Selecting targets

IV.B.3

NOTES

B. Setting priorities

C. Planning

D. Reporting to higher
authority

TOPIC V

THE PROSECUTIVE FUNCTION
IN ORGANIZED CRIME CONTROL

ORGANIZED CRIME LAW ENFORCEMENT
TRAINING CONFERENCE

INSTRUCTOR'S GUIDE

TOPIC V: The Prosecutive Function in Organized Crime Control

SEGMENT A: Grand Juries, Immunity and Contempt

TIME: Friday, 9:45-12:00

STUDENT MATERIALS

1. Outline of Presentation
2. Administrative Procedure Handout

INSTRUCTIONAL AIDS

1. Lecture Notes

INSTRUCTIONAL GUIDANCE

Special emphasis should be placed throughout the presentation on the utilization of Grand Jury, Immunity, and Contempt statutes in the prosecution of Organized Crime cases.

The conferees, composed essentially of State and Local groups, should be apprised by the lecturer on how the Federal statute as outlined in the Organized Crime Act of 1970 can be of assistance to them. In the discussion of Grand Juries, care should be taken to explain the different use of Grand Juries at the State and Local level and who has Grand Jury powers.

As Immunity and Contempt statutes are used together, they should be tied together in the presentation. Examples of the use of these statutes in the prosecution of Organized Crime figures will be useful.

As these powers are primarily prosecutorial in nature, care should be taken to see that investigators have a proper understanding of these tools and their legal limitations.

TOPIC V: The Prosecutive Function in Organized Crime Control

SEGMENT A: Grand Juries, Immunity and Contempt

TIME: Friday, 9:45-12:00

LEARNING OBJECTIVES

The purpose of this section is to describe the uses and limitations of the Grand Jury, Immunity and Contempt statutes as prosecutive tools. It will discuss the use of the Grand Jury, Immunity and Contempt statutes under the Organized Crime Control Act of 1970, and how these prosecutive functions can be used in the battle against organized crime. It will also discuss various State statutes and their applicability to organized crime. Many states give their county attorneys Grand Jury powers and these also should be considered. Case examples will be provided describing the use of the Grand Jury, Immunity and Contempt statutes and their effectiveness in prosecuting organized crime figures.

OUTLINE OF PRESENTATION

NOTES

I. Use of Federal, State and Local Grand Juries in Organized Crime Cases

A. Federal statutes

B. State laws

C. County prosecutor having Grand Jury powers

V.A.1

NOTES

D. Correlation of Grand Jury
with other investigative
methods.

E. Examples of effective use

II. Immunity Statutes

A. Organized Crime Act of 1970

B. State laws

C. Transactional immunity

D. Use immunity

E. Examples of effective use
of immunity statutes

NOTES

III. Contempt Statutes

A. Title III and Title IV of
the Organized Crime Control
Act

. Recalcitrant witnesses

. False declarations

B. State statutes

C. Examples of effective use
of contempt statutes

ORGANIZED CRIME LAW ENFORCEMENT
TRAINING CONFERENCE

INSTRUCTOR'S GUIDE

TOPIC V: The Prosecutive Function in Organized Crime
Control

SEGMENT B: Administrative and Civil Sanctions

TIME: Friday, 1:00-2:00

STUDENT MATERIALS

1. Outline of Presentation

INSTRUCTIONAL AIDS

1. Lecture Notes

INSTRUCTIONAL GUIDANCE

Special emphasis should be placed throughout the presentation on the use of administrative and civil sanctions in the prosecution of organized crime cases.

The lecturer should emphasize the administrative powers available to state and local agencies in coping with the organized crime problem and how the police and state and local attorneys can work with these agencies in the harassment of organized crime activities. Examples of the innovative use of such techniques will be very helpful to the attendees.

Because the training conference is being directed to supervisory and management personnel, the lecturer should address his considerations to the management level of concern which includes planning, organization, and the utilization of resources.

As it appears that little use is being made of state and local administrative powers, care should be taken to clearly define how to get a program started with limited resources.

It also appears that very little use of civil remedies is made in the fight against organized crime; therefore, this subject should be thoroughly discussed.

TOPIC V: The Prosecutive Function in Organized Crime Control

SEGMENT B: Administrative and Civil Sanctions

TIME: Friday, 1:00-2:00 p.m.

LEARNING OBJECTIVES

During this lecture, the participant is expected to gain a better understanding of the administrative and civil sanctions that are available in organized crime cases. This will include a discussion of the regulatory powers of the Federal agencies, the civil sanctions available to the Federal Government, and how these powers may be used as an aid to state and local agencies in combatting organized crime problems. This presentation will also discuss types of state statutes and local ordinances that can be used by state and local authorities in the investigation and prosecution of organized crime cases.

OUTLINE OF PRESENTATION

I. Federal Administrative and Civil Sanctions

- A. Licensing powers of Federal regulatory agencies
- B. Laws relating to the disbursement of Federal funds
- C. Antitrust and consumer protection statutes
- D. Government procurement statutes

NOTES

- E. Examples of the imaginative use of administrative and civil penalties

II. State and Local Administrative Powers

- A. State procurement policies
- B. State insurance regulations
- C. State and local licensing regulations
- D. State tax policy and regulation
- E. Anti-trust and consumer protection statutes

III. Civil Court Action Available to State and Local Authorities

ORGANIZED CRIME LAW ENFORCEMENT
TRAINING CONFERENCE

INSTRUCTOR'S GUIDE

TOPIC VI: Planning an Organized Crime Control Program

TIME: Friday, 2:15 - 4:30 p.m.

STUDENT MATERIALS

1. Outline of Presentation
2. Workshop Exercise and Three Worksheets

INSTRUCTIONAL AIDS

None

INSTRUCTIONAL GUIDANCE

The major emphasis throughout the lecture should be on a discussion of the elements of program planning as a management tool that can be used in planning an organized crime control program. Consequently, illustrations will be drawn from different environments as well as the organized crime law enforcement environment to enhance the participant's understanding of this management technique.

It is important that the participant receive at the outset of the presentation an overview of the program planning technique. Each element then should be developed separately in its logically related fashion.

Based on the research and interview phases of the project, a need was identified for a comprehensive and systematic analytical tool which would give law enforcement personnel engaged in the fight against organized

TOPIC VI
PLANNING AN ORGANIZED
CRIME CONTROL PROGRAM

crime a framework in which they could develop a more realistic view of the problem of organized crime in their communities and a basis for developing the most effective approach in utilizing resources, time and dollars, to make the most significant impact on organized crime. The participant should be given a view of program planning as a tool that provides such a framework.

The lecturer should also point out that the program planning approach, although requiring inputs from operational personnel, is primarily designed for a management decision-maker. The decisions to be made are:

- o what targets to go after;
- o what resources to allocate;
- o what funding will be provided; and
- o how much time to take.

TOPIC VI: Planning an Organized Crime Control Program

TIME: Friday, 2:15-4:30 p.m.

LEARNING OBJECTIVES

The purpose of this segment is to develop an understanding in the participants of basic program planning concepts and techniques. It will describe the need to develop a comprehensive planning framework in which management and operational decisions should be made in light of the resources, funds, and time available. The correlation between the lack of effect in making headway in the fight against organized crime due to the absence of this type of planning will be identified.

OUTLINE OF PRESENTATION

NOTES

I. What is Program Planning?

A. Planning around major objectives

B. Identify alternative programs to achieve these objectives

C. Determination of resource requirements in personnel, equipment, and funds for each alternative.

NOTES

D. Cost/benefit analysis of each alternative

E. Recommendation and decision of program approach

II. Setting Overall Organized Crime Control Objectives.

A. What is an objective?
"A purpose to be achieved, an aim or end of action."

B. Value of explicit objectives

. Provides focus for coordinating activity

. Provides prime mover for developing the remainder of the program plan

C. Criteria of measurement

NOTES

. Other side of coin from objectives
"A standard on which a judgement or decision may be based."

. Value of explicit criteria

- Provides method of measuring degree of effort's success;

- Provides assistance in determining areas of program needing improvement

III. Identifying Alternative Programs

What is an alternative?

A. "One of many specific mixes of resources and inputs to achieve a desired output."

NOTES

B. Why look at more than one alternative?

- . limitation of resources, funds, and time requires looking at all reasonable options

- . provides a decision-maker the flexibility to best utilize resources in achieving an objective

IV. Determining the Resource Requirements of Each Alternative

A. Estimating cost of each alternative, resource requirements in persons, equipment, facilities, etc. for each alternative.

V. Performing Cost Benefit Analysis of each Alternative

A. Provides visibility of the expended effort and outcome if each alternative is pursued.

NOTES

B. Provides the necessary data to a decision-maker who is responsible for achieving the objectives and the efficient utilization of resources in implementing the program

VI. Deciding on the Program Approach, i.e. Alternative.

A. The decision-maker chooses either the alternatives recommended and studied or modifies these alternatives before making a decision or adds other alternatives before making a decision.

B. His decision becomes the program approach

C. Depending upon the number of organized crime objectives, he will have studied various alternative programs to attain various objectives. His selection of alternative approaches leading to each objective in essence becomes the program plan. The program plan will describe the targets, the cost the resources and time for executing or implementing each program approach against the objectives and criteria identified.

ORGANIZED CRIME LAW ENFORCEMENT
TRAINING CONFERENCE

INSTRUCTOR'S GUIDE

WORKSHOP

TOPIC VI: Planning an Organized Crime Control Program

TIME: Friday, 2:15 - 4:30 p.m.

1. Objectives

The participant is expected to develop a statement of the organized crime objectives, measurement criteria, and alternative approaches, he thinks should be established in an organized crime control program in his community.

2. Issues

1. How comprehensive should the organized crime control program be in his community, i.e., how many targets are feasible.
2. Will the program planning approach aid in working towards the major targets.
3. Can better planning result as regards the use of personnel, funds and resources.

3. Approach

After the presentation, the participants will assemble in small workshop groups--using the three worksheets, each participant will develop his statement of the program objectives, measurement criteria, and alternative approaches he thinks could be implemented

in his own environment. The workshop leader will then conduct an open discussion of some of the ideas that were generated to further assist each participant in developing his ideas.

NOTES

VII. Workshop/Exercise

Each participant, working within a small group will develop a brief statement of the elements of a program plan for combatting organized crime in his jurisdiction. He should generate brief descriptions for each of the following for an Organized Crime Control Program.

A. Program objectives

B. Measurement Criteria

C. Alternative Approaches

These statements will become an integral part of a "Plan of Action" developed by each participant during the conference.

EXERCISE WORKSHEET

Topic VI: Planning an Organized Crime Control Program

I. Organized Crime Control Program Objectives

A.

B.

C.

D.

E.

Topic VI - Exercise Worksheet (Cont'd)

II. Organized Crime Control Program Measurement Criteria

A.

B.

C.

D.

E.

Topic VI - Exercise Worksheet (Cont'd)

III. Organized Crime Control Program Alternative Approaches

A.

B.

C.

D.

E.

ORGANIZED CRIME LAW ENFORCEMENT
TRAINING CONFERENCE

INSTRUCTOR'S GUIDE

TOPIC VII: Problems in Investigating and Prosecuting
Organized Crime

SEGMENT A: Narcotics

TIME: Saturday, 9:30 - 12:00 a.m.

STUDENT MATERIALS

1. Outline of Presentation
2. Workshop Exercise

INSTRUCTIONAL AIDS

1. Lecture Notes

INSTRUCTIONAL GUIDANCE

Special emphasis should be placed throughout the presentation on the relationship of narcotics to organized crime activities and known criminal figures.

Because the training conference is being directed to supervisory and management personnel, the lecturer should address his consideration to their level of concern which would be more management oriented than operational. This would suggest the highlighting of management techniques that can be used to further investigations of narcotics cases. This would include explaining the BNDD methodology of using systems analysis techniques to determine who key figures are in narcotics networks.

TOPIC VII
PROBLEMS IN INVESTIGATING
AND
PROSECUTING ORGANIZED CRIME

As the narcotics problem varies greatly by individual jurisdictions care should be taken to define techniques applicable to all areas.

TOPIC VII: Problems in Investigating and Prosecuting Organized Crime

SEGMENT A: Narcotics

TIME: Saturday, 9:30-12:00

LEARNING OBJECTIVE

Through a lecture and workshop, the participant will be presented with a broad overview of the scope of the narcotics problem in the United States and its relationship to organized crime. He will develop an understanding of the types of narcotics used, who is involved in narcotic trafficking, and where it is grown, manufactured, or produced. The routes of entry into the United States and the distribution pattern within the United States will also be presented. Efforts to combat the narcotics problems by law enforcement agencies will be discussed along with Federal, State and local techniques of investigation and prosecution. Recent legislation in the field will be identified.

OUTLINE OF PRESENTATION

NOTES

I. The Relationship of Organized Crime to Narcotics Traffic

A. Organized Crime Involvement

1. Traditional patterns

2. Movement of traditional suppliers out of the narcotics field

VII.A.1

NOTES

B. Emergence of new organizations into narcotics traffic

1. Cuban influence

2. Puerto Ricans

3. Independent Operators

C. Relationship of small independent sellers to traditional suppliers

D. The relationship of narcotics to the rest of the organized crime field.

II. Movement of narcotics into the United States

A. Heroin movements from Europe and Southeast Asia

VII.A.2

NOTES

B. The relationship of the Bureau of Narcotics and Dangerous Drugs, Customs, and other International Organizations in combatting the problem.

1. Numerous methods of shipment

2. Many ports of entry

3. Recent uncovered methods of shipment

4. Inadequate staff to police borders

III. Techniques of Investigating Narcotics Cases as it Relates to Organized Crime

A. Impact points in the narcotics network

B. The targeting of appropriate parties in the narcotics network

VII.A.3

NOTES

C. Use of undercover agents

D. Wiretapping and the use of electronic listening devices

E. Searches and arrests

IV. Recent Legislation Affecting the Investigation and Prosecution of Narcotics Cases

A. Federal legislation affecting the investigation and prosecution of narcotics cases

B. The status of the movement to minimize or legalize the use of marijuana in various states and its impact on the enforcement field

VII.A.4

ORGANIZED CRIME LAW ENFORCEMENT
TRAINING CONFERENCE

INSTRUCTOR'S GUIDE

WORKSHOP

TOPIC VII: Problems in Investigating and Prosecuting Organized Crime

SEGMENT A: Narcotics

TIME: Saturday, 9:30-12:00

1. Objectives

The primary objective of the narcotics workshop is to heighten the investigators and prosecutors perception of narcotics movement and how to recognize it and what can be done to sharpen a narcotics investigation. The case provided should help the participant in the recognition of the need to target appropriate parties in a Organized Crime ring.

2. Issues

1. How do you recognize a upper echelon narcotics dealer?
2. How can you eliminate the use of informants and attempt to establish and receive the maximum amount of narcotics during the investigation?
3. If an informant will not introduce anyone to his source, how can you identify the source of supply, as well as members of the distribution network?

3. Approach

A case will be provided to focus the discussion. The group should break up into four teams who should answer the

questions to the case among themselves and then present their answers to the entire workshop group. The case discussed is an actual case and the answers provided represent the methods used in the successful prosecution of the case. (See attached for suggested solutions to the exercise.)

ATTACHMENT

ANSWERS

QUESTION 1

- a. Intelligence from informants in the street that he is dealing in large quantities and high quality narcotics.
- b. Laboratory analysis of the heroin, 89.7% purity as opposed to the average street heroin of 6% purity.
- c. A New York City source of supply that deals in quantities large enough to necessitate their delivering narcotics to Smith in Washington, D.C.
- d. A distribution network of customers of approximately 50 people.

QUESTION 2

Have the undercover agent introduce a third party thereby eliminating the use of the informant. The third party (second undercover agent) is established as the banker, or "money man" for the first undercover agent, and may identify himself as an out of town buyer, who desires to set up a distribution network in another city, so as not to compete with Smith's operation. This new operation will require large amounts of heroin and cocaine and must rely solely on Smith for supply and delivery. Queries are made of Smith as to the amounts that may be supplied, as well as time of deliveries, etc.

QUESTION 3

Any drug distribution network must rely on communications in order to function properly. This requirement will facilitate the use of a Title III investigation. This method of investigation usually reveals the identities of all customers within the network, as well as the source of supply, time of delivery, location of "stash," etc. The Title III investigation although demanding, time consuming, and sometimes costly is by far the most rewarding method of investigation.

ORGANIZED CRIME LAW ENFORCEMENT
TRAINING CONFERENCE

WORKSHOP

TOPIC VII: Problems in Investigating and Prosecuting
Organized Crime

SEGMENT A: Narcotics

TIME: Saturday, 9:30-12:00

Information received by agents of the Washington District Office, from various informants, indicates that a Richard Smith @ Slick, is supplying large quantities of heroin and cocaine of very high quality to numerous dealers in the metropolitan area.

An informant is located that is acquainted with Smith and agrees to introduce an undercover agent to purchase an amount of heroin in order to determine the percentage of narcotics being distributed by Smith.

The informant telephones Smith from the Washington District Office, at Smith's residence and arranges for a purchase of "1/2 a thing of boy" (1/2 ounce of heroin) for \$750.00, that will take an "eight cut." (Able to be adulterated eight times.) With the permission of the informant, the telephone conversation is monitored by Agent Mack, Agent-in-Charge of the investigation.

At approximately 8:30 p.m., the same day, the informant and the undercover agent met with Smith in an establishment known as "Davis' Bar," 1001 W. Elm Street, N. W., Washington, D.C. Smith sold 16.45 grams of heroin to the undercover agent for \$750.00 Official Government Funds. Subsequent laboratory analysis disclosed the heroin to be 89.7% in purity.

Conversation between the undercover agent and Smith at the time of the purchase, reveals that Smith has a source of supply in New York City that delivers his narcotics to him on a weekly basis. Smith also related that he has

fifty to sixty customers that are all satisfied with his "stuff" in the city, but he always is able to help a new customer.

QUESTIONS

1. What indication do you have that Smith is an upper echelon narcotics dealer?
2. How would you eliminate the use of the informant and attempt to establish the maximum amount of narcotics that Smith is able to supply?
3. In the event that Smith will not introduce anyone to his source, how would you identify this source of supply, as well as the members of Smith's distribution network?

ORGANIZED CRIME LAW ENFORCEMENT
TRAINING CONFERENCE

INSTRUCTOR'S GUIDANCE

TOPIC VII: Problems in Investigating and Prosecuting
Organized Crime

SEGMENT B: Gambling Operations

TIME: Saturday, 1:00-3:00

STUDENT MATERIALS

1. Outline of Presentation
2. Reading Assignment No. 1, "Local Investigation of Illegal Gambling Operations."
3. Reading Assignment No. 2, "Gambling Investigations."
4. Reading Assignment No. 3, "Razzle Dazzle and Related Gambling."
5. Gambling Case
6. Participant's evaluation form

INSTRUCTIONAL AIDS

1. Public address system
2. Lectern
3. Television set
4. Lecture notes
5. Instructor's evaluation form

INSTRUCTIONAL GUIDANCE

The important point to stress is how extensively organized crime is involved in gambling operations. Thus, point one in any presentation on this subject must be to impress upon the participants the fact that local gamblers can not operate for long without the assistance of an organized crime syndicate. Conversely, local illegal gambling can not be effectively stopped unless local authorities, in cooperation with federal authorities, can also prosecute higher-ups.

CONTINUED

3 OF 5

Point two of this presentation should be a brief description of various illegal gambling operations. The instructor should then briefly describe the makeup of a typical bookie operation.

The lecturer should then discuss techniques of investigating organized crime gambling operations, methods of working up to higher levels, and search and arrests procedures. Because the training conference is being directed to supervisory and management personnel, the lecturer should address his considerations to their level of concern. His reference to operational investigation considerations should be made principally to lend clarity and understanding.

Lastly, there should be an extended discussion of the ways in which the local law enforcement agencies can get help. It should also include the people to whom information should be given, and should include some examples of state/federal cooperation.

TOPIC VII: Problems in Investigating and Prosecuting Organized Crime

SEGMENT B: Gambling Operation

TIME: Saturday, 1:00-3:00 p.m.

LEARNING OBJECTIVES

The purpose of this segment is to present the role of organized crime in illegal gambling; types and magnitude of wagering operations; makeup of a gambling enterprise; makeup of a typical bookie operation; ways and means used by wagering operations to avoid detection and arrest; techniques of investigations; methods of working up to higher levels; and arrests and prosecution.

OUTLINE OF PRESENTATION

NOTES

I. Role of Organized Crime in Illegal Gambling

- A. What is the role of organized crime in illegal gambling?
- B. What is the typical makeup of an organized crime gambling operation?

II. Magnitude of Illegal Gambling Operations of Organized Crime

- A. Numbers (policy, bug, cuba, balita)

VII.B.1

NOTES

B. Bookmaking (horses/dogs, sporting events, etc.)

C. Lotteries, sweepstakes, pools, and raffles

D. Casino/Club

III. Makeup of a Typical Bookie Operation

A. What is the organizational structure of a typical bookie operation?

B. How insulated from prosecution are the key organized crime officials who direct and profit from illegal gambling?

C. What ways and means have been developed by organized crime to avoid detection and arrests?

VII.B.2

NOTES

IV. Specific Techniques of Investigating Organized Crime Gambling Operations

A. Undercover agents

B. Wiretapping, listening devices and voice print

C. Stake-outs

V. Methods of Working Up to Higher Levels in Organized Crime Gambling Operations

A. Telephone analysis method of determining types of gambling operations, gambling network, key officials, and revenue

B. Development of additional supportive information through net worth analyses, stake outs, voice prints, etc.

VII.B.3

NOTES

- C. Difficulties in documenting probable cause and obtaining affidavits for search and arrests of higher levels.

VI. Search and Arrests Procedures During a Raid on Organized Crime Gambling Operations

- A. What preraid planning should occur?
- B. What basic steps should be followed during a raid?
- C. What basic steps should be followed during search, evidence gathering and arrest?

VII. Available Federal Assistance in Investigating and Prosecuting Organized Crime Gambling Operations

- A. Federal Bureau of Investigation

VII.B.4

NOTES

- B. Internal Revenue Service

- C. Others

READING ASSIGNMENTS

1. "Local Investigation of Illegal Gambling Operations," by Capt. George H. Bullen, Jr.; Dover, Del.; reprinted from the FBI Law Enforcement Bulletin, March, 1971
2. "Gambling Investigations"; reprinted from the FBI Law Enforcement Bulletin, July, 1969
3. "Razzle Dazzle and Related Gambling Games," reprinted from the FBI Law Enforcement Bulletin, February, 1969

VII.B.5

Local Investigation of Illegal Gambling Operations

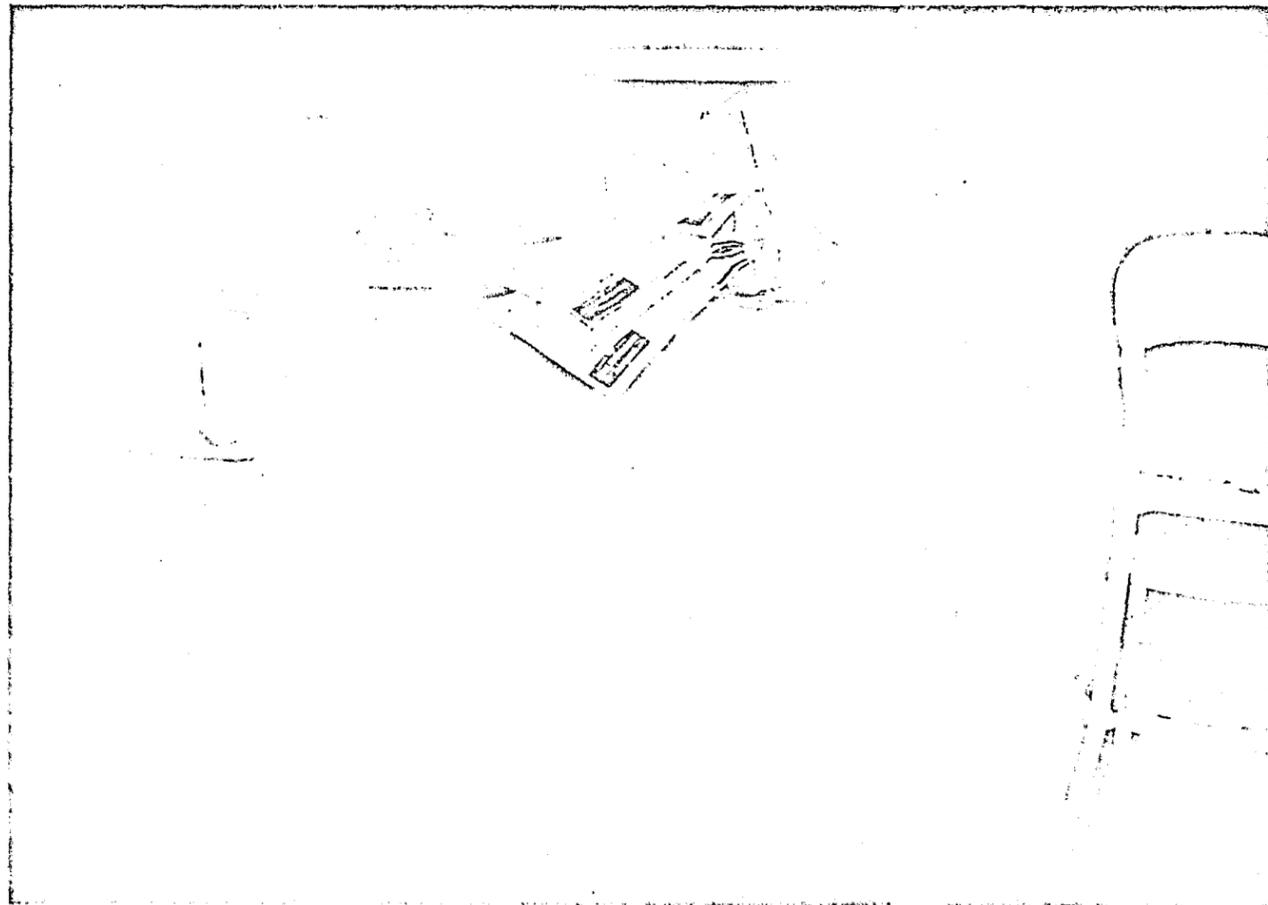


By
CAPT. GEORGE H. BULLEN, JR.
 Delaware State Police,
 Dover, Del.

The operations of nationwide crime syndicates and their actual control of gambling at any given time are difficult to gauge. Where organized gambling exists, the syndicates have exploited the traditional urge exhibited by millions of citizens to gamble occasionally, frequently, or habitually. And yet, these same millions do not condone criminality in principle.

Gambling, of course, is widespread. It involves both rich and poor. The motto of the gambling moguls might

Illustration No. 1.



well be, "Give the people what they want." It is this obsession of giving a little to gain a lot, regardless of the odds, that contributes to the success of the gambling syndicates.

Every legitimate business operates to the mutual advantage of the owner and the customers. But as an enterprise, gambling operates on a one-sided basis to the advantage of the professional gambler. It is entirely unproductive; it upgrades no economic level and performs no useful service. Since there is no element of mutual advantage between the operators and the bettors, there are many who feel that gambling should be legalized and licensed so that the bettors could more equally share in the profits, rather than have the operators receive most of the rewards.

The Key Word Is Control

Social customs such as gambling and social drinking have not been and cannot be eliminated by legislation, and the subject of gambling cannot be approached from a moral standpoint alone. The key word is control, not elimination. In some areas gambling is an accepted social custom. Morals are more coercive than laws. Prohibition proved to be a prima facie example.

The lottery was the first American gambling pastime. But as corruption in its operation began to spread, lottery lost support and was gradually outlawed. With the abolition of the lottery in most States, professional gamblers turned to another lucrative activity known as "policy" or the "numbers" game. This is actually a lottery with a high return to the one who successfully guesses certain selected numbers, such as payoff figures at a given racetrack. The lucky number, consisting of three numbers, pays about 500 to 1. The lucky number is usually derived by adding the payoff figures from the win, place, and show

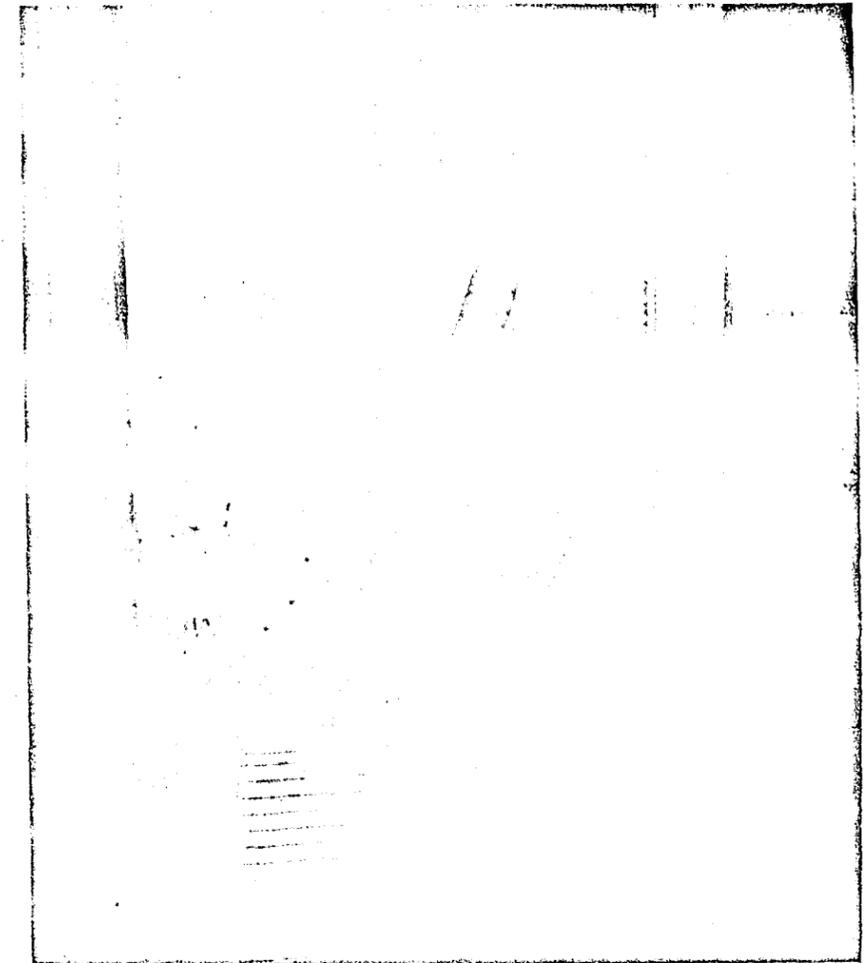


Illustration No. 2.

horses of the second, third, and fourth races at a given track. The total of the win, place, and show payoff figures for the second race might, for example, be \$71.50. The number to the left of the decimal point, in this case the number one, would be the lead number in the lucky number for the day. In Delaware, the lead number pays 7 to 1. The second digit in the lucky number is obtained by adding the win, place, and show payoff figures of the third race at the same track. If the sum were \$82.40, the second digit of the lucky number would be two. The third is obtained by the same method using the payoff figures of the fourth race, again at the same track.

The numbers game is deeply entrenched in most of our larger cities

and in some operates almost in the open. The policy jargon is known to citizens in all walks of life and all levels of society. The numbers game flourishes in many urban neighborhoods as well as in many smalltown taprooms, corner stores, barbershops, and poolrooms.

Bookmaking on horseraces and other sports events surpasses any other single form of illegal gambling activity in volume. The bookmaking field has been aggressively organized, although syndicated bookmaking is not evident in Delaware, where receiving and recording horse bets is still a misdemeanor.

In order to reduce illegal gambling operations in Delaware, two basic investigative techniques are used by the Delaware State Police. They are

- (1) informants or sources, and
- (2) surveillance.

The sequence of events in the surveillance-type technique often evolves from information received from an informant or observation by the investigating officer. Through surveillance, investigators help to establish probable cause sufficient to satisfy the issuing judge that illegal gambling activity is being conducted at a named location—be it a house, place of business, poolroom, et cetera.

Obtaining a Search Warrant

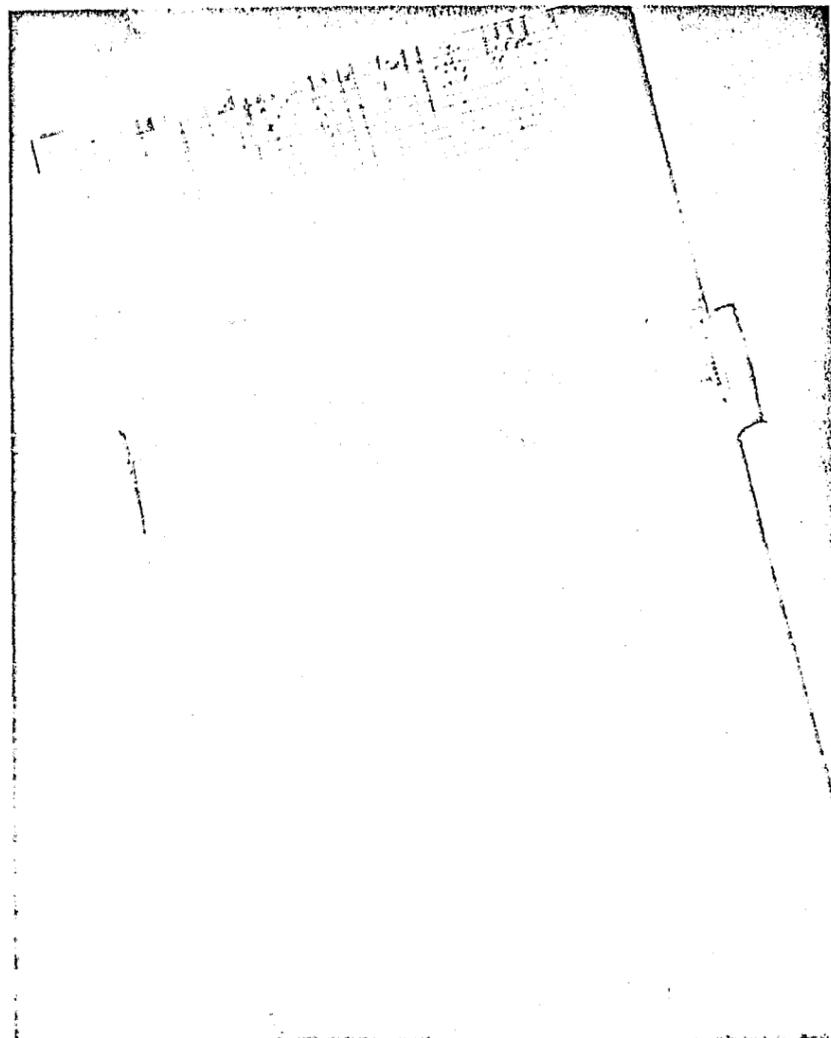
Here are some aspects we consider when preparing an affidavit to obtain a search warrant:

1. Information received from a confidential informant who has been reliable in the past and knows that the person named

in the search warrant is concerned in lottery policy-writing or, in the case of bookmaking, is receiving and recording bets on horseracing or other sporting events.

2. That this person has no known legal means of support.
3. That it is well known in law enforcement circles the party named in the affidavit and search warrant is involved in illegal gambling activities.
4. That the affiants have called the numbers bank or subbank, as the case may be, X number of times during its operational hours and found the telephone was constantly busy.
5. That the affiants observed the suspect operating a vehicle registered to someone else, obviously in order to avoid detection and any subsequent investigation.
6. From their experience in investigating the numbers racket, the affiants relate that it is not unusual for a person involved in the policy game to have an unlisted telephone or one listed to someone else; to use a house, business, apart-

Illustration No. 3.



ment, et cetera, not owned or rented by him; and to drive evasively when going from one location to another to pick up numbers bets from the subbank.

7. Any record of violations for this type of activity or any contact or associations with others who have a record of gambling violations.

Only some of the variables which may be used to obtain a search warrant have been mentioned. Officers who have been involved in this type of case are aware of the many factors, at times, available to the investigator.

Developing a case to obtain a search warrant can be a complex matter. Any single factor included in the affidavit may not appear unusual in itself. However, in conjunction with the other information, it is essential in the construction of the case. An analogy might be the making of a salad. It is not any particular ingredient which is important but, rather, the combination of ingredients.

Investigative Techniques

One of the most effective investigative aids used by the Delaware State Police in following a suspect in order to obtain probable cause is the airplane. On numerous surveillances, particularly when the subject has a record and is familiar with other vehicles used by the police, our department has used its plane with tremendous success. When used in conjunction with a surveillance team in a cruiser, it is almost impossible for the suspect to become aware he is being followed.

Because of more sophisticated investigative techniques, the bookmaker has found it essential to further protect his operation by building barricaded rooms, referred to by many defense attorneys as "bomb shelters." Still, with forethought, persistence, and a little luck, it is probable that enough evidence will be found to warrant an arrest and subsequent prosecution. An example of this would be a Delaware case which occurred a few

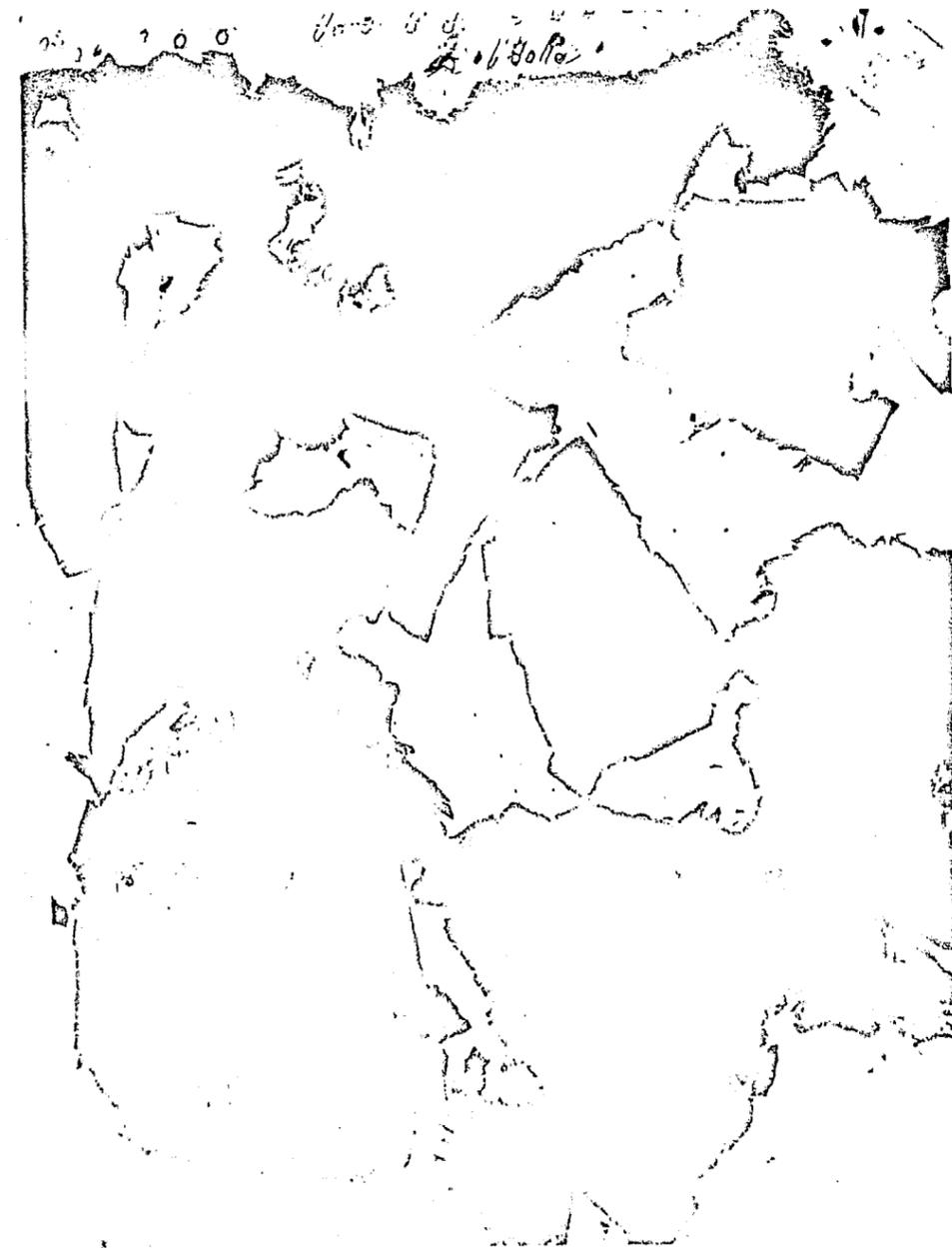
years ago, about the time we were encountering many reinforced rooms.

On June 23, 1966, at 1:30 p.m., investigating officers executed a search warrant, in northern Delaware. Once inside the house, the officers found the subject in a barricaded room in the basement. This was a concrete block room depicted in illustration No. 1. It was 7 by 8 feet in dimensions, with 2 by 4's supporting a seven-eighths-

inch plywood wall on the outside of the room. There was a 3-inch steel door reinforced with a steel brace shown in illustration No. 2.

A considerable amount of time elapsed between the initial entry into the house and the final entry into the shelter. Even though the subject had ample time to destroy the evidence, the officers were successful in locating latent evidence which was subse-

Illustration No. 4.



quently identified, photographed, and submitted to the FBI Laboratory for further analysis.

In illustration No. 3, according to the result of the FBI examination, the printed form comprising the tablet is the type commonly used by bookmakers for the purpose of recording wagers on horseraces. The indented writing on the tablet consists of three columns of four digit numbers, each with three columns of figures to the right. Arrangements of this type are commonly used to record win, place, and show wagers. As an example, the indented figure "0211" on the tablet represents the number of the horse while the indented writing "5 x" to the right thereof represents a \$5 wager on this horse to win.

Searching for Evidence

In reference to illustration No. 4, an examination of the charred paper disclosed two columns of four digit numbers. One of these also shows the recording columns of wagers on horseraces. As an example, the figure "3636" represents the number of the horse while the two figures "2" and "2" to the right thereof represent a \$2 win wager and a \$2 place wager.

Additional evidence, namely number bets, was found in the shelter, and the subject was arrested for receiving and recording horse bets and being concerned in lottery policy-writing. When confronted with all of the evidence in court, the subject pleaded guilty and was fined.

One of the most interesting and bizarre attempts by a bookmaker to avoid detection occurred a few years ago in northern Delaware. The suspect had constructed the first barricaded room encountered by the Delaware State Police. After obtaining a search warrant, officers located the room in a crawl space which had been dug out to a size of approximately 6 by 6 feet in dimensions under a bedroom in the

rear of a house. The room was furnished with a table, chair, radio, clock, and air-conditioner. Entrance to this dugout room was gained by a trapdoor found on the floor of the bedroom closet. This door was covered by a rug onto which shoes, bedroom slippers, et cetera, had been nailed. When occupied, entrance to the dugout room from above was prohibited by a metal bar which was used to secure the trapdoor.

Upon searching the house, investigating officers were unable to find the suspect. One of the raiding officers, however, detected the odor of smoke in the area of the bedroom closet. Further investigation revealed the trapdoor with a ladder leading down into the hidden room. (Fortunately

for the officers, on the day of the raid the suspect failed to use the metal bar.) Several of them entered the room and again failed to find the suspect.

All of the paraphernalia used for receiving and recording horse bets, with the exception of a daily racing paper and a telephone, were present. There was also a strong odor of smoke in the room. After calling several times for the suspect to come forward, a police dog and handler were brought in. When the suspect realized that a dog was about to be used, he readily appeared from the farthest corner of the crawl space under the house and adamantly denied any connection with bookmaking.

During a continuation of the search, the paneling of one wall of the room was removed behind which a telephone wrapped in a plastic bag was found. No horse bets could be found, but the suspect was arrested for tampering with a telephone, was found guilty, and fined.

In addition to receiving and recording horse and other sports bets and lottery policy-writing, there are many other forms of gambling. To mention a few: baseball pools, football pools, crapshooting, slot machines, and Bingo, which incidentally has been legalized in Delaware.

Gambling has been with us for centuries, and presumably there will always be people who are willing to lose their money through games of chance.

®



The revolving manipulations of illegal gambling are difficult to follow.

Gambling Investigations

For sheer complexity, diversity, and number of obstacles to be overcome, few investigative operations present the law enforcement officer with more of a challenge than do those involving professional, illegal gambling.

To begin with, unlike most crimes, few gambling violations start with a complainant—that is, a person who feels he has been injured and is willing to cooperate in the detection and prosecution of the criminal responsi-

ble. On the contrary, bettors are more apt to think of themselves as members of the gambling “fraternity,” rather than victims of it.

Through vast wealth and power, the hoodlum combines promote organized gambling and secure the electronic devices and other material needed to help them thwart police efforts. Often graft and corruption make it possible for them to buy “protection.”

The world of gambling, filled with

inventive and original schemes to make money or simply to make a bet, extends into many forms of American life. Illegal gambling is an underestimated crime—one which earns its financiers billions of dollars annually. There are few independent “bookies” in this day of speedy transportation and far-reaching communications; if the bookie is making money, the bosses of organized crime are getting their percentage. Failure to combat illegal gambling effectively is a defi-

nite aid to the business of crime—helping to finance narcotics and vice rings as well as other underworld rackets.

The solution is complex. First, we must recognize illegal gambling as a serious threat to our country; and second, we must resolve to defeat it in an organized and continuous campaign. The difficulty of this task is not readily apparent. The average citizen sees little, if anything, wrong with placing a \$2 bet at the local tavern and will lend little support to a campaign to halt gambling. The pressure of more urgent police business often deters police efforts against illegal gambling. It is easy to delay action until a more opportune moment. However, a significant percentage of the profit from illegal gambling is now being invested in legitimate businesses. This itself is sufficient reason why a successful battle against illegal gambling is necessary. We must remember that organized crime and illegal gambling are closely entwined.

Arrests and Convictions

Despite all these difficulties, however, it is interesting to note that more than 1,200 persons have been arrested or convicted to date as a result of the FBI's efforts since the passage of the 1961 Federal antigambling legislation. In addition, where no Federal jurisdiction exists, the dissemination of information to other law enforcement agencies—including the use of affidavits by FBI Agents to secure local search warrants—has resulted in some 1,500 raids over the past 2 years. These raids have led to the arrest of more than 7,800 persons and the seizure of currency and gambling paraphernalia valued at approximately \$3 million.

Illegal gambling investigations require the use of foresight, planning, imagination, and quick thinking on the part of the FBI Agents and

police officers conducting such investigations.

While much has been written and discussed about locating and entering illegal gambling establishments, investigating agencies cannot, of course, publicly divulge all their techniques and know-how. Basic flexible investigative approaches, modified with sufficient imagination and ingenuity to meet a given situation, are usually preferable. Alertness and keen observation on the part of officers are essential. And of course, there is no substitute for experience. Ruses, disguises, and countermeasures used by gambling figures must be spotted quickly and recognized for what they are.

Probably no other single phase of a gambling raid is so essential to success as is the approach and the gaining entry before the subject of the raid can destroy his workpapers and any other incriminating evidence which he may have in his possession at the time. As most investigating officers know, gambling evidence is primarily paper in nature and may be burned, bleached, dissolved, or flushed down a toilet in a matter of seconds. For this reason, the more planning that goes into a raid, the more successful it is likely to be.

Runners, writers, or other representatives of big gambling rings can often be traced from sites where they normally pick up their wagers. One ring in a southern State was broken up when an alert police officer noticed that an unusually large number of customers were leaving a shoeshine parlor with dirty footwear. In another State a bookmaker taking advantage of a nice spell of weather was arrested when police became suspicious of the steady stream of motorists stopping to visit a certain clump of bushes in a local park. And in many areas vice squad officers like to see rain since runners often become less security conscious and head straight for their

destination without checking to make sure they are not being followed.

One source who manages a store that specializes in selling and repairing adding machines advises that he can usually spot a member of the gambling element when the latter brings in a machine to be repaired. Whereas most legitimate customers carry their equipment around without any protective covering, bookmakers and policy operators often transport theirs wrapped in blankets, paper, or some other type of screening material.

In the Midwest an unguarded window allowed ten persons to flee a gambling raid by dropping two stories to the ground. More than 100 others also tried to flee but were trapped inside when a 300-pound man became stuck in the window and prevented anyone else from getting out.

Attempted Elusions

In another area, during surveillances of the hoodlum and gambling elements, police ascertained that some of them were driving into parking lots and car-sales firms run by associates and then driving out in different cars which they had borrowed in hopes of throwing off possible "tails." And in many parts of the country, gamblers reportedly monitor police radio calls in order to get advance warning on pending raids.

In an east coast city at least one numbers runner provides his customers a convenient service that also affords him a personal measure of security from detection. Instead of meeting the bettors in a public place and risking being seen recording their wagers, he has keys to their houses or apartments, where he drops in daily to pick up the money and the numbers on which they desire to place a wager.

In the same locality officers raiding a numbers "bank" could not understand at first why there were no rec-

ords to seize when the gamblers obviously had not had time to destroy them. Finally one of the officers took down a roll of paper towels from a rack on the wall and found the records hidden inside the cardboard roller.

In another major city police saw a woman clerk pop some bookmaking papers into her mouth during a raid and assumed that she had swallowed them. Subsequently, during a search at the jail, the officers discovered that the woman—instead of downing the records—had stuffed them under her false teeth.

Three of the most popular methods employed by gamblers to destroy their records in the event of a police raid are by fire, by the use of water-soluble paper (which completely disintegrates when exposed to water), and by flushing the records down a convenient toilet. Recognizing this, law enforcement officers have devised a number of techniques to prevent such destruction or at least to reduce it to a minimum while they are gaining access to the site of the records.

Charred Wagering Data

Several agencies advise that their men routinely wear asbestos gloves on gambling raids in case they have to snatch betting slips or similar wagering data from a fire. Others carry a fire extinguisher with them. If neither works, careful preservation of the ash residue can still be useful, particularly when forwarded to the FBI Laboratory for restoration and examination. In a recent case a mass of charred documents was identified by the Laboratory as being numbers-pool and horserace plays.

Although water-soluble paper leaves no incriminating records to be restored and introduced into court, Laboratory examiners have been successful in identifying the chemical compounds of soluble paper found in a container of water at a bookmaker's

establishment. Testimony to this effect was offered in court as corroborative evidence of the nature of the bookmaker's operation. In addition, a careful search of the raided premises will sometimes uncover records from previous periods which were not readily available to the gambler when he was forced to destroy his current workpapers.

One of the most unusual dilemmas to confront police in some time, however, occurred on the East Coast recently when a woman policy writer slipped out of her housecoat, gathered up her records written on water-soluble paper, and leaped into a bathtub before the raiding party could break down her outer door. By the time the officers reached the bathroom, the woman was sitting in the tub, stirring the paper in the water, and shouting at the police not to enter.

Countermeasures

For the gamblers who specialize in flushing their records down a toilet, at least two countermeasures have been developed. In one town police arranged to have the subject's water cut off ahead of time in order to preclude the loss of more than one load of documents. In another town the sewerline leading from the policy "bank" was disconnected just prior to the commencement of the raid, the end of the pipe was covered with a burlap sack, and the evidence flushed down the toilet was recovered and led to the conviction of the operator.

Similarly, to circumvent a bookmaker who grinds up his documents in a garbage-disposal unit or records his incoming messages on quickly erasable tapes, officers may have his electricity cut off before they announce the raid.

On the other hand, law enforcement officers will occasionally encounter new and bizarre destruction techniques requiring fast thinking

and fast action. A west coast bookmaker, for example, supplied himself with a number of balloons and a helium container. When local police tried to gain entrance to the gambler's office, he jammed his papers into the balloons, filled them with gas, and tossed them out a window to disappear into the sky. Unfortunately for him, however, a high-jumping detective outside the window managed to snare the evidence before it could be wafted away.

In addition to the Federal, State, and local laws specifically banning gambling operations, broader legislation, such as that governing health, safety, and fire conditions in a community, is available for use if necessary. Other areas in which a gambling operation may be vulnerable are in its communications and transportation.

Because few bookmakers could stay in business long without a telephone, the provision in the interstate transmission of wagering information statute which requires a telephone company to terminate service to a professional gambler is a most valuable weapon in the drive against organized crime. According to the statute, which has been upheld by the U.S. Supreme Court, any common carrier subject to the jurisdiction of the Federal Communications Commission—after being alerted by a Federal, State, or local law enforcement agency that its facilities are being, or will be, used for the transmission or receiving of wagering information, and after giving "reasonable notice" to the offending subscriber—must discontinue its services to that subscriber.

For marking money in gambling investigations, a number of agencies use common substances, such as an eyewash, which are not visible under ordinary light but which will fluoresce under an ultraviolet or infrared light.

In Paris, France, a major investi-

gation of 25 bookmakers was finally brought to a successful conclusion through the use of an assortment of techniques, including television coverage of the meets between the bookmakers and their customers.

When a bookmaker adopts the line that any slips found on him are personal bets he is making himself, it is usually possible through careful scrutiny to identify a number of duplicate wagers, which are almost certain not to be found on a personal bettor.

From a legal standpoint, agencies contemplating raids on gambling establishments should make arrangements, once the premises have been secured, to have telephone company experts conduct a survey to identify any telephonic equipment located thereon. Another advantage stemming from this procedure was discovered by one department when a bookmaker yanked three telephones out of the wall and tossed them through a window in an attempt to prevent officers from monitoring incoming bets during the raid. Fortunately, however, the telephone company employee accompanying the police retrieved the instruments and had them in working condition less than 10 minutes later.

Casino equipment, especially that which has been rigged to cheat players, is often quite complex. Because it has been designed to fool even knowledgeable bettors, close examina-

tion by trained personnel is generally necessary to detect the rigging devices. In any event it is recommended that the raiding officers take detailed notes and extensive photographs of the equipment seized, including a complete description of anything that may conceivably be of value. In some instances, a concealed wire leading to batteries in the basement or an adjoining room may indicate the rigged nature of a table or wheel. In others the power unit and all necessary equipment may be self-contained in the table, and nothing less than careful examination under laboratory conditions could possibly uncover them. In fact, careless dismantling of such an item may ruin the evidentiary nature of anything found therein. The same, of course, also applies to telephonic devices, such as "cheeseboxes" and "black boxes," which are often sealed in such a manner that they cannot be opened without destroying them.

In gambling investigations, the thing to expect is the unexpected.

Most criminals usually make some effort to cover their unlawful activities. None, however, is more adept than the wary gambler when it comes to evading exposure and arrest. Most of the time investigators find it is not only a battle against crime, but also a battle of wits.

PLAY FOOTBALL							
100 YARDS OR OVER WIN							
18 H. P.	42 H. P.	38 H. P.	15 H. P.	19 H. P.	41 H. P.	37 H. P.	14 H. P.
9 100 YARDS	28 100 YARDS	40 100 YARDS	26 100 YARDS	8 100 YARDS	30 100 YARDS	47 100 YARDS	27 100 YARDS
32 50 YARDS	44 50 YARDS	25 50 YARDS	13 50 YARDS	31 50 YARDS	43 50 YARDS	24 50 YARDS	12 50 YARDS
46 50 YARDS	34 BONUS	11 30 YARDS	23 30 YARDS	45 30 YARDS	33 50 YARDS	10 50 YARDS	22 50 YARDS
36 PRIZE	16 10 YARDS	21 FREE	40 5 YARDS	35 FREE	17 5 YARDS	20 PRIZE	39 2 YARDS
29 Does Not Win							
YARDS OVER ONLY WINS FLOOR NOT TRANSFERABLE - 29 DOES NOT WIN							
BLACK NUMBERS DO NOT WIN							

Figure 1.

Razzle Dazzle

and Related Gambling Games

"Whether the object of Razzle Dazzle is to score 10 points, make 100 yards for a touchdown, or win an auto race, the result is usually the same—the player loses."

The purpose of this article is to acquaint law enforcement officers with a gambling game frequently referred to as Razzle Dazzle, and also known as Razzle, Bolero, Double-up, Ten Points, Auto Races, Nevada Bank, and Play Football.

This game is popular in carnivals and casino-type gambling operations as proven by evidence submitted by various law enforcement agencies around the country to the FBI Laboratory for examination. Razzle Dazzle is most frequently played by unsuspecting persons who do not realize the odds are so overwhelmingly in favor of the operator that the player's

chances of winning are, for all practical purposes, nonexistent.

As you will see, this game, played under various names as mentioned above, always operates essentially in the same manner and involves the same basic principles. Whether the object of Razzle Dazzle is to score 10 points, make 100 yards for a touchdown, or win an auto race, the result is usually the same—the player loses.

For purposes of demonstration and discussion, let us take a close look at a typical Razzle Dazzle setup, a currently popular version called Play Football. The basic gambling paraphernalia needed to play this game consists of a yardage chart, shown in figure 1, and a roll board, eight marbles, and a roll cup, all shown in figure 2. In one version of Play Football, eight dice replace the marbles and roll board. This equipment can easily be packed in a suitcase, and thus readily lends itself to spurious and fly-by-night operations. It can also be designed as an impressive and professional looking casino layout.

The object of Play Football is to score a touchdown by making 100 yards or over in as many plays as necessary to win. The player pays, of course, for this "opportunity" at a fixed rate per roll as set by the operator. In the marble version the player rolls eight marbles from a cup onto the roll board containing numbered holes as illustrated in figure 2. The operator then adds up the total point values of the eight holes upon which the marbles have come to rest and refers to the yardage chart for the value of the summation. In the dice version the player rolls eight dice in lieu of the marbles, and points showing on the dice are totaled for referral to the yardage chart.

In selling the game to the player, the operator cleverly explains to him that there are 20 numbers on the chart

on which yardage can be scored as follows:

Points	Yards
8	100
9	100
10	50
11	30
12	50
13	50
14	20
15	15
16	10
17	5
18	2
19	5
20	15
21	20
22	50
23	50
24	30
25	50
26	100
27	100
Total	852

The operator further explains that since one of the 41 numbers appearing on the yardage chart will be thrown on each roll of the marbles, or each roll of the dice as the case may be, the law of averages should give the player a total of 852 yards for every 41 throws or

$$\frac{852 \text{ yards}}{41 \text{ throws}} = 20.78 \text{ yards}$$

gained per throw. Under this false logic, the player is assured he should be able to score a touchdown every five throws. How can he possibly lose?

While it is not obvious by cursory examination of the yardage chart, the 41 numbers appearing thereon run consecutively from 8 through 48, the summations of an eight-dice roll. The 20 winning yardage numbers are cleverly arranged so that the 12 numbers having no winnings are surrounded by payoff squares. The nine remaining numbers are used to add a little spice to the game in the form of "fringe benefits" to the player and, for the most part, to the operator.

For instance, if the player rolls 21 points or 35 points, he gets a free roll. If he rolls a 29, he has to double the

money paid the operator for the roll. With some operators, a roll of 29 doubles both the bet and the winnings of future rolls. Thirty-four points gives the player a bonus which could be additional yardage or a small prize as determined by the operator. Rolls of 18, 19, 37, and 38, which are marked "H.P." on the chart, usually entitle the player to some insignificant house prize, as do "Prize" rolls of 20 and 36. Some operators consider "H.P." as "house pays" and return to the roller twice as much as he bet when an "H.P." number is rolled.

The operator tells the player that he should, therefore, earn yardage in 20/41 of the plays; earn a bonus, prize, or free throw in 9/41 of the plays; and receive no yardage in only 12/41 of the plays. The player is assured he should get something or pay nothing 70.73 percent of the time and get nothing 29.27 percent of the time. Unfortunately for the player, it just does not work that way, as there is chicanery behind this manner of reasoning.

Misleading Statistics

The deception lies in the use of the yardage board for the basis of the operator-oriented statistics rather than the numbers on the roll board or the roll of the dice. The truth is that the average number of yards per throw that the player can expect to make on the marble version is an astoundingly low .016635 yards per throw. At this rate the player on the average would have to roll the marbles 6,011 times to get a touchdown rather than the five times rationalized and promoted by the operator.

Using the roll shown on the board in figure 2, we see that the marbles have come to rest on the holes numbered 3, 3, 6, 3, 3, 4, 5, and 3, the summation of which is 30. As can be seen from the chart shown in figure 1, 30 points has no yardage value at all.

This situation will be the result in the vast majority of other plays also, for reasons which we shall discuss later.

Had the player been fortunate enough to roll points totaling 8 or 48, we see from the chart that he would have been a winner in only one roll, as these two numbers are worth 100 yards each. However, we see that in order to roll eight points, all eight marbles must come to rest on eight of the 11 holes bearing a point value of one—the only way eight points can possibly be made. The same holds true for scoring 48 points, in which case all eight marbles must come to rest on eight of the 11 six-point holes. What is the probability involved in this happening? Not too good as you will see. There are 143 holes on the

Example A.

$$\frac{11}{143} \times \frac{10}{142} \times \frac{9}{141} \times \frac{8}{140} \times \frac{7}{139} \times \frac{6}{138} \times \frac{5}{137} \times \frac{4}{136}$$

$$= \frac{6,652,800}{143,259,982,035,730,560} = .000000000464386$$

roll board, 11 of which have a point value of one. Therefore, the first marble would have 11 opportunities out of 143 of coming to rest on a one-point hole. Assuming that the first marble did in fact come to rest on a one-point hole, the second marble would then have 10 remaining opportunities out of 142 vacancies of coming to rest on a one. Following this same logic, the third marble would have nine chances out of 141 of settling on a one-point hole. Expressed mathematically, the probability of all eight marbles falling on eight holes with a point value of one is as shown in Example A.

Expressed differently, this means that eight points in one roll of the marbles would occur only once in every 21,533,787,583 rolls, which certainly could not be termed, by any stretch of the imagination, a "sport-

Example B.

$$\frac{11}{143} \times \frac{10}{142} \times \frac{9}{141} \times \frac{8}{140} \times \frac{7}{139} \times \frac{6}{138} \times \frac{5}{137} \times \frac{19}{136} \times 8$$

$$= \frac{252,806,400}{143,259,982,035,730,560} = .000000017646686$$

ing chance." The same probability would also occur in rolling 48 points in one roll, that is, a situation where all eight marbles must come to rest on six-point holes.

The situation improves very little when we try to roll nine points, another 100-yard gainer on the chart. In this case, one of the eight marbles must come to rest on one of the two-point holes of which there are 19 on

What is not immediately obvious to the player in the marble game can best be illustrated by considering the toss of one die. Since there are six sides to a die, there are only six ways that the die can fall, and any one of the numbers one to six is as likely to turn up as any other.

Now let us consider the sums resulting from the two numbers which turn up from the toss of a pair of dice. Since each die has six sides and each side of each die can fall with each side of the other die, there are now 6x6 or 36 ways for the dice to fall as shown in Example C.

Please note that there is still only one way for the lowest possible roll which is a two (double ace) and for the highest possible roll which is a 12 (double six) to be rolled. However, there are now, as can be seen from the chart below, six ways in which seven points can be rolled. Thus, we can safely say that one would be more likely to roll a seven than a two, six times more likely in fact, as the probability of rolling a seven would be 6/36 or 1/6, and that of rolling a two would be only 1/36.

Example C.

Points	Ways of falling	Number of ways
2	1 and 1	1
3	1 and 2, 2 and 1	2
4	1 and 3, 3 and 1, 2 and 2	3
5	1 and 4, 4 and 1, 2 and 3, 3 and 2	4
6	1 and 5, 5 and 1, 2 and 4, 4 and 2, 3 and 3	5
7	1 and 6, 6 and 1, 2 and 5, 5 and 2, 3 and 4, 4 and 3	6
8	2 and 6, 6 and 2, 3 and 5, 5 and 3, 4 and 4	5
9	3 and 6, 6 and 3, 4 and 5, 5 and 4	4
10	4 and 6, 6 and 4, 5 and 5	3
11	5 and 6, 6 and 5	2
12	6 and 6	1

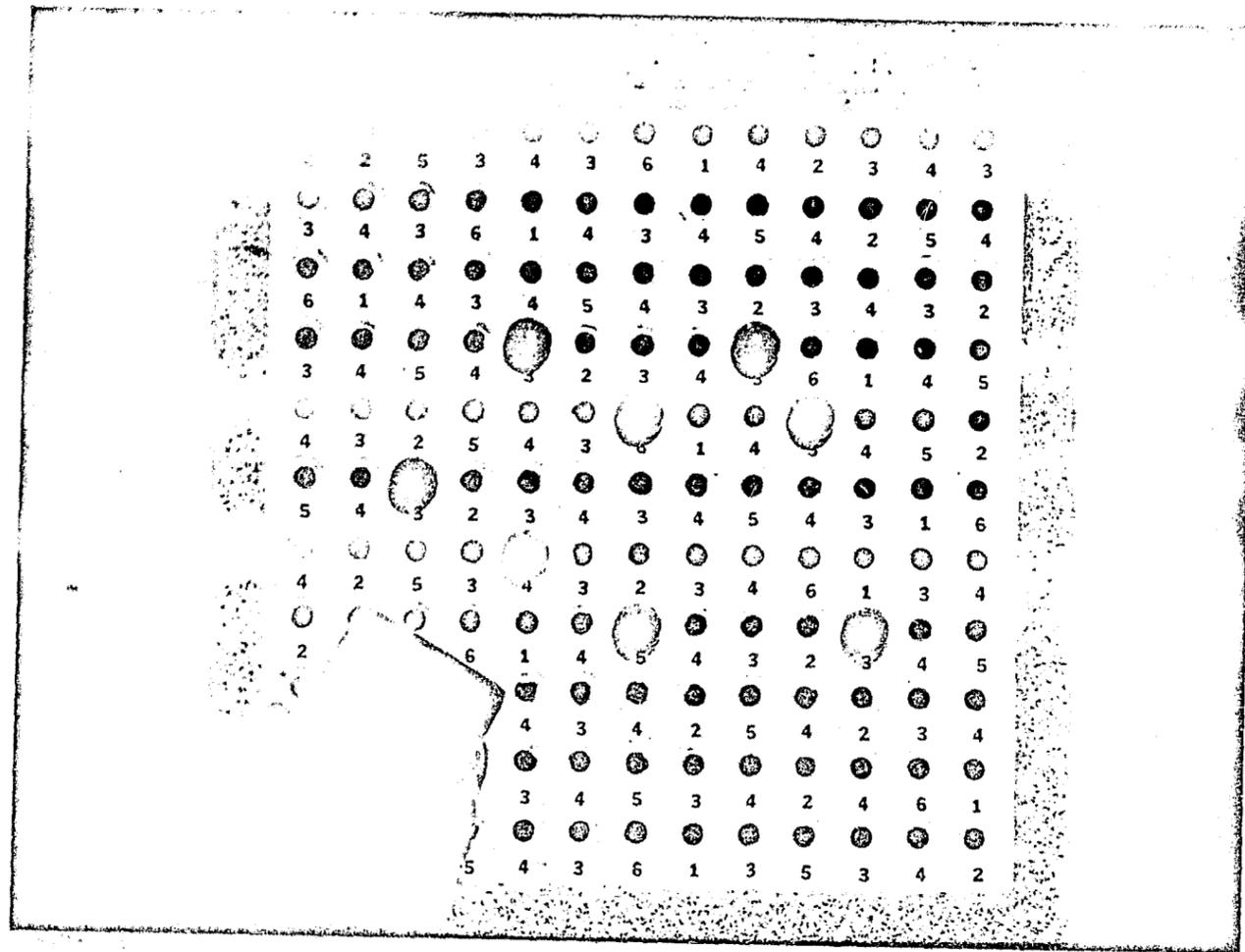


Figure 2.

As more dice are introduced into each roll, the situation compounds itself sharply. For example, the eight dice thrown in the dice version of "Play Football" can be rolled in 1,679,616 different ways. Figure 3 is a chart which gives the normal frequencies of expected occurrence of all of the summations 8 through 48 involved in an eight-dice roll, presuming of course the use of normal dice on a level table and no trickery. The payoffs on each number are also shown. Figure 3 dramatically illustrates how heavily loaded the dice version is in favor of the operator. Even if played honestly, this version would not afford the player any appreciable chance of winning as the yardage winning numbers are all infrequently rolled numbers. It also now becomes apparent why 29 was selected as the

"pay double" number, since it can be expected to turn up once in every 13 rolls.

Now let us take a close look at the roll board itself, which contains an added gimmick not found in the dice version of the game. We see that it contains 143 holes randomly numbered one through six as follows:

Number	Frequency
1	11
2	19
3	39
4	44
5	19
6	11
Total	143

Please note the uneven distribution of the numbers, that is, there are more five-point numbers than six-point numbers, etc. Therefore, if we were to

toss a marble onto the board, we can readily see that the chances of its coming to rest on a four-point hole would be greater than the chances of its coming to rest on a one-point hole—four times greater, in fact, as there are four times as many four-point holes as there are one-point holes.

This uneven distribution of numbers is purposely designed into the marble game to enhance further the odds in favor of the operator by reducing the chances of rolling the high-yardage numbers even more. For example, as stated previously, eight dice can be rolled in 1,679,616 different ways, while the eight marbles on the board can be rolled in 143,259,982,035,730,560 different ways. The use of the roll board makes a sure thing into a still surer thing for the operator.

Expected occurrence	Payoff
8 should occur once in 1,679,616 rolls.....	100 yards.
9 should occur once in 209,952 rolls.....	100 yards.
10 should occur once in 46,656 rolls.....	50 yards.
11 should occur once in 13,997 rolls.....	30 yards.
12 should occur once in 5,090 rolls.....	50 yards.
13 should occur once in 2,121 rolls.....	50 yards.
14 should occur once in 983 rolls.....	20 yards.
15 should occur once in 499 rolls.....	15 yards.
16 should occur once in 273 rolls.....	10 yards.
17 should occur once in 160 rolls.....	5 yards.
18 should occur once in 100 rolls.....	House Prize.
19 should occur once in 66 rolls.....	House Prize.
20 should occur once in 46 rolls.....	Prize.
21 should occur once in 33 rolls.....	Free Play.
22 should occur once in 25 rolls.....	0 yards.
23 should occur once in 20 rolls.....	0 yards.
24 should occur once in 17 rolls.....	0 yards.
25 should occur once in 15 rolls.....	0 yards.
26 should occur once in 13 rolls.....	0 yards.
27 should occur once in 13 rolls.....	0 yards.
28 should occur once in 12 rolls.....	0 yards.
29 should occur once in 13 rolls.....	Pay Double.
30 should occur once in 13 rolls.....	0 yards.
31 should occur once in 15 rolls.....	0 yards.
32 should occur once in 17 rolls.....	0 yards.
33 should occur once in 20 rolls.....	0 yards.
34 should occur once in 25 rolls.....	Bonus.
35 should occur once in 33 rolls.....	Free Play.
36 should occur once in 46 rolls.....	Prize.
37 should occur once in 66 rolls.....	House Prize.
38 should occur once in 100 rolls.....	House Prize.
39 should occur once in 160 rolls.....	2 yards.
40 should occur once in 273 rolls.....	5 yards.
41 should occur once in 499 rolls.....	15 yards.
42 should occur once in 983 rolls.....	20 yards.
43 should occur once in 2,121 rolls.....	50 yards.
44 should occur once in 5,090 rolls.....	50 yards.
45 should occur once in 13,997 rolls.....	30 yards.
46 should occur once in 46,656 rolls.....	50 yards.
47 should occur once in 209,952 rolls.....	100 yards.
48 should occur once in 1,679,616 rolls.....	100 yards.

Figure 3.

The question arises as to how an operator can get anyone to play the game if there is little or no chance of winning. The fact is that the game is so much under the operator's control that he allows the player to win sizable yardage in order to keep the player's interest alive and set him up to lose still more money. The operator accomplishes this by adding up the numbers very rapidly after a roll, picking up the marbles or dice as he counts.

and quickly announcing any total he desires.

This method of miscounting is known as a "fast count" and is worked when the operator desires to change a nonwinning number into a yardage winner and vice versa. The operator will very often give a false count on the original roll of a game in order to encourage the customer to continue the game. Glib banter about "being a human computer who is able

to add rapidly" aids the operator in the smooth execution of the "fast count."

In fact, Razzle Dazzle was given the name because of this "fast count" aspect which leaves the player dazzled. Since on some rolls the player is allowed to count the points at his own leisure, he is not overly suspicious of the "fast count" executed by a skilled operator, particularly as the player "wins" yardage in this manner when the operator is setting him up.

The operator builds the player up to within striking distance of touchdown yardage through "fast count" manipulations and then permits the game to take over to relieve the player of his remaining cash. The usual parting shot by the operator is a "Sorry, mister! Better luck next time! If Lady Luck didn't let me win one now and then, I couldn't stay in business."

When it comes to Razzle Dazzle and related gambling games, the smart person keeps his money in his wallet.

ORGANIZED CRIME LAW ENFORCEMENT
TRAINING CONFERENCE

INSTRUCTOR'S GUIDE

WORKSHOP

TOPIC VII: Problems in Investigating and Prosecuting
Organized Crime

SEGMENT B: Gambling Operations

TIME: Saturday, 1:00-3:00

1. Objectives

The participant is expected to develop an understanding of how to investigate a gambling operation, how to work up to higher levels, and alternative investigative approaches which have been successfully used. A recent example on investigating and prosecuting higher-ups in illegal gambling will be used during the workshops to develop this understanding.

2. Issues

1. How cost effective is it to go after higher ups in illegal gambling which may require months of investigation when it requires far fewer man hours to arrest local bookmakers?
2. Why should law enforcement officials spend limited staff and money when society is gradually legalizing various aspects of gambling?

3. Approach

The participants will assemble in small workshop groups. Using the case material, the instructor will lead the participants through a case solution. The workshop leader will then conduct an open discussion of some of the ideas that were generated to further assist each participant in developing his ideas.

ORGANIZED CRIME LAW ENFORCEMENT
TRAINING CONFERENCE

WORKSHOP ON INVESTIGATING AND RAIDING A GAMBLING OPERATION

The Chief of Detectives had just left a debriefing of his undercover narcotics agents. He had been informed by the narcotics agents that the Burgundy House was the headquarters for a large bookmaking operation. The Burgundy House was a well-known restaurant and evening entertainment place, not only to residents of the city but to visitors from other cities. Prominent orchestras and entertainers were featured at the House. Its main patronage was dining and dancing; although it opened at 10:00 a.m. in the morning and operated a very popular mid-morning brunch.

The Chief knew the House well and was both surprised and puzzled to hear the owner should risk its good name. His narcotics agents had presented a convincing case. Their stakeouts had produced detailed log and pictures of several suspected gangsters. While they had a detailed map of the place, they did not know the precise location of the gambling operation, except that it was entered through one of the coin operated toilet facilities in the men's room. He suspected that a large gambling operation might be operating in his city as a result of two factors:

1. The sister city across the river had been conducting numerous raids on small fellows; and
2. A new race track had just opened outside the city limits.

The Chief felt he had better act fast before other operators got the idea that the city was an easy mark. He knew, however, that the most effective approach was a well developed documentation of the gambling operation. The Chief knew that the father of the City Council President owned and operated the House. Or did he? He knew that he had to act. The political overtones could be substantial however.

Work Assignment

Develop a detailed action program for the Chief of Detectives. Do you agree with the following actions of the Chief of Detectives?

1. He sent a man over to the recorder of deeds to see if the House had been sold recently.

It had not been sold recently. He discovered, however, that the family of the President of the City Council had never owned the House.

2. He sent a detective to the City Licensing Department to see if the House had changed management. A new corporation now managed the House.
3. The detective also stopped at the Building Inspection Department to see if the House had been recently remodeled. According to City records it had not.
4. The detective called the City Health Department and asked for a list of all inspection violations.
5. Another detective was asked to go over to the phone company to verify a change in management and requested information on any changes in number of phones, revenue levels, and long distance calls. The phone company confirmed a change in management, the installation of eight new phones and an increase in phone revenue. What else should he have obtained from the phone company?
6. He called in the narcotics agents and learned that bookies went in at 10:00 a.m. and came out at 4:00 p.m. every day. They were observed after having brunch, the informer stated that they would go into the men's room and disappear. A reliable narcotics informer said he had been in the back room and there was a large operation there ... a dozen phones etc. How should he use this information? Does he have sufficient information to obtain a search warrant?

7. He obtained from them a description of the suspected men's room. It had fake wood paneling on the walls. It had three coin operated toilets in the back and the one in the far corner never worked or always seemed to be occupied. The suspected operators would go into the men's room and disappear. There was also a small janitor closet in the men's room which was locked at least they thought it was a janitor closet. Would you make further use of the narcotics agents? If so how and why?
8. The Chief of Detectives used the information from the narcotics agents to tentatively identify the drag men and had them tailed. His detectives were successful in identifying only two of the writers -- one of them being a bartender in one of the new hotels. He did not think it worthwhile to spend more manhours on identifying additional suspects or to go after the bartender. Do you agree?
9. He decided to conduct a raid on the Burgundy House using City Police officials. He did not believe it would be productive to involve either the State Police or FBI. How could these other law investigating and enforcement officials have aided him?
10. The raid was executed with discouraging results. The police had considerable difficulty in finding the false entrance. They did not know that the head busboy was a lookout and had activated a warning buzzer. When they went into the backroom the records had been burned. They did retrieve one badly charred notebook which was filled with mumbo jumbo markings. What should he do?
11. What should he do with all the evidence? Would you try to book anyone?
12. What are his chances of obtaining any convictions?

TOPIC VII: Problems in Investigating and Prosecuting Organized Crime.

SEGMENT C: Panel Discussion "The Effects on Society of Legalizing the Victimless Crimes"

TIME: Saturday, 7:00-8:30 p.m.

LEARNING OBJECTIVES

The participant will gain an appreciation of the pros and cons of legalizing the so-called victimless crimes, such as gambling, narcotics and prostitution. He will have the opportunity of assessing the various views of experts in the different disciplines of law enforcement, sociology, economics, religion, and private enterprise.

PANEL DISCUSSION

I. Benefits and Disadvantages to Law Enforcement Agencies

- A. Use of law enforcement resources
- B. Cost of law enforcement
- C. Scope of law enforcement activities
- D. Responsibility of law enforcement to society

VII.C.1

NOTES

E. Concomitant effects of legalization on society

F. Impact on organized crime law enforcement

II. Effects On The Social Structure and Concept of Society

A. Role of individual in society

B. Role and function of social organization

C. Relationships and responsibilities of individuals to each other

D. Role and responsibility of government

E. Impact on the organized crime "sub-society"

VII.C.2

NOTES

III. Economic Impact of Legalization

- A. Free enterprise system
- B. Tax revenue base
- C. Employment
- D. Standard of living
- E. Does it really hit organized crime where it hurts the most?

VII.C.3

NOTES

- . Facilitates a takeover of legitimate businesses
- . Facilitates the use of stolen securities as collateral for loans the proceeds of which are shared with loansharks

II. Method of Operation

- A. Method of large volume, small loan operation
 - . Reference and sources
 - . 5 to 10% week interest
 - . cash only
 - . weekly collection

VII.D.3

NOTES

. lack of records

. the "pep talk"

B. Central collections versus street route

III. State Statutory Response

A. Usury laws--commercial law presents major obstacles

B. Extortion laws, including statutes adopted from 18 U.S.C. 891-894

C. Necessity for immunity statute

D. Other statutes (assault and battery, etc.)

VII.D.4

NOTES

IV. Federal Statutory Response

A. Extortion extension of Credit Law--18 U.S.C. 891-894

B. Hobb's Act--18 U.S.C. 1951

C. Racketeer influence in corrupt organizations law--18 U.S.C. 1961-1962-1963

V. Intelligence Gathering re Loansharking Activities

A. Prime victims

. Cab drivers, truck drivers, dock hands--the problem of unavailable credit

. Migrant workers

VII.D.5

NOTES

- . Gamblers--big and small from horses to the stock market

- B. Cooperative witnesses--their handling and control

- C. Surveillance as key method of obtaining witnesses

- . Use of surveillance to identify potential loanshark victims

- . Use of surveillance to corroborate testimony of potential witnesses

- . Use of photograph surveillance to corroborate witness testimony; to establish existence of the loansharking operation and to produce cooperative witnesses

VII.D.6

NOTES

- . Use of electronic surveillance and wiretap

- D. First interview of witnesses-- police and D.A. interrogation

- E. The failure to question other criminal suspects concerning loansharking

- VI. Grand Jury Investigations

- A. Use of perjury statutes to establish cooperative witnesses

- . Use of surveillance

- . Use of photograph evidence

- B. No fifth amendment problem

VII.D.7

NOTES

C. Immunity Statutes

D. Necessity for overcoming the fear of the victims and their reluctance to cooperate with the government, even if unafraid

E. Necessity for rehabilitating perjurious witness in the Grand Jury

VII. Proving the Extortion

A. Circumstantial evidence

- . Setting of the loan transactions
- . Reputation of the loan-shark
- . Lack of means to collect the loan other than by force

VII.D.8

NOTES

B. Use of the conspiracy statute

VIII. Pretrial Preparation

A. Necessity for maintaining contact with witnesses

. Obstruction of justice statutes

. Protective measures

VII.D.9

ORGANIZED CRIME LAW ENFORCEMENT
TRAINING CONFERENCE

INSTRUCTOR'S GUIDE

TOPIC VII: Problems in Investigating and Prosecuting
Organizations

SEGMENT E: Theft and Manipulation of Securities

TIME: Sunday, 3:00 - 4:00 p.m.

STUDENT MATERIALS

1. Outline of Presentation
2. SEC Handout (The Work of the SEC)

INSTRUCTIONAL AIDS

Flip Chart

INSTRUCTIONAL GUIDANCE

Special emphasis should be placed throughout the presentation on the relationship of the theft and manipulation of securities to organized crime activities and known criminal figures.

The lecturer should briefly outline the scope of organized crime infiltration into the financial community. Description should also be provided as to how Organized Crime has been active in the manipulation of securities and in the actual counterfeiting of bonds and securities.

Because the training conference is directed to supervisory and management personnel, the lecturer should address his discussion to their level of concern, including

planning, organization, utilization of resources and other management considerations in countering the securities theft problem.

As most of the attendees will be from State and Local offices, assistance rendered by the Securities and Exchange Commission in combatting the securities theft problem should be described. It would also be helpful to provide examples of how a security swindle can influence people in a range far broader than the New York market place. Specific techniques of investigating security theft should also be illustrated.

NOTES

TOPIC VII: Problems in Investigating and Prosecuting
Organized Crime

SEGMENT E: Theft and Manipulation of Securities

TIME: Sunday, 3:00-4:00 p.m.

LEARNING OBJECTIVES

The purpose of this segment is to illustrate how the growing number of thefts of millions of dollars worth of securities from banks, brokerage houses, clearinghouses, and the U. S. Mail has had a profound effect on the Nation's financial community. It will also describe how Organized Crime has been active in the manipulation of securities and the actual counterfeiting of bonds and securities. It will describe methods used by Organized Crime to effect theft and manipulation and measure resources that are available to the financial and law enforcement community to counter this problem.

OUTLINE OF PRESENTATION

I. Scope of Organized Crime infiltration Into The Financial Community

- A. Thefts of securities and bonds
- B. The manipulation of stock
- C. Counterfeiting of stocks and bonds

VII.E.1

II. Pattern of Organized Crime As It Relates To The Perpetration of Thefts and The Conversion of Securities

- A. Organized crime infiltrates brokerage houses, banks, and plants people in a position to steal U.S. Mail, and securities from individuals
- B. Thieves pass the stolen securities to organized crime elements who control the theft, distribution and conversion
- C. Securities are sold or consigned to fences who are mob connected
- D. Stolen securities are converted to cash for the benefit of organized crime through:
 - . resale through brokers
 - . placed in banks as collateral for loans

VII.E.2

NOTES

. placed in portfolios
of insurance companies

. taken outside of the
United States

- resold

- placed in banks for
collateral

- used to establish trust
accounts which are then
used to make letters of
credit or certificate of
deposit and returned to
the United States

- actual example (Security
theft of Kennedy Airport)

- thefts of securities from
United States Airports

VII.E.3

NOTES

III. Manipulation of Stock

A. Infiltration of cor-
porate organization

B. Manipulation of stock

. through brokers

. inaccurate information

IV. Counterfeiting of Securities
and Banks

A. Actual counterfeiting and
passage of banks and sec-
urities

V. Techniques Available To Combatting
The Security Theft Problems

VII.E.4

NOTES

- A. Securities and Exchange Commission assistance

- B. Internal controls available to the financial community

- C. State and local investigative tools

NOTES

- A. Securities and Exchange Commission assistance

- B. Internal controls available to the financial community

- C. State and local investigative tools

ORGANIZED CRIME LAW ENFORCEMENT
TRAINING CONFERENCE

INSTRUCTOR'S GUIDE

TOPIC VII: Problems in Investigating and Prosecuting
Organized Crime

SEGMENT F: Thefts and Fencing

TIME: Sunday, 4:00-4:45

STUDENT MATERIALS

1. Outline of Presentation

INSTRUCTIONAL AIDS

1. Lecture Notes

INSTRUCTIONAL GUIDANCE

Special emphasis should be placed throughout the presentation on the relationship of thefts and fencing to organized crime activities and known criminal figures. This would describe the difference between independent street thefts and that which takes place in a patterned organized manner.

Because the training conference is being directed to supervisory and management personnel, the lecturer should address his discussions more to planning, organization, and utilization of resources in combatting thefts and fencing than concentrating on the operational aspects of the problem. Thefts should be broken up by types and methods. Some discussion should also be provided as to how goods find their way into legitimate commerce and how to investigate and prosecute fences.

TOPIC VII: Problems in Investigating and Prosecuting
Organized Crime.

SEGMENT F: Thefts and Fencing

TIME: Sunday, 4:00-4:45 p.m.

LEARNING OBJECTIVES

During this lecture the participant will be exposed to the dimensions of the cargo thefts and hijacking problem. It will also discuss the network of the stolen goods and how they are fenced. Also included will be theft from U.S. Mails and credit card thefts. Techniques available to state and local municipalities, along with cargo firms in combatting the theft and fencing problem will be discussed.

OUTLINE OF PRESENTATION

NOTES

I. Scope and Depth of Cargo and
General Thefts as it Relates
to Organized Crime.

A. General cargo theft

B. Burglaries by organized
crime organizations

C. Credit card theft

II. Methods Used on Thefts from
Transportation Centers by
Organized Crime Groups

NOTES

- A. Airports
- B. Docks and marine terminals
- C. Railroad yards
- D. Hijacking of truck shipments in transit
- E. Credit card thefts from the mail

III. Burglaries and Fencing

- A. Ability of organized crime theft rings to target appropriate centers
- B. The difficulty in effectively passing stolen goods
- C. Methods used by the fence in passing goods into legitimate commerce

VII.F.2

NOTES

IV. The Importance of Targeting Appropriate Parties in Thefts and Fencing

- A. Aim for personnel higher in the organized crime hierarchy than the actual thief
- B. The importance of eliminating the fence to have a proportional decrease in actual thefts
- C. Management techniques that can be used in combatting theft

VII.F.3

ORGANIZED CRIME LAW ENFORCEMENT
TRAINING CONFERENCE

INSTRUCTOR'S GUIDE

TOPIC VII: Problems in Investigating and Prosecuting
Organized Crime

SEGMENT G: Frauds

TIME: Sunday, 7:30-9:00

STUDENT MATERIALS

1. Outline of Presentation
2. Student evaluation forms

INSTRUCTIONAL AIDS

1. Elevated speaker's platform
2. Lectern
3. Public address system
4. Pack-chart and stand
5. Magic markers
6. Instructor's evaluation forms.

INSTRUCTIONAL GUIDANCE

The relationship of frauds to organized criminal activities should receive major emphasis.

The lecturer should direct his presentation to the law enforcement management and supervisory needs and refer to operational aspects to the extent that it supports this presentation.

Planning, organizing and utilizing law enforcement resources effectively in combatting frauds as an organized crime activity should, therefore, be the main thrust of the presentation.

TOPIC VII: Problems in Investigation and Prosecuting
Organized Crime

SEGMENT G: Frauds

TIME: Sunday, 7:30-9:00 p.m.

LEARNING OBJECTIVES

Fraud has a broad connotation with special meaning to many people. The purpose of this session is to determine the involvement of organized crime in frauds of various types, to identify the range of frauds that state and local law enforcement officers are most likely to encounter, and to focus on four to six of the most "popular" or potentially most popular frauds that impact on the general public today and possibly in the future.

OUTLINE OF PRESENTATION

NOTES

I. Brief Introductory Summary of
Principal Federal Criminal
Fraud Statutes

A. Banking

- . Embezzlement (18 U.S.C. 656 et seq.)
- . False statements and entries (18 U.S.C. 1005 et seq.)
- . Bribery (18 U.S.C. 212 et seq.)

VII.G.1

NOTES

- B. Bankruptcy (18 U.S.C. 152 et seq.)

- C. Mail fraud (18 U.S.C. 1341)

- D. Wire fraud (18 U.S.C. 1343)

- E. Fraud against the Government
 - . False statements (18 U.S.C. 1001 et seq.)

 - . False claims (18 U.S.C. 286 et seq.)

 - . Conspiracy to defraud (18 U.S.C. 371)

 - . Specific statutes (OEO, Housing SBA, Food Stamps, LEAA, etc.)

VII.G.2

NOTES

F. Election laws

- II. Past Applications of Fraud Statutes to Organized Crime Cases - Some Case Histories

- III. Discussion of Popular or Typical Fraudulent Schemes that may Involve Organized Crime Figures or Significant Criminal Activities

A. Banking activities

- . Bribery of bank officials to obtain loans

- . False statements or false entries to disguise fraud

- . Check kites

B. Credit card fraud

VII.G.3

NOTES

- C. Planned bankruptcies or "Scam" operations
- D. Airline ticket fraud
- E. Franchise or distributorship fraud
- F. Advance fee or finder's fee fraud
- G. Fraud in federal programs
 - . Food stamps
 - . Welfare and economic grants
 - . Home improvement schemes
 - . Land promotions

NOTES

- H. "Looting" or "Raiding" of corporate assets
- I. Insurance fraud
- IV. Development of a Fraud Case
 - A. General observations
 - B. Need for close supervision
 - C. Exhaust all logical leads
 - D. Importance of books and records
 - E. Be familiar with all documentary evidence
 - F. Development and handling of key witnesses

NOTES

G. Corroboration of key witnesses

H. A chronology as an investigative and trial tool

V. Matters of General Interest

A. Public corruption and the Federal criminal fraud statutes. A discussion of how Federal criminal fraud statutes may be applicable to misconduct of Federal, State and Local officials.

B. Swiss Bank Secrecy

A briefing on the problem in general and a status report on the cooperation between the Swiss and U. S. Governments in criminal matters including negotiations on a treaty of mutual assistance.

C. Off-Shore Violations

A discussion of the growing problem of criminal activities involving foreign bases of operation.

VII.G.6

ORGANIZED CRIME LAW ENFORCEMENT
TRAINING CONFERENCE

INSTRUCTOR'S GUIDE

TOPIC VII: Problems in Investigating and Prosecuting Organized Crime

SEGMENT H: Infiltration of Legitimate Business

TIME: Monday, 8:30-12:00

STUDENT MATERIALS

1. Outline of Presentation
2. Reading Assignment No. 1, "How to Lock Out the Mafia"
3. Case Material
4. Participant's evaluation form

INSTRUCTIONAL AIDS

1. Public address system
2. Lectern
3. Pack-chart and stand
4. Magic markers
5. Lecture notes
6. Instructor's evaluation form

INSTRUCTIONAL GUIDANCE

Special emphasis should be placed not on how far businesses have been infiltrated by organized crime in the usual sense but rather how broad ranging the problem of business racketeering is—that is a problem not only in New York and Newark but in every state and every city. Most law enforcement officials are not going to run up against hard core business racketeering (i.e., syndicate control over businesses), but every law enforcement official is going to confront the kind of bribery, extortion and theft that happens on a daily basis all over the country. Thus they should understand that the problem is one that occurs on the local and state level and can be met by local law enforcement.

While the presentation should cover a brief description of the kinds of activities which are subsumed under the heading, "infiltration of legitimate business", more importantly the instructor should discuss the signs to look for to find out if infiltration of legitimate businesses is going on.

Special emphasis should be placed on a discussion of investigative techniques. In part, stress should be laid here on the limited nature of federal jurisdiction. The most important part of this presentation must be a discussion of what tools are available to the state and local prosecutor or police officials.

Lastly, there should be a brief discussion of the ways in which the local enforcement agencies can get help. It should include the people to whom information should be given, and would include some examples of state/federal cooperation.

TOPIC VII: Problems in Investigating and Prosecuting Organized Crime

SEGMENT H: Infiltration of Legitimate Business

TIME: Monday, 8:30-12:00

LEARNING OBJECTIVES

During this lecture and workshop, the participant is expected to gain an understanding of how and why organized crime penetrates legitimate business; how it violates the law; recent Federal legislation against racketeer controlled enterprises; how to combat racketeer-operated businesses; and how to obtain assistance from agencies of the Federal Government.

OUTLINE OF PRESENTATION

NOTES

I. Why Racketeers Penetrate Business

A. Legitimate reasons

- . Profits
- . Invest or protect proceeds from illegal activities
- . Social acceptability or prestige

NOTES

. Source of power

- Credit rating

- Obtain license or contract

- Monopoly or restraint
of trade

B. Illegitimate Reasons

. Cover for illegal activities-
visible means of support

. Market for illegal, counterfeit
or substandard products

. Bankruptcy or stock fraud

. Aid to illegal activities

NOTES

- Bonding company -
gambling, prostitution

- Printing firm - counter-
feiting

- Bakery - moonshining

- Accounting firm -
various

. Tax purposes

- Skimming from a cash
flow business to evade
taxes

- Launder untaxed illicit
money

- Perpetrate tax frauds

NOTES

. Special opportunities

- Government contracts

- Government subsidies
and loans

II. How Racketeers Penetrate Business

A. Incorporation or formation of
partnership, joint venture, etc.

B. Outright purchase or lease of
proprietary interests

C. Ownership through a straw,
nominee or front

D. "Foreclosure" on usurious loans

NOTES

E. Extortion, blackmail, labor
racketeering and unfair business
practices

III. How to Combat Racketeer Penetrated
Business

A. Educating the public

. State, local and citizen's
crime commissions

. Reporting grand juries

. Disclosure provisions of
licensing agencies, corp-
oration commission, etc.

. Press and public relations

B. Criminal intelligence

NOTES

- . Exchange at all levels

- . Technological aids

- C. Investigation and prosecution

- . Trained and experienced personnel

- . Aid by specialists

- . The Strike Force concept

- . Analyzing and attacking the weak spot

- D. Civil sanctions and remedies

- . Injunctions

VII.H.6

NOTES

- . License revocations and suspensions

- . Regulatory agencies - inspections, discovery and disclosure

- . Anti-trust, price fixing, restraint of trade and treble damage actions

- . Taxes

- . Corporate charter revocation

- E. Securing federal assistance

- . Federal Strike forces

- . Find a federal aspect and refer it to the appropriate agency

VII.H.7

NOTES

. Joint effort

F. Recent federal legislation

. Title IX of Organized Crime Control Act of 1970, Public Law 91-452 (Oct. 15, 1970)

VII.H.8

ORGANIZED CRIME LAW ENFORCEMENT
TRAINING CONFERENCE

INSTRUCTOR'S GUIDE

WORKSHOP

TOPIC VII: Problems in Investigating and Prosecuting Organized Crime

SEGMENT H: Infiltration of Legitimate Business

TIME: Monday, 8:30-12:00

1. Objectives

The participant is expected to gain an understanding of signs of infiltration of legitimate businesses, how to investigate this infiltration, and traditional and recent methods of prosecuting racket-operated businesses. The federal/local raid on the "block" in Baltimore will be used as a case example.

2. Issues

1. In what way is infiltration of legitimate business a crime, i.e., what local and federal statutes are violated.
2. In what ways can local statutes or combination of local statutes can be used to prosecute racket-operated businesses, i.e., hidden ownership and liquor license laws.
3. How transferable is the approach used on the "block" in Baltimore.

3. Approach

The participants will assemble in small workshop groups. Using the case material, the instructor will lead the participants through a case solution. The workshop leader will then conduct an open discussion of some of the ideas that were generated to further assist each participant in developing his ideas.

TOPIC VII: Problems in Investigating and Prosecuting
Organized Crime

SEGMENT I: Corruption Control

TIME: Monday, 1:00-4:30

LEARNING OBJECTIVES

The purpose of this segment is to provide the participant with a knowledge of the extent and types of public corruption and the methods and techniques for identifying, investigating and prosecuting it. The relationship of public corruption to organized crime activities and figures will also be discussed. A specific example of corrupting public officials in gaining the ends of organized crime will be presented.

OUTLINE OF PRESENTATION

NOTES

I. Introduction

A. Opening remarks - general view
of the problem of official corruption with lead-in to situation
in West Virginia.

B. Scope of problem in West Virginia

. Federal indictments of
Barron, etc. (Feb. 1968)

. Awareness that corruption
was widespread

NOTES

. State unequipped to cope

II. Creation of The Commission

A. Citizens Advisory Committee—
unable to accomplish much

B. Possibility of legislative
committee hearings—could only
expose

C. Commission formed—structure, etc.

. Bicameral

. Powers of Commission

- Subpoena

- Power to grant immunity

NOTES

- Calling of special grand juries

- Consultation with public and private individuals, agencies, etc.

Objectives

- Conduct criminal investigations

- Explore possibilities of civil recovery

- Recommend statutory and/or regulatory changes

NOTES

III. The Operation of Corruption

A. Reasons for concern

- . Corrupted officials susceptible to influence by both legitimate business and organized crime

- . Organized crime is known to infiltrate legitimate business

B. Forms of bribery

- . Money or material goods

- . Political contributions

- . Other forms of payoffs

NOTES

- . Selective choice of vendors to receive bids

- . Arbitrary requirements

- . Collusive bidding

- . Arbitrary sectioning of contracts

IV. Commission and Its Operation

A. Staff

- . Director
 - Lawyer with investigative experience

NOTES

- From out of state

- Of proven capability and integrity

- Co-ordinates and guides all aspects of operation

- Provides legal judgment in development of cases

- . Chief investigator
 - Training and experience

 - Integrity

 - Co-ordinates efforts of investigative teams

NOTES

- . Investigators
- . Investigative accountant
- . Intelligence analyst

- B. Investigative techniques

- C. Intelligence files - organization

- D. Development of informants and use of immunity

- E. Use of grand juries

- F. Use of news media

- G. Tracing leads from general narrowing to specific

VII.I.7

NOTES

- H. Development of first case
- I. Domino effect
- J. Concentration on one area

- V. Necessity of Adequate Legislation

- VI. Co-ordination and Co-operation

- A. Commission with legislature

- B. Commission with:
 - . State agencies

 - . Prosecutors (state-wide prosecutor)

VII.I.8

NOTES

. Federal agencies

C. Public awareness and co-operation

VII. Benefits Other Than Indictments and Convictions

A. Deterrent

B. Monetary savings and recovery

VIII. Conclusion

ORGANIZED CRIME LAW ENFORCEMENT
TRAINING CONFERENCE

INSTRUCTOR'S GUIDE

TOPIC VII: Problems in Investigating and Prosecuting
Organized Crime

SEGMENT J: Labor Racketeering

TIME: Monday, 7:30 - 9:00 p.m.

STUDENT MATERIALS

1. Outline of Presentations
2. Excerpt from Deskbook on Organized Crime,
Chamber of Commerce of the United States, "Labor
Racketeering--Description of the Threat."
3. Conference Evaluation Form

INSTRUCTIONAL AIDS

1. Public Address System
2. Lectern
3. Lecture Notes
4. Instructor's Evaluation Form

INSTRUCTIONAL GUIDANCE

The important point is to stress the broad ranging nature of the labor racketeering problem. Most law enforcement officials are not going to run up against hard core labor racketeering (i.e., syndicate control over unions) but every law enforcement official is going to confront the kind of bribery, extortion and theft that happens on a daily basis all over the country. Thus, they should understand the fact that the problem is one that

occurs on the local and state level and can be met by local law enforcement.

The presentation should cover a brief description of the kinds of activity that are subsumed under the heading "labor racketeering." Major emphasis should be placed on signs to look for to find out if labor racketeering is going on.

The most important part of this presentation must be a discussion of what tools are available to the state and local prosecutor or police official. Since only one or two states have anything approaching a comprehensive labor statute it will be important to point out how the normal criminal statutes can be applied to typical labor racketeering situations: e.g., embezzlement, extortion, fraud and bribery laws.

Second, this part of the presentation should include a discussion of investigative techniques: grand jury, informants, etc.; with particular emphasis on how to obtain documentary evidence and what to look for in union records. Stress here would be laid on the problem of conducting audits and other types of financial investigation.

Lastly, there should be an extended discussion of the ways in which the local law enforcement agencies can get help. This would include a description of the kinds of information available from the Labor Department both as a result of their general intelligence gathering process and as a result of the reporting requirements of the Landrum-Griffin and Welfare and Pension Plans Disclosure Acts. It would also include the people to whom information should be given and would include some examples of state/federal cooperation.

LECTURE NOTES

TOPIC VII: Problems in Investigating and Prosecuting Organized Crime

SEGMENT J: Labor Racketeering

TIME: Monday, 7:30 - 9:00 p.m.

I. Organized Crime and Labor Racketeering

The important point is not to stress how far the labor movement has been infiltrated by organized crime in the usual sense but rather how broad ranging the problem of labor racketeering is - that is a problem not only in New York and Newark but in every state and every city. Most law enforcement officials are not going to run up against hard core labor racketeering (i.e., syndicate control over unions), but every law enforcement official is going to confront the kind of bribery, extortion and theft that happens on a daily basis all over the country. Thus, point one in any presentation on this subject must be to impress on the participants the fact that the problem is one that occurs on the local and state level and can be met by local law enforcement.

II. Symptoms of Labor Racketeering

Point two of this presentation should be a brief description of the kinds of activity that are subsumed under the heading "labor racketeering." These would include theft of union and pension fund assets, acceptance of payoffs from employers, extortion, acceptance of kickbacks in connection with pension and welfare funds, fraud on such funds, etc., with some of the more striking examples included. More importantly, this portion of the presentation should include a discussion of the signs to look for to find out if labor racketeering is going on; indications of sweetheart contracts, signs that pension and welfare funds are being defrauded, etc.

III. Federal Jurisdiction

Point three should involve a description of federal jurisdiction in the labor area together with a discussion of the agencies concerned with investigation of labor cases, in particular the role of the Labor Department and the resources available there and in the FBI. In part, stress should be laid here on the limited nature of federal jurisdiction - the fact that it is almost entirely a creature of a statutory scheme developed with a restrictive purpose. At the same time there should be a discussion of just what the role of the prosecutor and the law enforcement agency is in the labor area with some mention of the peculiar problems posed by bringing the criminal process to bear against unions and their officials: possible interference with legitimate collective bargaining, the willing participation of the employer, the political sensitivity of labor cases, the point at which prosecutorial discretion should be exercised vis-a-vis the propriety of criminal or civil action.

IV. Role of the States and Local Law Enforcement

The most important part of this presentation must be a discussion of what tools are available to the state and local prosecutor or police official. Since only one or two states have anything approaching a comprehensive labor statute it will be important to point out how the normal criminal statutes can be applied to typical labor racketeering situations: e.g., embezzlement, extortion, fraud and bribery laws.

Second, this part of the presentation should include a discussion of investigative techniques: grand jury, informants, etc., with particular emphasis on how to obtain documentary evidence and what to look for in union records. Stress here would be laid on the problem of conducting audits and other types of financial investigation.

Lastly, there should be an extended discussion of the ways in which the local law enforcement agencies can get help. This would include a description of the kinds of information available from the Labor Department both as a result of their general intelligence gathering process and

as a result of the reporting requirements of the Landrum-Griffin and Welfare and Pension Plans Disclosure Acts. It would also include the people to whom information should be given, and would include some examples of state/federal cooperation.

TOPIC VII: Problems in Investigating and Prosecuting Organized Crime

SEGMENT J: Labor Racketeering

TIME: Monday, 7:30-9:00 p.m.

LEARNING OBJECTIVES

During this lecture/case study, the participant is expected to gain an understanding of how broad ranging the problem of labor racketeering is; the kinds of activities that are subsumed under the heading "labor racketeering" (theft of union and pension fund assets, acceptance of payoffs from employers, extortion, acceptance of kickbacks in connection with pension and welfare funds, sweetheart contracts, etc.); the role of organized crime in labor racketeering; signs to look for to find out if labor racketeering is going on; federal jurisdictions; and role of the states and local law enforcement agencies.

OUTLINE PRESENTATION

I. Scope of Labor Racketeering

- A. How broad ranging is the problem of labor racketeering?
- B. What kinds of activities are subsumed under the heading of labor racketeering?
- C. How is labor racketeering possible?

VII.I.1

NOTES

II. Role of Organized Crime in Various Forms of Labor Racketeering

- A. How and why does organized crime manipulate pension and welfare funds?
- B. How and why does organized crime take over the control of unions?
- C. Are some unions more vulnerable to organized crime takeover than others?
- D. How and why does organized crime get involved in sweetheart contracts?

III. Symptoms of Labor Racketeering

- A. What are the symptoms that organized crime has sweetheart contracts in your area?

VII.I.2

NOTES

B. What are the symptoms that organized crime has been defrauding union pension and welfare funds?

C. What other signs should you be aware of which indicate that organized crime is involved in labor racketeering?

IV. Peculiar Problems Posed by Bringing the Criminal Process to Bear Against Unions and Their Officials

A. Possible interference with legitimate collective bargaining

B. Willing participation of the employer

C. Political sensitivity of labor cases

D. Point at which prosecutorial discretion should be exercised vis-a-vis the propriety of criminal or civil action

VII.I.3

NOTES

VI. Role of the States and Local Law Enforcement

A. Tools available to state and local prosecutor or police officials

B. Investigative techniques (grand jury, informants etc.)

V. Federal Jurisdiction and Resources Available to Local Law Enforcement Agencies

A. Labor Department

B. Federal Bureau of Investigation

C. Department of Justice

READING ASSIGNMENT

1. Excerpt from Deskbook on Organized Crime, Chamber of Commerce of the United States, "Labor Racketeering Description of the Threat."

VII.I.4

Reading Assignment 1

Segment J: Labor Racketeering

Excerpt from Deskbook on Organized Crime,
Chamber of Commerce of the United States,
"Labor Racketeering Description of the Threat.," pp. 35-40

With union welfare and pension funds amounting to approximately \$100-billion and growing at a multibillion annual rate, little wonder that many of the officials interviewed during the preparation of the Deskbook rate unions as organized crime's Number 1 target in the future. Reports from law enforcement organizations indicate that more labor racketeering incidents are under investigation or prosecution than at any other time in recent memory.

Reportedly, union locals in 25 different sectors of business and industry are under the effective control of the organized underworld. Many of these are affiliated with internationals, who are reluctant or powerless to interfere in the internal affairs of their locals. However, many racketeer locals are outside the purview of organized labor; e.g., absolutely anyone can set up and operate an independent union. Also, under current labor law, legitimate unions are hobbled in their efforts to organize workers now under syndicate-run locals -- just as it is legally dangerous for an employer to refuse to bargain with a racketeer local.

Labor racketeering can assume a great variety of forms, many of which require the cooperation of dishonest employers. The cost to ethically run businesses is incalculable.

Crooked union officials may abuse their life or death grip over labor-intensive businesses by soliciting money in return for labor peace. In one case, a union secretary-treasurer indicated that \$5,000 would assure a large trucking firm trouble-free access to Kennedy Airport. Cash is not always what is asked for, however; a major underworld figure once demanded that supermarket chains purchase kosher products from his companies in return for minimal labor relations difficulties.

On one occasion more than 50 percent of a union's referrals for job openings failed normal credit and criminal-background investigations conducted by the employer.

Frequently, union power is abused by racketeers who attempt to pad the payrolls of companies, such as happened in May, 1969, when a wildcat strike resulted because a waterfront employer refused to accede to the "suggestion" of a local to hire someone the company neither needed nor desired. The walkout left \$100,000 worth of fruit stored on the pier without refrigeration. Fortunately, the employer was able to appeal to the Waterfront Commission of New York Harbor, which obtained an injunction within hours of the strike.

Not so fortunate was the Gateway Army Ammunition Plant in St. Louis, where according to Life Magazine *, an AFL-CIO mob-permeated local engaged in "union feather bedding, ghost payrolling, work slowdowns, phony overtime and virtually every other kind of on-the-job chicanery known to man." A cost overrun about \$14-million resulted. In June, 1969, a federal indictment against three of the union's members had to be dropped because certain witnesses proved to be unavailable. The members were accused of taking kickbacks from other laborers in return for assigning them overtime work.

To pressure an employer into doing the union's bidding, corrupt labor officials have no qualms about picketing the company or the customers of the company. In one case, an honest employer was called by an important customer who said he was canceling his account because the union threatened to picket his plant. Protesting, the employer was told, "You are the easy way out because I don't have no trouble if I play ball with them. I'd rather get rid of you than lose my business."

That employer did not give in, but some do. After experiencing a nightmare of a labor situation, a company employed a well-known racketeer as a labor consultant.

* "The Mob," Life, Vol. 66, pp. 45-47, May 30, 1969.

There was no more trouble from the union. The company paid \$15,000 yearly to the consultant, who at the same time was receiving \$22,500 in severance pay from a union in which he had been secretary-treasurer. When a union official, he was indicted for unlawfully receiving money from employers.

At times, unethical executives make the initial move and seek the labor-relations assistance of organized crime. The favors gained, of course, put ethical competitors at a distinct economic disadvantage. The President's Commission on Law Enforcement and Administration of Justice reported, for example, that the head of an organized crime group was revealed to be a partner in a labor relations consulting firm. "One client of the firm, a nationally prominent builder, said he did not oppose unions but that better and cheaper houses could be built without them. The question of why a legitimate businessman would seek the services of an untrained consultant with a criminal record to handle his labor relations was not answered."

Recently, a vice president of a billion-dollar store chain was charged with soliciting the aid of Cosa Nostra personnel to persuade a union leader to scale down his demands. As a payoff, the racketeers would receive the right to supply window washing, garbage collection, and floor waxing services. The vice president was to have shared in the proceeds of those concessions.

Financially troubled employers have been known to offer bribes and kickbacks to labor racketeers in return for loans from union welfare and pension funds.

Some companies have succumbed to the lure of a sweetheart contract, whereby workers obtain far less than they could through legitimate bargaining. In return for a favorable contract, the employer pays a fee to the racketeers, or permits gambling, loansharking, or pilferage on the premises. Sweetheart contracts are frequently "negotiated" through the vehicle of the paper or dummy local; employees usually don't realize they belong to a union until the contract is signed and dues payments begin. A

revealing conversation between a reputed Cosa Nostra boss and two henchmen was monitored by the FBI and released in mid-1969:

Sam: Well, how are you gonna make a score if your cheap?

Corky: Well, I'm gonna make the score this way. When I sit down with the boss (management), I tell him how much it's gonna cost him in welfare, hospitalization, and all that. Say a plant with 200 people will cost him \$4,000 a month - just for hospitalization. So, altogether I make a package out of it. (I'll tell him) it's gonna cost \$100,000 a year. Let's cut it in half and forget about it. And walk away. I show him first what it's gonna cost -- then how much I'm gonna save by walking away.

Sam: Well, you have to organize the plant so nobody else walks in there -- then you wind up with the dues every month. That's \$300 a month. You could do that?

Joe: Sure. He could give a solid contract for three years -- where he won't get hurt.

Sam: Then you get a pay every year.

Other forms of aid and comfort employers unthinkingly or otherwise give to corrupt labor officials include the monthly or annual goodwill gratuity to union business agents and attendance at testimonial dinners where the honored guest is nothing more than a hoodlum. The sight of legitimate businessmen, or, for that matter, noted public officials, in the presence of labor officials of dubious reputation can only serve to strengthen the power of undesirable elements in the labor movement. Perhaps the most unfortunate incident of this kind occurred when a former President was photographed with a union official whom law enforcement sources recently reported as a Cosa Nostra lieutenant. This incident was undoubtedly unavoidable; but others certainly are not.

Some forms of labor racketeering often do not affect business directly. However, they do act as a magnet drawing unsavory elements into unions; once attracted and

settled in, these elements frequently extend their operations into areas that do injure business.

One racketeer, for example, specializes in creating fictitious locals with names almost identical to those already in existence. Through devious means, he diverts to his own pocket the dues owned to the bona fide local.

As previously mentioned, union welfare and pension funds, which are said to amount to 50 times more than all other union assets combined, are a powerful inducement to racketeers to infiltrate labor organizations. Once in control -- either by coercion and extortion or by behind-the-scenes assistance that helps an official win a union election -- the organized underworld begins to drain these funds through such devious stratagems as --

- * Investing pension-fund money in the stock market-- either in highflyers or in a security whose price will be manipulated upward through heavy purchases by racketeers.
- * Establishing a "welfare program" for the membership and hiring fellow racketeers at exorbitant salaries to administer it. According to one report, a dental plan was established ostensibly for the union's membership, but it really served as a conduit through which to funnel \$200,000 from the union's welfare fund into the pockets of racketeers.
- * "Borrowing" welfare funds to purchase the amenities of life for Cosa Nostra personnel.
- * Loaning money from the fund to whoever will come across with the requisite kickback.

Symptoms of Labor Racketeering

Admittedly, many signals that all is not well with the union you deal with, or might have to bargain with in the future, are difficult to detect by corporate officials, who usually have little time to play undercover agent in addition to their normal responsibilities. (As detailed later, this is where intercompany cooperation pays off.) Nonetheless, a review of some early warning signs that

often point toward the approach of one or more of the aforementioned schemes, or their presence in companies you compete with, is well worthwhile:

1. Pickets appear or wildcat strikes occur much more frequently than in the past.
2. Officers of the union you deal with are suddenly out of power; no logical reason is discernible.
3. Suggestions that it might be wise to deal with certain suppliers are made by union representatives.
4. Wages of a competitor's unionized workers are conspicuously below par in comparison with similar businesses in the region.
5. Locals representing workers of a given trade are mysteriously consolidated into one local. Such "turnovers" may portend a bid by organized crime to use these workers as a stranglehold on the firm they work for.
6. Officers or employees of a union have criminal records.
7. Employees of a competitor are not unionized, even though other similar firms in the region deal with unions.
8. Employees are unskilled or semiskilled and generally are paid in cash. Interviewed officials stated that unions representing such workers are prone to Cosa Nostra manipulation.
9. A labor relations consultant indicates he can significantly reduce the cost of your labor contract, and he defers discussion about his background, experience, and other credentials.
10. Union officials apply pressure on you to hire specified individuals.
11. Strong pressure is applied on management to buy a table at an upcoming union testimonial.
12. Customers receive word that labor troubles may develop if they continue to deal with your company.
13. Other firms in the area begin experiencing work slowdowns, walkouts, equipment sabotage, and the like.

14. Gambling and loansharking suddenly are in evidence on the premises.
15. Union dues are directed to be sent to a similar, yet different, address.

See page 61 for preventive measures to implement within your business.

Official Sources of Assistance

Because of various federal statutes governing the labor-management area, chances of obtaining advice and help at that level are better than average.

With due consideration given to the nature of this offense, sources of help are designated below as primary, secondary, and other. Before contacting a listed source below, consultation with a trusted legal adviser is recommended. Because of special conditions that may apply, he may suggest contacting an agency not mentioned here -- in which case note its name and phone number under "other".

For the sources listed below, phone numbers are supplied or space is available for you to supply them.

Primary Sources

1. Department of Labor, Office of Labor-Management and Welfare-Pension Reports: 301/495-4229 or 301/495-4076, Silver Spring, Maryland.
2. Department of Justice, ask for Organized Crime and Racketeering Section: 202/737-8200.
3. District Attorney:
4. Nearest U.S. Attorney:

Secondary Sources

5. State Attorney General:
6. Regional and Local Citizen Crime Commissions:
7. Federal Racketeering Field Office (Department of Justice Strike Force) in your area:

8. Nearest office of the Federal Bureau of Investigation:

or

Federal Bureau of Investigation: 202/393-7100,
Washington, D.C.

Other Sources

SUMMATION - PLAN OF ACTION

The purpose of this segment is to reduce to a concrete summary description some of the ideas presented and discussed during the conference which have a reasonable potential for implementation in the participants' operational environment. At various intervals during the conference, they will have been asked to develop specific outputs from workshops which might provide the framework for a Plan of Action. Some of the following elements could be included in the Plan.

1. Establishing intra- and inter-agency communications as a vehicle for obtaining inputs regarding the various criminal activities and personages representing the potential organized crime targets in the community.
 - A. Identify persons within these agencies with whom correspondence should be established.
 - B. Establish informal and formal relationships with these individuals and sell them on the need to cooperate and exchange information for this purpose.
 - C. Validate conclusions derived from the use of this information with these same sources.
2. Establishing an identifiable intelligence function within an agency with specific responsibilities for organization, collection, storage and retrieval of information which might be used in intelligence analysis, developing intelligence reports as outputs of this analysis, as a basis for assessing the organized crime threats and planning a definite strategy.

3. Establishing and monitoring an Organized Crime Control Program Plan including:

- . Program objectives;
- . Effectiveness measurement criteria;
- . Alternate programs;
- . Cost, schedule and resource requirements as a basis for analysis of each alternative and eventual program selection; and
- . A documented plan.

4. Acquiring and using intelligence and evidence collection techniques, such as informants, undercover agents, financial and documentary analysis, physical surveillance, and electronic surveillance where permissible.
5. Establishing an organized crime unit with the necessary organization, staffing, funding and other resource support.
6. Developing the necessary training programs to develop the level and type of techniques needed to combat organized crime.

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ORGANIZED CRIME IN THE GHETTO

Remarks by Oliver Lofton
Associate Director, Community
Relations Service, Before the Third
Organized Crime Training Conference,
University of Oklahoma Center for
Continuing Education, Norman, Okla.
March 5, 1970

ORGANIZED CRIME IN THE GHETTO

LADIES AND GENTLEMEN ... COLLEAGUES ... LOOKING
OUT AT THIS DISTINGUISHED AUDIENCE OF REPRESENTATIVES
OF THE LAW ENFORCEMENT COMMUNITY, I CANNOT HELP BUT
FEEL CONCERNED. MUCH LIKE THE OLD GENTLEMAN WHO
LAY ON HIS DEATHBED, AND AFTER PAINFULLY SCANNING THE
ROOM HE TURNED TO HIS GRIEVING WIDOW TO-BE AND WHISPERED,
..... SO IF THE WHOLE FAMILY IS HERE ... WHO IS WATCHING THE
STORE???? AND WE MAY WELL ASK WHO IS WATCHING THE STORE
.... FOR OUR STORE IS CRIME AND I HASTEN TO ADD THAT BUSINESS
HAS NEVER BEEN BETTER. THE REASONS HOW AND WHY BUSINESS
IS SO GOOD HAVE BEEN ADVANCED BY THE MANY EXPERTS IN
ATTENDANCE AT THIS CONFERENCE: THEREFORE, RATHER THAN
PURSUE THE SUBJECT FROM A PERSPECTIVE WITH WHICH YOU ARE

FAMILIAR, LET ME SHARE WITH YOU INSTEAD, THE VIEWS OF
ONE BLACK MAN AS HE SEES CRIME IN THE GHETTO.... CRIME AS
A BLACK CHILD SEES IT.... CRIME AS A BLACK MAN LIVES WITH
IT.... CRIME AS A BLACK MAN EMULATES IT.

PSYCHOLOGISTS TELL US THAT AS CHILDREN WE ARE
 DRAWN TO HERO WORSHIP.... LIKE SOME OF YOU, I WAS A CHILD
 OF THE FORTIES... THE WAR YEARS... MY IDOLS WERE THE
 MOVIE GIANTS - JOHN WAYNE AND ERROLL FLYNN, CAVALIERS
 WHO COULD DECIMATE ALL OPPOSITION BY SWINGING FROM A
 YARDARM, MAIDEN TUCKED UNDER ONE ARM, SWORD IN THE OTHER
 OR THE WIPING OUT OF A WHOLE ENEMY BATTALION ON THE
 BEACH WITH ONE LEFT-OVER HAND GRENADE.... TELEVISION
 WAS STILL IN ITS INFANCY.... LIVING IN A SMALL NEW JERSEY
 TOWN, THE SATURDAY OR SUNDAY MOVIE WAS THE CITADEL....

I FOUND SOME OF MY HEROES ON THE SCREEN, SOME ON RADIO,
 SOME IN COMIC BOOKS.... COMIC BOOKS, IF YOU RECALL, WERE
 BIG IN THE FORTIES AND THEY WERE BLAMED FOR EVERYTHING.
 THERE WAS SUPERMAN, BATMAN, SPIDERMAN, PLASTICMAN....
 ODLY ENOUGH EVERY KIND OF MAN BUT BLACKMAN.... AND IF MY
 MEMORY SERVES ME, IN THOSE DAYS THERE WASN'T THE AWARENESS
 OR CONCERN FOR A RACIAL PROBLEM BY MOST WHITE FOLKS....
 AND WHILE I WAS DOING MY THING IN THAT SMALL NEW JERSEY
 COMMUNITY I CAN WELL IMAGINE WHAT MY BROTHERS IN HARLEM
 WERE DOING.

THE GHETTOS OF NEW YORK, NEW JERSEY, DETROIT,
 CHICAGO, LOS ANGELES, WERE STILL IN THE COCOONS. WHAT
 KINDS OF IDOLS DID THOSE BLACK GHETTO CHILDREN HAVE???

THE MOVIES WERE NOT QUITE AS ACCESSIBLE, T. V. WAS OUT OF
 REACH FOR MOST... THE BLACK GHETTO CHILDREN HAD TO FIND

THEIR IDOLS IN THE COMIC BOOKS OR ON THE STREET WHERE THEY LIVED... WHO THEN WERE THEIR HEROES... THE SUCCESSES, THE MEN WHO HAD IT MADE? ... THERE WAS CRAZY WILLY, A PUSHER, WHO HAD A CAR TWO BLOCKS LONG AND REAL ALLIGATOR SHOES AND BIG FRIENDS DOWNTOWN, OR THERE WAS SHIFTY SAM, A PIMP WITH HIS \$100 SUITS AND TWO BIT TIPS AND MORE GOOD LOOKING CHICKS AROUND ALL THE TIME.. HE ALSO HAD THE MAN DOWNTOWN LOOKING OUT FOR HIM. AND THERE WAS FAST FREDDY. HE WAS TOUGH... HE HAD A CELLAR CLUB AND THEY HAD COOL JACKETS AND NOBODY MESSED WITH HIS STREET. IT WAS A SCENE DUPLICATED IN WHATEVER GHETTO YOU CARE TO EXAMINE. STEREOTYPES, YES... BUT STEREOTYPES OF WHOM? THEY HAD A VIEW OF HEROES - A BIT JAUNDICED, I'LL ADMIT, BUT IT WAS THEIR VIEW.

STERLING TUCKER, FIELD SERVICES DIRECTOR OF THE NATIONAL URBAN LEAGUE, IN HIS ARTICLE ENTITLED "GHETTO, THE GHETTOIZED AND CRIME" STATED:

"CONDITIONS IN THE INNER CITY, WHICH TODAY HURRY BLACKS ALONG THE PATH TO EASY MONEY AND A SPECIAL BRAND OF SELF-RESPECT, YESTERDAY HURRIED EUROPEAN IMMIGRANTS RESIDING IN AMERICA'S CITIES DOWN SIMILAR ROADS. "

THEN, AS NOW, THERE ARE THOSE IN THE INNER CITY WHO SEE CRIME AS AN EASY ROAD TO THE GOOD LIFE AND THE ONLY WAY TO ACQUIRE STATUS. IN WRITING ABOUT DELINQUENCY BACK IN 1942, CLIFFORD SHAW AND HENRY MCKAY WROTE, "IN LOW INCOME AREAS, WHERE THERE IS THE GREATEST DEPRIVATION AND FRUSTRATION, WHERE IN THE HISTORY OF THE CITY, IMMIGRANT

AND MIGRANT GROUPS HAVE BROUGHT TOGETHER THE WIDEST VARIETY OF DIVERGENT CULTURAL TRADITIONS AND INSTITUTIONS, AND WHERE THERE EXISTS THE GREATEST DISPARITY BETWEEN SOCIAL VALUES TO WHICH PEOPLE ASPIRE, AND THE AVAILABILITY OF FACILITIES FOR ACQUIRING THESE VALUES IN A CONVENTIONAL WAY, THE DEVELOPMENT OF CRIME AS AN ORGANIZED WAY OF LIFE IS MOST MARKED. CRIME IN THIS SITUATION MAY BE REGARDED AS ONE OF THE WAYS OR MEANS BY WHICH PEOPLE ATTEMPT TO ACQUIRE THE ECONOMIC AND SOCIAL VALUES GENERALLY IDEALIZED BY OUR CULTURE, WHICH OTHER PERSONS IN DIFFERENT CIRCUMSTANCES ACQUIRE BY CONVENTIONAL MEANS. " WHAT MESSRS. SHAW AND MCKAY STATED THEN, WE HAVE INDEED SEEN BORNE OUT IN FACT.

LET ME PUT IT INTO EYEBALL LANGUAGE FOR YOU.

FIRST, WHAT IS A GHETTO? THE BEST DEFINITION I HAVE HEARD

ABOUT IS THAT "A GHETTO IS A NEIGHBORHOOD WHERE PEOPLE INFECT ONE ANOTHER WITH THE VIRUS OF FAILURE, AND WHERE CHILDREN ARE INFECTED LONG BEFORE THE VIRUS IS DETECTED."

WHAT THEN CAN A BLACK CHILD THINK OF A GOVERNMENTAL STRUCTURE, SERIOUSLY INFECTED BY THE SOCIAL DISEASE OF ORGANIZED CRIME. I DON'T THINK I HAVE TO TELL YOU HOW MANY TIMES WE HAVE READ ABOUT "BOUGHT AND PAID FOR" GOVERNMENTAL SERVANTS SUPPORTED BY ORGANIZED CRIME. WHAT CAN A BLACK CHILD THINK OF A MERCHANT, A LANDLORD, BOTH OF WHOM ARE TRAPPED WILLINGLY OR OTHERWISE, BY ORGANIZED CRIME AND WHO RETALIATE BY CHEATING OR DENYING SERVICES TO THE BLACK GHETTO RESIDENT? IF MY OBSERVATIONS HOLD ANY SURPRISES, IT IS THE SURPRISE OF HOW FEW GHETTO PRODUCTS HAVE EMBRACED CRIME AS A WAY OF LIFE... NOT HOW MANY.

THERE CAN BE NO QUESTION ABOUT THE FACT THAT
 THE LIFE OF A WHITE IMMIGRANT IN THE GHETTO WAS BAD....
 BUT FOR THE BLACK CHILD AND THE BLACK FAMILY EXPOSED
 TO THE DAILY CONTAMINATION OF ORGANIZED CRIME IN THE
 GHETTO, IT IS INTERMINABLY ROTTEN. WHAT KIND OF HOPE
 AND PROMISE DOES TODAY'S SOCIETY HOLD FOR THE BLACK
 INNER CITY RESIDENT? WHO ARE THE HEROES BLACK CHILDREN
 CAN REVERE? THE TIME IS DIFFERENT, BUT NOW, AS THEN,
 WE STILL FIND THE MEN IN BLUE AND THE DOWNTOWN "FIXERS"
 DOING BUSINESS AT THE SAME OLD STAND. ORGANIZED CRIME
IS NOT GETTING OLDER - IT'S GETTING BETTER!

LET ME NOW DWELL BRIEFLY WITH ANOTHER OVERVIEW.

HOW DOES THE BLACK MAN LIVE WITH CRIME IN THE GHETTO?

INCIDENTALLY, ALONG THESE LINES, I COMMEND TO YOU A

TELLING ARTICLE IN THE JUNE 1969 ISSUE OF "FEDERAL PROBATION"

BY RALPH SALERNO. IT IS A MOST REVEALING COMMENTARY ON
 ORGANIZED CRIME AND CRIMINAL JUSTICE. THE POINT I WISH
 TO MAKE, AND ONE RALPH SALERNO ILLUSTRATES SO WELL, IS
 THAT IN THE ARENA OF CRIME, THERE IS NO VICTOR! NO WINNERS!
 ONLY LOSERS! I SUBMIT TO YOU, AS A CASE IN POINT, WHAT I
 CALL THE NARCOTIC PSYCHOSIS OF LOSERS. THERE IS THE ADDICT.
 HE IS A LOSER. HE IS LOST TO HIMSELF AND TO SOCIETY. THEN
 THERE IS THE VICTIM FROM WHOM THE ADDICT STEALS TO SUPPORT
 HIS HABIT. THE VICTIM IS A LOSER. AND SINCE MOST OF THE
 ADDICTS INHABIT THE GHETTO, ALWAYS TAKING FROM IT... WELL,
 THE GHETTO LOSES... AND YOU CAN COMPLETE THE CYCLE BECAUSE
 THE ADDICT LOSES AGAIN AS HE OR SHE IS ENSLAVED BY ORGANIZED
 CRIME WHICH PROVIDES THE DRUGS TO KEEP THE ADDICTS IN
 PERPETUAL SERVITUDE. LET US NOT OVERLOOK ANOTHER LOSER
 IN THIS CYCLE TO HELL. THERE'S YOU AND ME - AND THE REST

OF THE MIDDLE CLASS AND UPPER CLASS PUBLIC WHO MAY THINK THEY HAVE ESCAPED BEING TOUCHED BY THIS AWESOME PLAGUE. TAKE ANOTHER LOOK, FRIEND, AT YOUR SPIRALING TAXES. TAXES THAT ARE BEING USED TO COMBAT ORGANIZED CRIME'S FAVORITE BLUE CHIP STOCK - NARCOTICS. AND THERE ARE STILL THE CHILDREN OF THE GHETTO WHO SEE THESE CRIMINAL VIOLATIONS GOING UNPUNISHED. HOW DEMORALIZING IT MUST BE TO THOSE WHO WOULD ASPIRE TO BREAK THE CYCLE. HOW THEN DOES THE BLACK MAN LIVE WITH ORGANIZED CRIME IN THE GHETTO. SPEND A NIGHT OR TWO IN ANY BLACK OR BROWN GHETTO ACROSS THIS COUNTRY AND THEN TELL ME IF YOU CAN CALL THAT LIVING.....

GENTLEMEN, WE HAVE AT OUR DOORSTEPS A MOST SERIOUS PROBLEM - ORGANIZED CRIME. AND WE NEED HELP TO SOLVE THIS PROBLEM - THE PUBLIC'S HELP, IF ONLY THE PUBLIC COULD BE MORE AROUSED - MORE CONCERNED. I AM SURE WE

ARE IN AGREEMENT THAT IT IS DIFFICULT TO SUSTAIN PUBLIC INTEREST ON THE PROBLEMS OF ORGANIZED CRIME.

THERE IS NO QUESTION ABOUT THE FACT THAT A SENSATIONAL GANGLAND KILLING LIKE THAT OF ANASTASIA IN A DOWNTOWN NEW YORK HOTEL BARBER CHAIR AROUSES PUBLIC INTEREST OR THAT CONGRESSIONAL HEARINGS AND INVESTIGATIONS SUCH AS WERE CONDUCTED BY SENATOR MCCLELLAN AND THE LATE SENATOR KEFAUVER AWAKEN PUBLIC CONCERN - PARTICULARLY WHEN THEY INVOLVE TESTIMONY AS VIVID AS THAT PROVIDED BY JOSEPH VALACCHI. HOWEVER, THERE ARE A NUMBER OF FACTORS INVOLVED IN THE DIFFICULTY OF SUSTAINING PUBLIC AND POLITICAL CONCERN ABOUT ORGANIZED CRIME. AS I SEE IT - FOREMOST IS ITS INCREDIBILITY - IT SEEMS JUST TOO BIG TO BE BELIEVED - AND YET, AS INCREDIBLE AS IT MAY SOUND, IT WAS MR. SALERNO WHO HAS PREDICTED THAT "ORGANIZED

CRIME, GOING AT ITS PRESENT RATE, BOASTS IT WILL PUT ITS OWN MAN IN THE WHITE HOUSE BY 1980". . . . FANTASTIC. . . ? INCREDIBLE? IN THE GHETTO THEY HAVE AN EXPRESSION, "YOU BETTER BELIEVE IT, MAN." AND YOU HAD BETTER! AN EVEN MORE OMINUS REASON FOR THE DIFFICULTY IN SUSTAINING PUBLIC CONCERN ABOUT ORGANIZED CRIME, PARTICULARLY IN THE GHETTO, IS THAT MUCH OF THE PUBLIC, BLACK AND BROWN AS WELL AS WHITE, DO NOT WANT IT INTERFERED WITH. IN FACT, IT SEEMS THAT THE GREAT WHITE MAJORITY DOESN'T EVEN CARE ABOUT ORGANIZED CRIME IN THE GHETTO.

RECENTLY, THE CRIME COMMISSION TASK FORCE ISSUED A GENERAL STATEMENT THAT "POLITICIANS WILL NOT ACT UNLESS THE PUBLIC SO DEMANDS. BUT MUCH OF THE URBAN AND SUBURBAN PUBLIC WANTS THE SERVICES PROVIDED BY ORGANIZED CRIME AND IT DOES NOT WISH TO DISRUPT THE SYSTEM THAT

PROVIDES THESE SERVICES." I'M TALKING ABOUT DRUGS, LOANSHARKING, PROSTITUTION, AND OTHER VICES ALMOST TOO NUMEROUS TO MENTION. . . . AND THEN, MUCH OF THE PUBLIC DOES NOT SEE OR UNDERSTAND THE EFFECTS OF ORGANIZED CRIME GENERALLY, MUCH LESS IN THE GHETTO. IT IS APPARENT THAT THOSE WHO HAVE NO DIRECT CONTACT WITH ORGANIZED CRIME IN ITS MANY MANIFESTATIONS TEND TO FORGET ABOUT IT AS SOON AS IT DISAPPEARS FROM THE HEADLINES. TO THOSE LIVING IN THE GHETTOS, HOWEVER, THERE IS NO SUCH RESPITE. ORGANIZED CRIME IS AN INTEGRAL PART OF THEIR EVERY DAY LIVES.

THE GENERAL PUBLIC FEARS CRIMES OF VIOLENCE BUT THEY DON' T FEAR GAMBLERS, CORRUPTORS OF UNIONS, OR BANKROLLERS OF VICE AND PROSTITUTION. TO WHITE SUBURBIA, THE VIOLENCE ASSOCIATED IN THE POPULAR MYTHOLOGY

WITH ORGANIZED CRIME IS AN "IN-HOUSE" KIND OF THING.

AFTER ALL, "GANGSTERS ONLY KILL OTHER GANGSTERS." THE TRUTH, IN FACT, IS THAT ORGANIZED CRIME IS A MOST PERVASIVE AND CORROSIVE FORCE IN OUR SOCIETY, AND PARTICULARLY IN OUR CITIES WHERE IT PLAYS A MAJOR ROLE IN THE STREET CRIME THE GENERAL PUBLIC FEARS SO MUCH.

GENTLEMEN, I SHARE YOUR CONCERN WITH ALL ORGANIZED CRIME, PARTICULARLY AFTER READING IN A RECENT PUBLICATION WHAT I BELIEVE IS NOT AN OVERSTATEMENT OF FACT: IT REPORTED THAT, "OFFICIAL CONCERN WITH ORGANIZED CRIME HAS BEEN OBSCURED BY OTHER NATIONAL CRISES WHICH HAVE SURFACED IN THE PAST 20 YEARS. WHAT IS OVERLOOKED, HOWEVER, IS ORGANIZED CRIME'S INVOLVEMENT IN CREATING AND SUSTAINING THESE CRISES. ONCE THIS DEEP RELATIONSHIP IS

RECOGNIZED, IT IS ALMOST POSSIBLE TO BELIEVE THAT KEY ELEMENTS OF THE URBAN CRISIS MAY NOT BE RESOLVED WITHOUT MAJOR SUCCESSES IN ELIMINATING ORGANIZED CRIME IN EVERY COMMUNITY. (PARTICULARLY IN THE GHETTOS)"

I AM CONCERNED IN MY REMARKS TO YOU TODAY PRIMARILY WITH THE IMPACT OF ORGANIZED CRIME ON THE INHABITANTS OF THE GHETTOS ACROSS THIS NATION. IN OUR SEARCH FOR SOLUTIONS TO THE CITIES' PROBLEMS, WE ARE APT TO OVERLOOK THE STRANGLEHOLD ORGANIZED CRIME HAS IN THIS AREA. I AM CONVINCED, AND HOPE YOU WILL BE TOO, THAT THE URBAN CRISIS WILL NOT BE RESOLVED WITHOUT MAJOR SUCCESSES IN REDUCING ORGANIZED CRIME.

IN EVER INCREASING NUMBERS, THE AFFLUENT, THE MIDDLE CLASS, WHITE AND BLACK, ALONG WITH LARGE BUSINESSES

ARE ABANDONING THE INNER CITY TO THE POOR. HOWEVER,
 QUITE THE OPPOSITE IS TRUE OF ORGANIZED CRIME AND
 ORGANIZED CRIME IS BIG BUSINESS. THE COMMODITIES PURVEYED
 ARE ILLEGAL GOODS AND SERVICES, AND IN GENERAL, THE CONSUMERS
 MARKET OF THIS BIG BUSINESS IS THE INNER CITY GHETTO AND BARRIO
 WITH THE GHETTO DWELLERS THE PRIME VICTIMS.

PROFESSOR DONALD CRESSEY, IN HIS "THEFT OF A
 NATION" WROTE: "THE DIRECT VICTIMS OF COSA NOSTRA AND
 ALL ORGANIZED CRIMINALS ARE THE URBAN POOR, ESPECIALLY
 MEMBERS OF THE MINORITY GROUPS. NUMBER LOTTERIES AND
 BOOKMAKING THRIVE ON THE DOLLARS OF UNSKILLED WAGERS,
 NOT ON THE BETS PLACED BY THE RICH OR EDUCATED, THE
 WELL HOUSED, WELL EMPLOYED. SIMILARLY, THE AMERICAN
 DRUG ADDICT IS MORE LIKELY TO BE POORLY EDUCATED,

UNSKILLED AND A MEMBER OF A DISADVANTAGED ETHNIC GROUP.
 AND IT IS THE URBAN POOR, THE FACTORY WORKER AND THE
 MARGINAL NEGRO BUSINESSMAN, NOT THE AFFLUENT SUBURBANITE,
 WHO FREQUENTLY IS SO DESPERATE FOR A LOAN THAT HE SEEKS
 A USURER. "

GENTLEMEN, I SUBMIT THAT THERE IS A PSYCHOLOGICAL
 NON-ACCEPTANCE OF THE IDEA OF LAW AND ORDER BY GHETTO
 RESIDENTS, YOUNG AND OLD, WHEN THEY SEE ORGANIZED CRIME
 FLOURISHING IN THEIR MIDST. NUMBERS RUNNERS, PUSHERS,
 LOAN SHARKS, WHITE SLAVERS, ALL OPERATING VIRTUALLY
 UNHAMPERED BY THE LAW ENFORCEMENT ESTABLISHMENT, WHO
 OBVIOUSLY, TO THEIR WAY OF REASONING, MUST BE ON THE "TAKE"
 IF THEY PERMIT SUCH FLAGRANT VIOLATIONS TO CONTINUE
 UNCHALLENGED. AND SO IT MUST FOLLOW, IF THE LAW IS ON
 THE TAKE, THEN SO IS SOMEBODY DOWNTOWN. ... AND THAT

SOMEBODY IS ALSO AWARE, AND UNCONCERNED. HOW THEN
 CAN BLACK OR BROWN PEOPLE, ESPECIALLY THOSE IN THE GHETTO,
 ACCEPT THE ELOQUENT TERMS LAW AND ORDER. WHOSE LAW?
WHOSE ORDER?

AS MEMBERS OF THE LAW ENFORCEMENT COMMUNITY
 YOU CANNOT HELP BUT BE AWED BY THE BILLIONS TURNED OVER
 ANNUALLY BY ORGANIZED CRIME OPERATING IN OUR INNER CITIES....
BILLIONS! LET ME ILLUSTRATE. A RECENT NEW YORK STATE
 STUDY INDICATED THAT IN 1968, CENTRAL HARLEM HAD AN
 ESTIMATED NUMBERS PLAY OF 64 MILLION, SOUTH BRONX
 25 MILLION, BEDFORD STUYVESANT 19 MILLION AND THAT IS
 ONLY IN 3 SELECTED NEW YORK GHETTOS. YOU CAN PROJECT
 WITHOUT FEAR OF CONTRADICTION THAT CHICAGO, DETROIT,
 LOS ANGELES, NEWARK, PHILADELPHIA, AND EVEN OUR NATION'S

CAPITOL, HAVE EQUALLY DEVASTATING FIGURES.

THIS PROBLEM, AS WELL AS OTHER ORGANIZED CRIME-
 RELATED PROBLEMS, IS BY NO MEANS LIMITED TO ONE SECTION
 OR GEOGRAPHICAL AREA OF OUR NATION. I AM ADVISED THAT
 THERE EXISTS MORE THAN 24 KNOWN MAFIA OR COSA NOSTRA
 FAMILIES OR OTHER LOOSELY AFFILIATED ORGANIZED CRIME
 GROUPS OPERATING ALL ACROSS THE COUNTRY. THOSE SAME
 THREE NEW YORK GHETTO AREA STUDIES SHOW A TOTAL OF
\$108 MILLION BEING SPENT FOR "POT" AND ANOTHER MINIMUM
 OF \$115 MILLION FOR HEROIN. THE DIFFERENCE BETWEEN THE
 NUMBERS' PLAYER AND THE HARD DRUG USER OF COURSE IS
 OBVIOUS. A HABITUAL GAMBLER CAN MISS A BET ONE DAY.... BUT
 AN ADDICT MUST HAVE A FIX EVERY DAY. A NUMBERS BET CAN
 AVERAGE A DOLLAR A DAY - A HEROIN USER SHOOTS \$50 TO \$100
 A DAY. DRUG ABUSE SPECIALISTS IN THE CITY OF NEW YORK

RECENTLY PLACED THE NUMBER OF CITY HEROIN ADDICTS
 AT 100,000. MOST ARE YOUNG, MOST ARE GHETTO RESIDENTS.
 50 PERCENT ARE BLACK, 25 PERCENT PUERTO RICAN, CONTINUING
 WITH THE ASTRONOMICAL ARITHMETIC OF DRUG ADDICTION
 IT IS CONCLUDED THAT STOLEN MERCHANDISE BRINGS IN ONE-FOURTH
 ITS TRUE VALUE AFTER PASSING THROUGH THE FENCE. ESTIMATES
 ON HOW MUCH AN ADDICT MUST STEAL TO SUPPORT HIS HABIT
 RANGE FROM \$200 TO \$400 A DAY...SEVEN DAYS A WEEK....
 CONCLUSION: HEROIN MOTIVATED THEFTS IN NEW YORK CITY
 ALONE COST OVER \$2 BILLION A YEAR.

GAMBLING AND NARCOTICS TRAFFIC ARE CONTROLLED
 BY ORGANIZED CRIME FOR PROFIT. OTHER LUCRATIVE ILLEGAL
 ACTIVITIES YOU HEAR AND DEAL WITH ARE LOAN SHARKING AND
 PROSTITUTION IN THE GHETTO. THE ORGANIZED CRIME TASK
 FORCE OF THE PRESIDENT'S 1967 CRIME COMMISSION DID SAY,

I'M HAPPY TO REPORT, THAT "PROSTITUTION IS ON THE DECLINE.
 NOT THAT IT ISN'T POPULAR - IT'S JUST TOO DIFFICULT TO
 ORGANIZE, AND DISCIPLINE AND IS TOO HARD TO MAINTAIN."
 I WOULD VENTURE TO GUESS THAT THE FREE ENTERPRISE SYSTEM
 HAD A LOT TO DO WITH THAT DECLINE. LOAN SHARKING ON THE
 OTHER HAND IS THOUGHT TO BE ONLY SECOND TO GAMBLING
 IN TERMS OF PROFIT. LOAN SHARKING, SHYLOCKING OR USURERY
 APPEARS TO BE AS OLD AS CIVILIZATION ITSELF. IT IS A MULTI-
 BILLION DOLLAR BUSINESS FOR ORGANIZED CRIME, AND AGAIN
 THE POOR, THE UNEDUCATED, THE GHETTO RESIDENT, ARE THE
 MOST POPULAR VICTIMS. IT IS NOT UNUSUAL FOR A BORROWER TO
 PUT UP HIS BODY AS COLLATERAL, BUT IT IS TO THE LENDER'S
 INTEREST TO TERMINATE NEITHER THE LOAN ITSELF OR THE LIFE
 OF THE BORROWER. HERE AGAIN, THE PRESIDENTIAL TASK FORCE
 REPORTS: "THE LENDER IS MORE INTERESTED IN PERPETUATING

INTEREST PAYMENTS THAN COLLECTING PRINCIPAL: AND FORCE, OR THREATS OF FORCE OF THE MOST BRUTAL KIND, ARE USED TO EFFECT INTEREST COLLECTIONS, ELIMINATE PROTESTS WHEN INTEREST RATES ARE RAISED, AND PREVENT BELEAGUED BORROWERS FROM REPORTING THE ACTIVITY TO ENFORCEMENT OFFICIALS. " AND ACCORDING TO PROFESSOR CRESSEY, "THE ULTIMATE FATE OF A DEFECTING BORROWER IS INCREASINGLY LESS APT TO BE DEATH OR EVEN MAIMING. HE IS MORE APT TO BE SWALLOWED UP BY THE ORGANIZATION AND USED AS AN INSIDE MAN. BORROWERS ARE ENCOURAGED TO MEET THEIR DEBTS THROUGH SERVICE IN CRIME FOR THE SYNDICATE. " IN BRIEF, EVIDENCE POINTS TO AN INTERMESHING NET SPREAD BY ORGANIZED CRIME OVER THE GHETTOS.

THE MOST COMMON CRIME FIGURES IN TODAY'S GHETTO CONTINUE TO BE THE RUNNER, THE BOOKIE, THE PUSHER, THE PIMP AND THE SHARK. WHO THEN DOES THE BLACK MAN EMULATE?

WHO ARE THE EVERYDAY HEROES AND IDOLS OF THE GHETTO YOUTH - BLACK AND BROWN? THEY ARE THE BIG MEN ON THE STREET. THEY ARE WELL FED, WELL DRESSED, BIG CARS, COOL PADS, MEMBERS OF THE GHETTO WHO HAVE IT "MADE" ... HAVE "STATUS".... AND HAVE COVER AND CONCURRENCE OF THE LAW..... AFTER ALL, DON'T ALL AMERICANS ADMIRE SUCCESS? IS THERE ANY REASON TO BELIEVE THAT GHETTO CHILDREN ARE ANY LESS AMERICAN THAN THE REST OF US? FOR ALL INTENTS AND PURPOSES, THE RESIDENT ORGANIZED CRIME OPERATORS ARE LIVING EXAMPLES - THE REAL LIVE MODELS OF THE KIND OF SUCCESS THE GHETTOS PROVIDE. A RECENT STUDY OF YOUTHFUL OFFENDERS FROM THREE CHICAGO NEIGHBORHOODS REFLECTS THAT, WHEN ASKED, "WHAT IS THE OCCUPATION OF THE ADULT IN YOUR NEIGHBORHOOD WHOM YOU MOST WANT TO BE LIKE IN TEN YEARS? - EIGHT OUT OF TEN NAMED SOME ASPECT OF ORGANIZED CRIME.

ANOTHER PATHETIC EFFECT OF ORGANIZED CRIME IN THE GHETTO IS THE DEEP LASTING CYNICISM IT BREEDS IN GHETTO DWELLERS REGARDING LAW ENFORCEMENT. GENTLEMEN, I GIVE YOU A QUOTE: "THE MOST GRIEVOUS CHARGE AGAINST MUNICIPAL POLICE IS NOT BRUTALITY, ALTHOUGH IT EXISTS..... PERMISSIVE CRIME IN THE GHETTO IS THE NIGHTMARE OF THE SLUM FAMILY. PERMISSIVE CRIME IS THE NAME FOR ORGANIZED CRIME THAT FLOURISHES IN THE GHETTO... DESIGNED, DIRECTED AND CULTIVATED BY THE WHITE NATIONAL CRIME SYNDICATES OPERATING NUMBERS, NARCOTICS AND PROSTITUTION RACKETS FREELY IN THE PROTECTED SANCTUARIES OF THE GHETTO... BECAUSE NO ONE, INCLUDING THE POLICE, CARES PARTICULARLY ABOUT GHETTO CRIME. IT PERVADES EVERY AREA OF LIFE." THE AUTHOR OF THOSE WORDS WAS THE LATE DR. MARTIN LUTHER KING.

IN '68, THE KERNER COMMISSION ECHOED DR. KING'S WORDS BY

REPORTING THAT "THE STRENGTH OF GHETTO FEELINGS ABOUT HOSTILE POLICE CONDUCT MAY EVEN BE EXCEEDED BY THE CONVICTION THAT GHETTO NEIGHBORHOODS ARE NOT GIVEN ADEQUATE POLICE PROTECTION.... GHETTO RESIDENTS WITNESS THE WILLINGNESS OF THE POLICE TO WINK AT WIDESPREAD CORRUPTION IN THE FORM OF GAMBLING, LOAN SHARKING AND DRUG TRAFFIC." THE NEW JERSEY SELECT COMMISSION ON CIVIL DISORDERS, ON WHICH I HAD THE HONOR TO SERVE, APPOINTED TO INVESTIGATE THE 1967 RIOTS IN NEW JERSEY, REPORTED THAT THE ELEMENT OF CORRUPTION, IN THE CRIMINAL JUSTICE SYSTEM ITSELF, WAS A MAJOR FACTOR IN POOR RELATIONS BETWEEN THE POLICE AND THOSE WHO RIOTED. IN THIS AREA, IT HAS ALSO BEEN REPORTED BY PROFESSOR CRESSEY THAT IN ONE YEAR ALONE, 90 HARLEM SPOTS, OR FIXED NUMBERS LOCATIONS, PAID POLICE ABOUT TWO MILLION FIVE HUNDRED THOUSAND DOLLARS FOR PROTECTION

WHEN FLOYD MCKISSICK WENT ON TV FOLLOWING THE
 1967 NEWARK RIOTS, HE WAS QUOTED AS SAYING ALL THE RIOTS
 THAT HAPPENED WERE BECAUSE OF THE MAFIA... HE BLAMED
 THE MAFIA BECAUSE THEY CONTROL ALL THE DRUGS, GAMBLING,
 AND LOAN SHARKING IN THE NEWARK GHETTO. THIS MAY BE AN
 OVERSIMPLIFICATION... AND THEN AGAIN, MAYBE NOT. BE THAT
 AS IT MAY, CAN WE IGNORE THE ELEMENT OF TRUTH SUGGESTED
 REMOTE PERHAPS, BUT IN MY OPINION, OF UTMOST IMPORTANCE.

GENTLEMEN, I SINCERELY WISH THERE WAS A WAY,
 A PANACEA FOR ELIMINATING THE SPECTRE OF ORGANIZED CRIME
 FROM OUR NATION. THERE IS A WAY, BUT I AM NOT SO SURE IT
 COULD BE CALLED A PANACEA. IT MIGHT START IN THE COURTROOM
 WITH JUDGES WHO WOULD HAVE BECOME SO SENSITIVE TO THE
 DISPENSING OF JUSTICE, THAT WHEN THE KNOWN GENERALS OR
 LIEUTENANTS OF ORGANIZED CRIME ARE CONVICTED FOR TAX

EVASION, INSTEAD OF RECEIVING THE MINIMUM SENTENCE,
 THEY RECEIVE A SENTENCE THAT WOULD MORE REALISTICALLY
 REFLECT SOCIETY'S ABHORRANCE WITH THE ENORMITY OF THEIR
 PARTICIPATION IN THE POLLUTION OF OUR AMERICAN WAY OF
 LIFE. FOR MARK ME WELL... UNLESS WE BEGIN TO SHOW SOME
 MEASURABLE SUCCESSES IN RELIEVING THE STRANGLEHOLD OF
 ORGANIZED CRIME IN OUR GHETTOS, 10 YEARS FROM NOW WE
 MAY WELL FIND THAT THE PREDICTION OF ORGANIZED CRIME,
 THAT IT WILL ONE DAY PUT A MAN IN THE WHITE HOUSE, HAS
 INDEED COME TRUE.

END