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Department of Justice

STATEMENT OF

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CRIMINAL DIVISION

UNITED STATES DEPARTMENT OF JUSTICE

BEFORE THE

SENATE PERMANENT SUBCOMMITTEE ON INVESTIGATIONS

COMMITTEE ON GOVERNMENTAL AFFAIRS

UNITED STATES SENATE

REGARDING

ASIAN ORGANIZED CRIME

NOVEMBER 6, 1991

Mr. Chairman and Members of the Subcommittee, I am pleased to discuss with you today what the Department of Justice is doing to respond to the threat posed by Asian organized crime groups. We appreciate the interest this Subcommittee has in this important topic and in the support that you have provided to our program on Asian Organized Crime. We were delighted that your staff was able to participate recently at our Asian Organized Crime Conference in San Francisco.

The Government is making significant progress against Asian organized crime. And we are taking and planning additional steps that will have a greater impact in the future.

As we reported to you in 1988, the Justice Department was expanding its efforts against Asian organized crime. It was apparent in the 1980's that Asian organized crime was beginning to grow. Like all organized crime groups, it was preying more often on members of its own ethnic groups. It was also beginning to spread its criminality into the general society.

In the last several years, we have developed a number of major criminal prosecutions of Asian organized crime. We have at the same time enlarged and refined our planning and intelligence. One notable result of our planning efforts is the new national strategy against organized crime that was issued earlier this year.

It is equally important at the outset to emphasize that virtually all of the United States citizens of Asian origin, numbering millions, are hard-working and law-abiding citizens. Only a tiny minority of Asian-Americans is the subject of our attention today, a minority that I might add is only too eager to victimize its own community.

For most of the last 30 years, we've played catch-up in eradicating what is still this country's most serious organized crime problem -- La Cosa Nostra (LCN). We will not repeat that mistake. We cannot stand idly by while newer organized crime gangs invade our society -- and in some instances our homes -- with the same lawlessness that has come to typify the traditional mob. Thus, in 1990 the Attorney General directed the nation's United States Attorneys to assess their regional crime problems and submit plans for addressing organized crime in their districts. The Attorney General consolidated these plans and announced an Organized Crime National Strategy in January 1991. At the same time, he created the Organized Crime Council, composed of the principal Federal law enforcement agencies in conjunction with the Criminal Division, to implement the National Strategy.

While correctly concluding that La Cosa Nostra remains the dominant form of organized crime in this country, the National Strategy also concludes that Asian organized crime groups have

become "significant national and international problems" that demand national attention. As I will later fully explore, the National Strategy directs Federal prosecutors, in close association with their state and local counterparts, to curtail the growth of these groups. One of the many virtues of the National Strategy is its flexibility: It recognizes that organized criminality has many dimensions and that local law enforcement must be coordinated nationally when addressing national crime groups, while remaining available to attack local factions. The National Strategy requires that the United States Attorney identify the most serious organized crime threat in the district and direct resources accordingly. For example, in those cities where Asian organized crime poses a greater threat than La Cosa Nostra, the United States Attorney is expected to concentrate more heavily on the former. Some cities -- such as Chicago and New York -- are threatened by both La Cosa Nostra and Asian crime groups, thus placing a complex and heavy demand on law enforcement resources.

Fortunately, Congress has enacted statutory tools which previous generations of prosecutors did not have. Prior to 1968 we had no statutory authority to intercept electronic communications; until 1970, no effective means of immunizing witnesses. The RICO statute and the Continuing Criminal Enterprise statute were not enacted until 1970. As you know, these enterprise-type statutes are essential to any organized crime program. It was not until the 1980's that the drug forfeiture laws

and penalties were significantly enhanced. These laws, together with the new money laundering statutes, are important, because some Asian crime groups are using criminal proceeds to acquire assets within the United States.

We have many of the essential tools for attacking Asian organized crime. The National Strategy provides the framework for planning and executing this attack more effectively. Moreover, the United States Attorneys' Advisory Committee's Subcommittee on Violent Crime and Emerging Organized Crime meets regularly to monitor the implementation of the National Strategy on the local level, with particular attention on developing Asian organized crime cases. We see positive results; there are more investigations and prosecutions and more personnel assigned to these cases than ever before. Over the past year, I have spoken directly with United States Attorneys in key districts concerning the Attorney General's priority in attacking this problem. Allow me now to summarize what this problem is.

I. THE NATURE OF THE ASIAN ORGANIZED CRIME PROBLEM

The Asian organized crime problem in this country consists of four major groups -- first, Chinese organized crime, including triads, criminally-influenced tongs, and street gangs; second, the Japanese criminal society known as the Boryokudan, or "Yakuza"; third, Vietnamese organized crime, which largely consists of street

gangs, often affiliated with Viet Ching or Chinese groups; and finally, Korean gangs, some of which are closely associated with the Japanese Boryokudan.

Let me begin with the Chinese organized crime groups.

A. Chinese Organized Crime

Chinese organized crime consists of three types of criminal and criminally-affiliated organizations: triads, tongs, and street gangs. Triads, which are secret Chinese criminal societies, were originally formed as resistance groups to the Ching Dynasty that ruled China from the 17th century until 1912. The word "triad" is an English term derived from the societies' sacred emblem -- a triangle whose sides represent three basic powers: heaven, earth, and man. There are currently about 50 to 60 triads in Taiwan and Hong Kong, with membership estimated at 80,000 to 100,000. The purpose of these triads has become exclusively criminal. Although their structures vary somewhat, triads are based on models and traditions which have a number of parallels with LCN families. For example, the initiation ceremonies typically involve oaths of loyalty, secrecy, and brotherhood, and discipline is strictly enforced by fear and violence.

Today, most of the powerful criminal organizations in Hong Kong and the Far East are not triads as such. Rather, they are

"triad-like" syndicates composed of both triad and non-triad members serving various functions within the syndicate. It is not unusual for members of different triads to collaborate within the same criminal enterprise.

In Asia, triads and related organizations are engaged in a vast array of illegal activities, ranging from extortion and racketeering to heroin trafficking, prostitution, weapons smuggling, money laundering, and credit card fraud. Bank card officials estimate that one-half of the counterfeit credit cards in the entire world are produced by triad gangs in Hong Kong, Malaysia, and Singapore.

Triad leaders also engage in large-scale smuggling of illegal aliens into the United States and Canada. During the past several years, alien smuggling has emerged as an immense, organized, and highly profitable business. Since 1990, the Immigration and Naturalization Service has identified approximately 60 routes used primarily by Chinese syndicates to smuggle aliens into the United States and Canada from Taiwan, Hong Kong, and the People's Republic of China (PRC). As Mr. Lempres of INS will describe more fully in his upcoming testimony, approximately one-quarter of recent INS smuggling cases are directly linked to triads and other organized crime groups. The immigrants, who are often given forged passports and immigration documents, are victimized by agreements to pay fees for their passage that can run as high as \$50,000 per person.

Since few can afford any substantial fee, most of these victims are farmed out to a network of Chinese restaurants, brothels, and sweatshops where they work under conditions reminiscent of indentured servitude.

Using its statutory tools, INS has been an effective force in excluding and deporting criminal elements from the Pacific Rim. Beginning in FY 1987 through July 1991, INS and Border Patrol agents have apprehended a total of 14,877 illegal aliens from the PRC, Japan, Korea, Taiwan, and Vietnam. Over one-half (56 percent) came from the PRC. While most of these aliens were excluded, 704 persons were deported during the same time period for narcotics crimes and other offenses. This total of 704 includes persons from other Asian countries in addition to the five listed above.

In the United States, triad members and splinter groups are active in many cities with Chinese populations. While some of these triad members operate independently, others are found in street gangs such as the Ghost Shadows, Flying Dragons, Wah Ching, and Ping On.

There are at least four triad societies currently active in the United States. The United Bamboo Gang has been engaged in a wide variety of illegal activities in this country, from drug trafficking to bank fraud to alien smuggling, primarily in Chicago, Houston, Los Angeles, New York, and San Francisco. The 1985 murder

of Henry Liu, a California journalist, was committed by members and associates of the United Bamboo Gang, several of whom were convicted of Federal offenses related to that murder. In the last few years, the United Bamboo has begun to develop an international network to assist members in obtaining weapons, drugs, false passports, and transportation to and from certain countries.

The 14K Group, one of the largest triad societies in Hong Kong, is associated with several American criminal groups and has inducted members of U.S. Chinese organized crime into its society. Members and associates of the 14K allegedly launder drug money and smuggle counterfeit U.S. currency from Hong Kong to San Francisco. The 14K is most active in New York, Los Angeles, San Francisco, Boston, and Houston.

Leaders of the Sun Yee On Triad in Hong Kong have allied themselves in this country with the New York-based Tung On Tong and its Tong On Gang, going so far as to detail triad members to the Tung On Tong. It is believed that various Sun Yee On members provide security for the Tong's gambling houses. Other U.S. cities with significant Sun Yee On activity include Philadelphia, Los Angeles, San Francisco, Boston, and Atlantic City. The Sun Yee On is one of the few traditional triad societies with a strong, vertically-integrated organization.

Finally, the Wo Hop To triad has developed an affiliation in

San Francisco with the Hop Sing Tong, through which it is attempting to challenge the Wah Ching Gang in San Francisco's Chinatown for control of various rackets there. This violent power struggle has already resulted in numerous murders in San Francisco.

The second Chinese organized crime structure in the United States is the Chinese "tong," or merchant association, which is found in many cities with large Chinese populations. Tongs generally are actually legitimate societies composed largely of noncriminals whose purpose is to aid immigrants, facilitate business, and preserve Chinese culture. In many important respects, tongs are a "parallel government" for those Chinese who live within a closed, insular community. Unfortunately, however, criminals control the leadership of some tongs, and use those organizations to further their criminal activities.

I have already mentioned several of the tongs in this country which are being used by criminals for illegal activity -- the Tung On Tong in New York and the Hop Sing Tong in both San Francisco and New York. Another significant criminally-influenced tong is the On Leong Tong, which has a substantial presence in Chicago, New York, Houston, and other cities throughout the United States. The On Leong Tong allegedly has engaged in widespread gambling and other racketeering for years.

The third component of the Chinese organized crime picture in

this country is the street gangs. Like triads, Chinese street gangs are entirely criminal, and there is a growing trend for upper-echelon street gang leaders to belong to both tongs and gangs. As a result, many criminally-influenced tongs use street gangs as enforcers for gambling and other illicit operations. Chinese gangs are also heavily involved in extortion schemes, often victimizing businesses in the Chinese community. For example, a study conducted last year by a New York City criminal justice agency estimated that four out of five Chinatown restaurants in New York City and two-thirds of all Chinatown businesses have been extorted by street gangs.

Three of the most significant Chinese street gangs in this country are the Wah Ching, the Ghost Shadows, and the Flying Dragons. The Wah Ching, one of the most established Asian gangs, is believed to have 600 to 700 members and associates today in a number of cities across the United States. As I previously mentioned, the Wah Ching is currently in a power struggle with the Wo Hop To triad for control of illegal activities in San Francisco's Chinatown, the headquarters of the Wah Ching. Wah Ching leaders control a vast array of legal and illegal business enterprises in North America, and have close ties to the Sun Yee On and 14K triad societies in Hong Kong.

The Ghost Shadows is an organized street gang that was formed in New York City in the early 1970's by a group of teenage

immigrants from Hong Kong. Today, the Ghost Shadows is actively involved in robbery, extortion, loansharking, and drug trafficking. The Ghost Shadows is affiliated with the On Leong Tong, and has members in numerous cities in North America.

The Flying Dragons, another New York-based street gang, is also involved in drugs, extortion, loansharking, and gambling. Together with its Vietnamese counterparts, the Chinese Flying Dragons gang is believed to have committed extortion and kidnapping in various cities along the east coast and as far west as Dallas. The Flying Dragons is supported by the Hip Sing Tong in return for protection of the Tong and its interests.

B. Japanese Organized Crime

Japanese organized crime consists of the Boryokudan, or "violent ones." The Boryokudan, sometimes referred to as the Yakuza, is composed of approximately 3,200 groups with a total membership of about 87,000 in Japan. In the past, the Boryokudan was more accepted within Japanese society, despite its heavy involvement in prostitution, gambling, and the amphetamine trade. As ordinary citizens have become targets of its robberies and street shakedowns, however, the Boryokudan's reputation has worsened. Nevertheless, its insignias and flags are openly displayed on its meeting places and buildings, and members proudly wear distinctive lapel pins that identify a particular group of

Boryokudan, and openly boast about their membership. In general, the Boryokudan constitutes a separate class of Japanese society: powerful, wealthy, and politically influential.

There are a number of similarities between the Boryokudan and both the Chinese triads and LCN. For example, Boryokudan members are instructed never to reveal the "secrets" of their organization, never to disobey superiors, never to withhold money from the gang, never to appeal to the police or authorities, never to violate the wife or child of another member, and never personally to use drugs. All authority in a Boryokudan group is centered in the "oyabun" or boss. A member is required to pass his illegal earnings to those at levels above him, and his status is determined by his efficiency as an "earner." The Boryokudan's activities in Japan consist mostly of extortion schemes, trafficking in crystal methamphetamine (commonly called "ice") and in weapons, prostitution, loansharking, and pornography.

Until the mid-1970's, Boryokudan interest in the United States was thought to be relatively limited. Since then, several Boryokudan organizations have become increasingly international in their operations. The United States, for example, is a major source of weapons for the Boryokudan, who route these weapons through the Philippines to Japan. Since possession of handguns by private citizens is illegal in Japan, these weapons sell for as much as \$5,000 to \$7,000 each. The United States is now a prime

investment site for Boryokudan capital. Drug trafficking has taken on increased importance for the Boryokudan, with "ice" becoming a serious problem in Hawaii. The Boryokudan has taken on an increased presence there, on the West Coast, and in Nevada.

C. Vietnamese Organized Crime

In the United States, Vietnamese organized crime means street gangs. These gangs typically do not have the tight organizational structure of Chinese or Japanese organized crime groups, and have a much younger membership than other Asian criminal groups. Also, unlike the Chinese and Japanese groups, Vietnamese gangs do not have a centuries-old tradition of organized crime in their homeland. Vietnamese street gangs include both Vietnamese and Chinese-Vietnamese (or Viet Ching), who are most likely to forge close relationships with Chinese organized crime groups.

The Vietnamese gangs sometimes serve as extortionists or enforcers for Chinese-American syndicates; their use of violence is common and frequently brutal. Some Vietnamese gangs also specialize in violent home-invasion robberies, often of other Vietnamese-Americans. These gangs are highly mobile and prey on Vietnamese in various parts of the United States.

The Born To Kill gang, headquartered in New York City, exemplifies the characteristics of the Vietnamese street gang.

The Born To Kill was allegedly formed in 1988 by 35-year-old David Thai, who split off from the Flying Dragons. Many of the members of the Born To Kill are in their teens and early twenties. Born To Kill members engage in a variety of criminal activities in New York City, including extortion and armed robbery, and frequently travel to such places as upstate New York, Connecticut, and even as far as Georgia, to commit armed robberies and crimes of violence against other Asians and Asian businesses.

We have seen significant Vietnamese gang activity in New York City, New Orleans, Houston, Miami, Arlington, Virginia, San Francisco, and San Jose, California.

D. Korean Organized Crime

The Koreans are an "emerging" Asian organized crime group in the United States. Korean organized crime groups are beginning to extend to an international arena as a result of their association with the Boryokudan. Korean organized crime groups, as well as individual Korean criminals, supply the Boryokudan with the raw materials to manufacture "ice." In Hawaii, the Korean syndicate known as the Towa Ynai Jigyo Kumai -- an affiliate of the Boryokudan -- controls most of the ice trade. Some of that drug is now appearing on the West Coast, especially in the Korean community.

Korean organized crime groups are also involved in gambling, extortion, loansharking, prostitution, alien smuggling, and credit card fraud in this country. Like the LCN, but on a smaller scale, Korean organized crime groups are apparently attempting to monopolize the Korean construction business in New York City. The New York City Police Department has estimated that Koreans control the majority of indoor prostitution -- that is, "call girls" as opposed to street prostitutes. Korean street gangs, such as the Korean Killers, the Korean Fu Ching, and the 24K, have also begun to compete with Chinese street gangs in some cities. There currently is some Korean organized crime activity in Los Angeles, New York, Seattle, Baltimore, Chicago, Washington, D.C., and other cities with significant Korean populations.

As this brief overview of the major Asian organized crime groups in this country makes clear, Asian organized crime poses a significant threat. One example of the inroads made by Asian organized crime is the importation of heroin. On May 20, 1991, U.S. Customs agents seized 1,080 pounds of heroin shipped from Thailand to the Join Sun Corporation in the San Francisco area. This seizure, the largest heroin seizure ever in the United States, had an estimated street value of \$3 billion, and resulted in the arrest of five Asians. In 1983, Southeast Asia accounted for only 19 percent of the heroin imported into the United States. As our chart shows, that percentage has increased over the last few years; since 1989, 56 percent of the heroin available in this country has

come from Southeast Asia. Much of this heroin trade is controlled by Chinese organized crime syndicates.

As the Subcommittee is aware from FBI Director Sessions' earlier testimony, the problem of Asian organized crime so far has been confined largely to certain urban areas with relatively large Asian populations. In his testimony, Director Sessions specifically mentioned ten cities that have been of particular concern to the FBI: Boston, Baltimore, Chicago, Dallas, Honolulu, New Orleans, New York, Philadelphia, Portland, Oregon, and Sacramento. In addition, there has been significant activity by Asian criminal groups in Atlanta, Los Angeles, and San Francisco. Before discussing in detail some of our significant prosecutions of the past several years, I will provide a brief description of the nature of the problem in each of these cities. I should point out that this list is not exclusive; we do, from time to time, see Asian criminal activity in other areas, such as Houston and Atlantic City, as discussed earlier in this statement, and we are constantly monitoring the situation across the nation to keep track of changing patterns of organized criminal behavior.

Atlanta

The Atlanta area has a growing number of Asian immigrants and a growing problem from Asian criminal groups. There are groups, some of them highly structured, engaging in criminal activity ranging from white-collar offenses to narcotics trafficking. The

United States Attorney's office is planning a Law Enforcement Coordinating Committee meeting soon that will be focused on Asian organized crime and gang activity. This meeting is expected to enable law enforcement authorities in the area to better determine the nature and extent of the problem and to develop a more effective coordinated attack.

Baltimore

The Asian organized crime problem in Baltimore has fluctuated over the past few years. Most recently, the Mid-Atlantic Regional Offices of the Organized Crime Drug Enforcement Task Force initiated an investigation of the On Leong Tong/Ghost Shadows organization, which was distributing cocaine and heroin in Maryland, New Jersey, Virginia, New York, California, and Washington, D.C. The investigation resulted in the successful prosecution of 24 defendants, 13 in Washington, D.C., and 11 in Hong Kong. In addition, there have been some allegations of criminal activity by Vietnamese groups in the Baltimore area.

Boston

At this juncture, Asian organized crime is in substantial disarray in the District of Massachusetts. The successful RICO prosecution of the most influential member of Asian organized crime in the district, Harry Mook, combined with a series of killings by rival gangs, have left Boston without a stable, dominant Asian organized crime group. There appear to be a number of Viet-Ching

and Hong Kong Chinese gangs in the area. However, none appears to have reached a position of either stability or dominance at this time.

The United States Attorney's office is working with local law enforcement officers to find and bring to justice the fugitive gang members and leaders behind these slayings. At the same time, there is a full-time Strike Force prosecutor assigned to Asian organized crime investigations. That prosecutor is working with agents in INS, FBI, and Customs, monitoring the evolving groups within the district. Various investigations are being actively pursued.

Chicago

The principal Asian criminal faction currently active in the Chicago area is the criminally influenced On Leong Tong, which, as I will discuss in some detail later, was the subject of a recent major prosecution involving illegal gambling and other activities. In addition, the Hip Sing Tong is involved in gambling activities. Finally, we have knowledge of some illegal debt-collection activities by a Korean criminal group.

Dallas

The Asian gang problem in the Dallas area has grown substantially over the past several years. At present, the main concern is over highly mobile, loosely knit gangs such as the Angel Boys, Born to Kill, and the New Boys. These gangs are involved in

massage parlor protection, illegal gambling, home-invasion robberies, and narcotics trafficking.

Honolulu

Japanese and Korean organized crime groups constitute Hawaii's principal Asian organized crime enterprises. Chinese Tongs and Vietnamese gangs, prevalent on the continental United States, have yet to present a discernible criminal threat in Hawaii. The Japanese Boryokudan has been active in the state since the late 1960's, engaging in activities such as illegal gambling, narcotics trafficking, prostitution, pornography, extortion, and weapons offenses. It often is difficult to bring effective prosecutions for such criminal activity, because of the language problem and fear on the part of victims, who often are vacationing Japanese nationals.

To respond to the problem, the INS has developed prosecutable false-statement cases against Boryokudan members with criminal records who enter the United States on fraudulently obtained visas. INS's vigorous Boryokudan screening program at Honolulu's International Airport, in conjunction with follow-up prosecutions by the United States Attorney's Office, appears to have reduced the number of Boryokudan members and associates coming directly to Hawaii from Japan.

In addition, Korean organized crime groups in Hawaii recently

have expanded their illegal activities beyond drug distribution (largely involving "ice") into extortion, gambling, and prostitution. These groups, which are considered violent, are aggressively moving to take over criminal "territories" worked by local organized crime groups.

Los Angeles

The most prominent organized crime factions in Los Angeles are Chinese. The most active groups at present are believed to be the Wah Ching, the United Bamboo, the Four Seas Gang, and the 14K Triad. These groups are engaged in narcotics trafficking, extortion, murder for hire, money laundering, illegal gambling, loansharking, and copyright infringement.

Japanese criminal groups (Boryokudan) have maintained a low profile in the Los Angeles area for many years, but several such groups have members and associates in the area. Most of these persons are "facilitators" who perform services for the Japan-based groups, such as smuggling of firearms and narcotics, purchases of luxury cars, and investment of capital into United States ventures.

Another factor in the area is the presence of Korean organized crime groups, some of whose members are closely affiliated with Japanese criminal groups. These groups are involved in narcotics trafficking, loansharking, extortion, and other crimes.

Los Angeles also has a significant problem from Asian street gangs of many nationalities. The greatest problem to date has been that of the Vietnamese gangs, of which about 20 have been identified to date. As elsewhere in the United States, in Los Angeles these gangs victimize other Vietnamese by home-invasion robberies, thefts of luxury cars, and other crimes.

New Orleans

The principal Asian criminal groups currently operating in the Eastern District of Louisiana are Vietnamese, followed in significance by Koreans and some Chinese. These groups engage in activities such as illegal gambling, prostitution, bribery of public officials, narcotics trafficking, extortion, loansharking, and money laundering.

New York

As will be obvious upon an inspection of the summaries of major cases presented later in this statement, New York City is a primary site of major Asian organized crime activity in the United States. Violent Chinese gangs such as the Ghost Shadows, the United Bamboo, and the Green Dragons, well-organized international heroin importers, and Vietnamese gangs such as the Born to Kill are only a part of the mixture of groups that have been in operation in these districts over the past several years. We have been devoting tremendous resources to the problems in these districts,

and our investigative agencies, such as the DEA and the FBI, in conjunction with state and local authorities, have developed great expertise with respect to the many varieties of Asian groups that operate there.

Philadelphia

During the past four years, Philadelphia-based Asian gangs, composed of young adult Chinese and Vietnamese males, have committed a substantial number of home invasion robberies and kidnappings in Asian communities of Southeastern Pennsylvania. In addition, these highly mobile gangs have extorted and robbed Asian-operated businesses in Philadelphia's Chinatown and South Philadelphia, including restaurants, entertainment clubs, and massage parlors. There are indications that gang members from New York, Boston, and Washington, D.C., are brought into the Philadelphia area by an East Coast organization to carry out these crimes. The Philadelphia Strike Force Unit currently has an active program targeting the Asian organized crime problem. Although the problem does not appear currently to be of the same magnitude as on the West Coast or in the New York City area, rapid growth in an already large Asian community may cause parallel growth in Asian organized crime.

Portland, Oregon

The last two years have been marked by several significant developments in Asian gang activity in Portland. Prior to 1990

such activity involved loosely organized gangs of Southeast Asians lacking well-defined leadership and commonly having a transient membership. In 1990, several of these gangs evolved into more organized "informal gangs" showing signs of stable membership and the formalization of an organizational structure. At the same time, the gangs have become polarized into two highly visible competing gangs, the "Red Cobras" and the "Vung Tao Boys." These gangs both are involved in crimes against non-gang members, including car thefts, burglaries, extortions, and robberies, including home invasions. In addition, there has been some activity by the Chinese Wah Ching gang, who were involved in matters such as loansharking and prostitution.

Sacramento

The Eastern District of California has a Vietnamese organized crime problem centered primarily in Sacramento. This group is not involved in narcotics trafficking, but limits its activities to burglary and extortion of businesses. Thus far, we have been able to deal with its activities through existing law enforcement resources.

San Francisco

In the San Francisco Bay Area, the most serious Asian organized crime influences are the Chinese members of the triads, the tongs, and Asian street gangs. In the late 1970's, the Wah Ching gang took control of San Francisco's Chinatown after a bloody

tong war. The Wah Ching is headquartered in San Francisco, with branches in Los Angeles, Seattle, Vancouver, Toronto, and New York. In more recent years, the Wah Ching's dominance has eroded, resulting in armed conflicts between warring factions in the Asian organized crime community.

San Francisco also has problems with violent Vietnamese gangs, some of which include former military officers of South Vietnam. These groups specialize in the familiar pattern of home invasion robberies, automobile burglaries, extortions, and narcotics trafficking. As a result, some gang members have been indicted for murder, including the killing of a law enforcement officer. One of our principal concerns, moreover, is that Vietnamese street gang members have begun to join forces with Chinese organized crime groups.

II. MAJOR CASES

As I indicated earlier, we are mounting a determined attack on Asian organized crime in this country and will be bringing larger and more significant cases, with continued emphasis on use of the enterprise approach. As you know, this approach has been the heart of our successful attack on the LCN. We are convinced that this, in conjunction with the use of the Federal racketeering statutes, is the way to go against the Asian criminal groups.

Some examples of more significant Asian organized crime prosecutions brought by the Federal Government within the last five years are outlined below.

1. On May 13, 1991, the United States Attorney's Office for the Eastern District of New York in Brooklyn obtained an indictment of thirteen members and associates of the Green Dragons, a Chinese gang in Queens, New York, on RICO and related charges. The defendants in United States v. Chen I. Chung, et al. are charged with a pattern of racketeering activity that includes murder, kidnapping, armed robbery, extortion, illegal gambling, and bribery. One defendant is also charged with violating 18 U.S.C. § 1959, violent crimes in aid of racketeering activity, for kidnapping and murdering a witness who testified against the Green Dragons. The Green Dragons are led by their accused founder, "Foochow Paul," who allegedly directs much of the gang's illegal activities from outside of the United States, communicating his orders to the gang over the telephone. In addition to the thirteen indicted Green Dragons, two other members of the gang have already entered cooperation agreements with the government. Trial in this case is scheduled to begin on December 2, 1991.

2. On September 25, 1991, a grand jury in the Eastern District of New York indicted eleven members of the "Born To Kill," the violent Vietnamese street gang in New York City described earlier, on RICO charges in connection with their involvement in

numerous armed robberies, extortions, and murder and attempted murder in New York City, Long Island, upstate New York, Connecticut, and Georgia. The indictment in United States v. David Thai, et al., supersedes two pending indictments of several Born To Kill members for the attempted extortion of several businesses in New York State.

Among the criminal acts charged in the superseding indictment are two murders, including the murder of Sen Van Ta, the owner of Gold Star Jewelry in New York's Chinatown, and the attempted murder of Odum Lim, a jewelry store owner in Georgia, who was shot in the head during the course of the robbery. The Sen Van Ta murder and a conspiracy to bomb the Pho Bang Restaurant in Chinatown are also the basis for Section 1959 violations charged against David Thai.

3. In July 1991, the Boston Strike Force Unit of the United States Attorney's Office for the District of Massachusetts obtained guilty pleas in Boston in two related cases, United States v. Harry Mook, et al. and United States v. Robert Chin, et al. Harry Mook, past President of the Hung Mun (Chinese Freemasons Association) and a member of the 14K triad, and Peter Yee pled guilty to two RICO counts charging them with operating a money laundering enterprise that laundered and attempted to transport to Hong Kong over \$1.6 million of the proceeds of illegal gambling and drug dealing in New York and Chicago. Mook also pled guilty to six counts of structuring currency transactions to evade federal reporting

requirements in violation of 31 U.S.C. §§ 5322 and 5324, and two charges of money laundering in violation of 18 U.S.C. § 1956. Yee also pled guilty to five structuring counts and seven counts of money laundering counts under 18 U.S.C. §§ 1956 and 1957. In the related case, Robert Chin and Raymond Yee pled guilty to conspiring with Peter Yee to launder the proceeds of narcotics trafficking and to transport over \$1 million in currency to Hong Kong. The currency was civilly forfeited. The defendants' pleas were part of an agreement under which Mook will be sentenced to 46 months incarceration, Peter Yee to 48 months, Raymond Yee to 30 months, and Robert Chin to 27 months.

4. The national, Chicago, Houston, and New York On Leong Merchants Associations and 29 individual members and associates of the On Leong were indicted in Chicago in August 1990 in United States v. National On Leong Chinese Merchants Association, et al., a prosecution handled by the Chicago Strike Force Unit of the United States Attorney's Office for the Northern District of Illinois. The defendants were charged in connection with their operation, since 1974, of an illegal gambling business. The four On Leong associations and thirteen individual defendants were also charged with RICO based on a pattern of racketeering that included illegal gambling, bribery of a Cook County judge and a witness in the murder trial of a Ghost Shadow member, solicitation of an unrelated murder, interstate travel to acquire firearms, assaulting an unhappy better, and collection of unlawful debts, among other

crimes. Some of the defendants were also charged with income tax violations.

The On Leong case went to trial on April 1, 1991. Sixteen defendants pled guilty prior to trial, one pled guilty at trial, and five of six defendants charged with tax violations were found guilty. The jury was unable to reach verdicts on the RICO and illegal gambling counts for all defendants, apparently due to juror confusion over the RICO enterprise charged. The government will soon file a superseding indictment and retry the defendants on those counts. In a related civil forfeiture proceeding brought under 18 U.S.C. § 1955, the illegal gambling business statute, the Chicago On Leong was ordered to forfeit to the government its Chicago building (worth \$2.1 million), \$300,000 in cash, and assorted gambling-related paraphernalia.

5. On February 26, 1990, the United States Attorney's Office for the Northern District of California obtained a conviction in San Francisco in United States v. Hieu Duc Tran. Hieu Duc Tran was the leader of a Vietnamese gang that engaged in home invasions and robberies. Tran was convicted of conspiracy and interstate transportation of stolen property resulting from one such home invasion and robbery.

6. A Federal grand jury in Los Angeles in the Central District of California indicted four members of a Korean organized

crime group in 1990 for importation and distribution of methamphetamine, and money laundering. All four defendants in United States v. Kwang Sur Kim, et al., were convicted and sentenced to terms ranging from five to fifteen years.

7. On June 27, 1991, the United States Attorney's Office for the Northern District of California obtained an indictment in San Francisco of Jui Chang Chen, Kelly Paoko Chen, Jsueh-Ju Chen Yang, Yen Shin Li, and Mike Juiming Chen in connection with the May 20, 1991, seizure by U.S. Customs of approximately 1,080 pounds of heroin, bound for the Join Sun Corporation, at the Port of Oakland. All five defendants are charged with a number of drug offenses, including conspiracy and importation, and two defendants are also charged with interstate travel in aid of racketeering, arising from flights from Thailand to the United States.

Four of those indicted were arrested by Customs and DEA agents on June 20, 1991, at Join Sun, to which the agents had sent a controlled delivery of ten pounds of heroin on May 23. The fifth defendant, Mike Chen, was arrested in Woburn, Massachusetts, on June 22, 1991. In addition to the heroin, Federal agents seized \$35,000 worth of plastic bags, a 1989 Honda Accord, and a 1987 Ford pickup truck in the search of Join Sun, as well as the home of Mike Chen in Danville, California.

8. In December 1989, U.S. Customs and DEA agents seized 125

pounds of China White Number 4 heroin packed in cans of lychee nuts being imported into the United States from Hong Kong. As a result of this seizure and a subsequent controlled delivery, the United States Attorney's Office for the Central District of California in Los Angeles arrested and indicted three Chinese defendants and one Vietnamese individual, in United States v. Choi Ngai Chan, et al., for conspiring to smuggle heroin into this country. The conspirators apparently used a legitimate import/export business as the front for their heroin trafficking.

Three of the defendants were convicted in August 1991, and received sentences ranging from 22 to 24 years. The lead defendant was also fined \$1 million. The fourth defendant, Wai-Chong Leung, was arrested in Canada and extradited to Hong Kong, where a decision on his extradition to the United States is pending.

9. A Federal grand jury in Los Angeles in the Central District of California indicted nine defendants on September 19, 1991, on alien smuggling charges in United States v. Chong-Biao Chen, et al. The defendants allegedly conspired to hire a boat in San Pedro Harbor for \$50,000 to meet a ship 100 miles off the California coast. On August 29, 1991, the defendants picked up 132 aliens in the harbor. The defendants' plan then called for the aliens to be taken to a safe house in Garden Grove, and flown to New York City. All 132 of the aliens were seized and detained by the United States. The defendants in Chen apparently have ties to

Chinese organized crime in New York City.

10. Fourteen members and associates of the United Bamboo Gang were indicted on January 24, 1986, by a Federal grand jury in Manhattan in the Southern District of New York in United States v. Chang An-Lo, et al. The indictment, which resulted from a joint New York City Police Department and FBI undercover operation, charged the defendants with various drug-related offenses, and with two counts of RICO. Among the predicate offenses in the RICO counts were the murder of Henry Liu, a California journalist, and illegal gambling and drug trafficking charges. On September 19, 1986, most defendants were found guilty of most major charges, including the murder of Liu. Defendants Chang An-Lo, the leader of the United Bamboo in this country, Chen Chih-Yi, the national head of finance, and Tung Kuei-Sen, the California gang leader, were each sentenced to 20 years in prison, and defendant Lam Tso, the New York City leader, was sentenced to 25 years.

11. On July 9, 1991, a Federal grand jury in Atlanta in the Northern District of Georgia returned a two-count indictment against the defendant in United States v. Nghiep Van Truong for concealing a material fact and for fraud in connection with an application for permanent residence in violation of 18 U.S.C. §§ 1001 and 1546(a). The case stems from Truong's 1987 application for permanent residence status while he was living and working in Atlanta. Between 1983 and 1986, Truong was a member of the largest

Vietnamese gang in Toronto, which gang's activities included narcotics importation, gambling, extortion, murder, home invasion robberies, and other crimes. In 1986, Truong became a member of the Black Dragons, a Los Angeles-based Vietnamese gang, and he is also associated with the Hung Pho Group, another violent Los Angeles-based gang.

In his application for permanent residence, Truong omitted all references to his arrest in Canada for first-degree murder, his trial and acquittal on those charges, and his arrest for kidnapping in Los Angeles, charges which were eventually dismissed. The investigation was conducted by the Immigration and Naturalization Service with the assistance of local police in Toronto and Los Angeles.

12. A lengthy investigation into the activities of the Ghost Shadows, a major Chinese street gang in New York City, which was conducted jointly by the New York City Police Department, the New York County District Attorney's Office, the FBI, and the United States Attorney's Office for the Southern District of New York, resulted in a Federal indictment of twenty-five members of the Ghost Shadows in January 1985, in United States v. Yin Poy Louie, et al. The defendants were charged with Hobbs Act robbery and extortion, obstruction of justice, and two counts of RICO. Among the 85 racketeering acts charged were extortion, gambling, robbery, kidnapping, and 13 murders committed over an eleven-year period

from 1971 until November 1982. Twenty-one defendants pled guilty and four defendants remain fugitives.

13. On October 12, 1990, Man Wai Wong and James Cheung pleaded guilty in United States v. Man Wai Wong, et al., to charges of failure to report United States currency in violation of 31 U.S.C. § 5316. The two defendants were arrested at the San Francisco International Airport as they boarded a flight to Hong Kong. Wong was carrying approximately \$102,000 wrapped in Christmas paper and Cheung was carrying an additional \$28,000. Investigators believe that the currency represented proceeds from illegal gambling activity of the On Leong Tong in New York City, with which the defendants were associated. The defendants claimed they worked for minimum wage in a fast-food restaurant in New York City. The prosecution was handled by an attorney with the San Francisco Organized Crime Strike Force Unit.

14. Nine individuals were indicted by a Federal grand jury in Houston in the Southern District of Texas on February 14, 1990, in connection with their scheme to bribe an official of the Immigration and Naturalization Service to obtain "green cards." The defendants in United States v. An-Chyi Lui, et al. were allegedly associated with the United Bamboo Gang. Of the nine people indicted, two defendants pled guilty, two were convicted on July 31, 1990, of conspiring to bribe the INS official, one is a fugitive, and four were acquitted or had the charges against them

dismissed at some stage of the proceedings.

15. In April 1989, Johnny Eng, also known as "Onionhead" and "Machine-gun Johnny," was indicted in Brooklyn in the Eastern District of New York for conducting a continuing criminal enterprise and for seventeen heroin trafficking offenses. Eng, the leader of the Flying Dragons, a Chinese street gang, is charged with directing the importation and distribution of more than 150 pounds of heroin into the United States in 1987 and 1988. In addition to Eng, seven of his workers, including Michael Yu, the underboss of the Flying Dragons, were also indicted and have been convicted of heroin trafficking. Lead defendant Eng is also the subject of several other U.S. indictments, including one in the Southern District of New York, and one in the District of Massachusetts in United States v. Harry Mook, et al.

Due to outstanding international cooperation between the U.S. and Hong Kong, Eng was recently found extraditable from Hong Kong to the United States. Eng was provisionally arrested in Hong Kong in August, 1989, pursuant to a request by the Departments of Justice and State on behalf of the Eastern and Southern Districts of New York. Eng's contested extradition proceeding was purportedly the longest in Hong Kong history. Eng's counsel presented a variety of technical arguments before the Hong Kong courts, which Senior Crown Counsel from the Hong Kong Attorney General's Chambers forcefully and successfully countered for over

two years. On September 27, 1991, Eng was found extraditable by Hong Kong, and did not appeal. He was returned to the United States on November 1, 1991, in the custody of the United States Marshals Service.

16. On March 15, 1990, the Attorney General announced the unsealing of an indictment in Brooklyn in the Eastern District of New York charging Chung Chi-Fu, a/k/a Khun Sa, with conducting a continuing criminal enterprise that imported massive quantities of heroin into the United States. Khun Sa is the commander of the Shan United Army that operates out of Myanmar and Northeast Thailand. Khun Sa apparently runs his heroin trafficking organization in Laos, Burma, and Thailand -- the "Golden Triangle."

Khun Sa is charged with supplying the heroin involved in the largest heroin seizure ever: 1,086 kilograms of heroin seized in February 1988 in Bangkok, Thailand, in a shipment of rubber destined for a warehouse in Queens, New York. He is also charged with importing into the United States an additional 1,500 pounds of heroin between September 1986 and February 1988.

17. More than 40 individuals have been indicted and 26 defendants have been convicted in a series of cases as part of the joint FBI/New York City Police Department "Whitemare" investigation into heroin and cocaine trafficking. The "Whitemare" investigation led to the second largest U.S. seizure of heroin -- on February

1989, approximately 900 pounds of high-purity heroin was seized in a Queens, New York stash house. Among those defendants convicted after trial in the Eastern District of New York were Wong Cheong Wai, an organizer of an importation of 75 pounds of heroin from Thailand, who received a 20-year sentence, and Lim Yung Heng, who received and stored the 75-pound shipment in Canada, prior to its transportation to New York City. Han Sho Wei, one of the most significant female drug traffickers ever prosecuted in this country, entered a guilty plea to the charges against her. Wong Cheong Ying, the older brother of Wong Cheong Wai, also indicted in the Eastern District of New York in connection with the Whitemare prosecutions, is reputedly a ranking member of Hong Kong's Sun Yee On. The United States is seeking his extradition from Hong Kong for prosecution in this case.

18. In early 1990, the United States Attorney for the Eastern District of New York obtained an indictment in Brooklyn on heroin trafficking charges against William Tapia, a senior Nicaraguan diplomat assigned to the Nicaraguan Embassy in Tokyo, Japan, in United States v. William Tapia. Tapia was accused of recruiting and using other diplomats to smuggle large quantities of heroin from Asia into the United States. On July 17, 1990, immediately after the Government of Nicaragua removed Tapia from his diplomatic post, the Japanese Government executed a U.S. request for his provisional arrest pursuant to the U.S.-Japan Extradition Treaty. Tapia was successfully extradited to the United States in October

1990, and on September 10, 1991, he pleaded guilty to a heroin importation charge. Tapia faces between 5 and 40 years of incarceration and a fine of up to \$2 million.

This important blow against the abuse of diplomatic status in furtherance of narcotics trafficking could not have been delivered absent the outstanding cooperation of Japanese law enforcement authorities. In addition, the United States received significant cooperation in this case from Hong Kong and Australia.

19. An investigation into heroin importers and distributors in San Francisco led to the indictment on November 20, 1990, of four individuals on drug trafficking charges in United States v. Suen Man Tang, et al. One defendant, Kelvin Lee, was severed from the case shortly after indictment, and is currently awaiting trial. The remaining three defendants were convicted following trial in August 1991. The drug trafficking operation of the defendants was apparently protected by Chinese Tongs.

20. On May 29, 1986, a Federal grand jury in San Francisco in the Northern District of California indicted three defendants on prostitution charges in United States v. Director Wang, et al. The three defendants, who had connections to a brothel in Taiwan, were charged with operating a house of prostitution and importing women for the purpose of prostitution. Two of the three pled guilty in August 1986; the third defendant remains a fugitive.

21. A criminal complaint against Mayuret Tankhanchophat was issued in San Francisco in the Northern District of California on January 24, 1991, in connection with an investigation into a Thai/Chinese heroin importing operation. The defendant is currently in Hong Kong, and the United States Attorney's Office is seeking her extradition to the United States, at which time it will seek an indictment against her.

III. PRESENT AND FUTURE INITIATIVES

The above cases demonstrate that the Department has over the past several years achieved considerable success in attacking some of the most egregious criminal conduct by Asian criminal groups. At the same time, we have broader initiatives already in place and planned for the future to attack the problem at its roots. Our initiatives, which will dramatically improve the effectiveness of our long-term strategy against Asian organized crime, can be divided into four major groups: training and recruitment; international coordination; domestic coordination; and prosecution.

A. Training and Recruitment

Obviously, because of the great effectiveness of electronic surveillance and undercover operations, successful long-term investigations need a sufficient number of investigative agents to

monitor and infiltrate Asian criminal organizations. The Department of Justice is affirmatively reaching out to find prosecutors who have expertise in Asian matters, and the investigative agencies are seeking agents with those same qualifications.

In addition, we are now exploring with foreign jurisdictions the exchange and cross-training of agents and prosecutors. We are also establishing training programs in language and culture. The Attorney General's Advocacy Institute will be a key participant in these initiatives. We also hope to hire retired police officials from Hong Kong to increase our expertise on Chinese criminal groups.

The Department and numerous investigative agencies also have participated in several important conferences devoted exclusively to Asian organized crime. For example, in April 1991, the 13th International Asian Organized Crime Conference was held in Seattle. That five-day conference, which was attended by Federal prosecutors from all major cities affected by Asian organized crime, included extensive workshops on all aspects of the strategic and tactical approaches best suited to attacking the problem. Another three-day conference is scheduled for January 1992 in Toronto, to address problems of particular interest to United States and Canadian law enforcement officials who deal with Chinese, Korean, and Vietnamese criminals. This session will be attended by representatives from

the FBI, DEA, INS, other Department of Justice officials, and members of the Canadian Criminal Intelligence Service. And in a moment I will give you the details of our most important international conference yet held on Asian organized crime.

B. International Coordination

One of the most challenging aspects of Asian organized crime is its international nature. The benefits of close international coordination are self-evident. Last year, for example, in a fine instance of cooperation, Hong Kong and United States authorities coordinated the arrests of nine subjects in Hong Kong and the simultaneous seizure of more than 3 million U.S. dollars. These arrests grew out of an investigation following the 1988 seizure in Boston of 80 pounds of pure heroin, which had been concealed in industrial equipment. This event was particularly noteworthy for two reasons: first, this was the first time that Hong Kong had used its new statutory provisions permitting the seizure of drug-related assets; and second, Federal prosecutors in San Francisco, Seattle, and New York agreed to defer prosecution on United States charges so that the case could go forward in Hong Kong.

We also can point to a few other particularly noteworthy examples of the benefits of international cooperation:

Executive Agreement with Hong Kong on the Freezing and Forfeiture of the Proceeds of Narcotics Trafficking

The United States recently concluded an Executive Agreement with Hong Kong for mutual assistance in the freezing and forfeiture of the proceeds of narcotics trafficking. The agreement entered into force in early 1991. It has already resulted in the immobilization of more than thirty million dollars of drug proceeds located in Hong Kong bank accounts. Moreover, pursuant to the agreement, Hong Kong will actually be able to enforce U.S. forfeiture orders against drug proceeds located in Hong Kong banks. Through its continuing cooperation under this agreement, Hong Kong is assisting the United States in striking a stinging blow against Asian Organized Crime groups involved in drug trafficking.

Extradition of Three Thai Nationals from Singapore

On August 23, 1991, the High Court of Singapore denied the applications for habeas corpus filed by Suchin Siriwattana, Son Kaewsa, and Pipat Boonrvant, and ordered their extradition to the United States. The defendants were high-level Thai heroin traffickers wanted in the Eastern District of New York who had been arrested in Singapore last spring following a request by the U.S. for their provisional arrest. The case marked several firsts in our extradition relationship with Singapore: It was the first contested extradition; it was the first requested extradition of

third country nationals; and it was the first case involving charges based on purely extraterritorial acts by the fugitives. By providing avid and excellent representation of the United States in this case, Singapore reaffirmed its position as one of the leading opponents of drug trafficking on the Pacific Rim.

As the above examples (and several of the case histories set forth earlier in this statement) clearly illustrate, forging strong ties with the nations from which these groups originate, operate, and seek shelter, is one of the primary goals of our long-range Asian organized crime program. I am pleased to say that we have made considerable strides in this area, particularly in recent months.

As the Subcommittee is aware, in September of this year the Department hosted the first-ever Multinational Conference on Asian Organized Crime. This conference included high-ranking (in some cases, the highest-ranking) law enforcement officials from eleven of the nations most dramatically affected by Asian organized crime: Hong Kong, Japan, South Korea, Malaysia, Singapore, Thailand, Australia, New Zealand, Canada, the Netherlands, and the United States. Meeting in San Francisco for three full days, these men and women exchanged views on the topics most vital to making progress in this area: extradition, money laundering, mutual legal assistance, asset forfeiture, investigative approaches, and overcoming obstacles to international cooperation.

This conference was successful beyond our most optimistic expectations. The Criminal Division's Office of International Affairs, which, in conjunction with the Organized Crime and Racketeering Section was largely responsible for planning the conference, made new contacts and improved existing contacts with the senior officials in the Pacific Rim nations with whom they must do business every day. In the weeks since the conference took place, we have heard a steady stream of extremely positive feedback from the foreign participants. Our staff of international specialists is hard at work taking advantage of these enhanced contacts, which are virtually certain to result in the establishment of new mechanisms for evidence sharing, including consideration of new Mutual Legal Assistance Treaties (MLAT's) as well as enactment of relatively uniform domestic legislation within the region, providing for mutual legal assistance on the basis of reciprocity. The benefits will be felt not only by the Department of Justice and other Federal and state law enforcement agencies, but by our overseas counterparts as well, because, of course, cooperation is a two-way street. The only losers will be the criminal groups who will gradually discover that expanding law enforcement cooperation leaves them exposed to quick and effective prosecution for their predatory and illegal conduct.

As we continue to reap the benefits of the San Francisco conference and other conferences to follow, we also will continue

to improve our use of more traditional modes of international cooperation, such as INTERPOL and the existing framework of extradition and legal assistance treaties. As our chart depicting cooperation with Asian countries demonstrates, we now have in place extradition treaties with many of these nations, including Japan, Hong Kong, Myanmar, Thailand, Malaysia, and Singapore. We have an MLAT about to go into force with Thailand, and we are in an advanced stage of MLAT negotiations with the Republic of Korea.

In addition, we have MLAT's and extradition treaties with other countries strongly affected by Asian organized crime, such as Canada and the Netherlands, and we are in the process of MLAT negotiations with Australia. We also are assessing the possibility of placing a permanent liaison office for the Department of Justice in a key Asian city, such as Hong Kong or Tokyo. Similarly, the Drug Enforcement Administration, which has attaches in several Asian locations, is negotiating to place an office in Beijing. With the added boost our international efforts received in San Francisco, the future of cooperation with our Asian allies, and other affected countries, such as Canada, Australia, and the Netherlands, is very bright indeed.

C. Domestic Coordination

Apart from the clear need to coordinate with many foreign jurisdictions, we are aggressively pursuing closer ties among

Federal, state, and local law enforcement authorities within the United States when dealing with crimes by Asian groups. There are several reasons for this need. First, as you know, many of the crimes typically committed by such groups are "local" crimes traditionally handled by states: weapons offenses, assaults, home-invasion robberies, and other acts that often are directed against individual victims. Obviously, since local and state police forces have been confronted with these problems for several years, they have developed considerable expertise, particularly in large cities such as Los Angeles, San Francisco, and Boston. However, when the groups' members begin to travel interstate and internationally, as they have, it becomes impossible for local authorities to deal effectively with the problem. Accordingly, joint task forces have become the weapon of choice against these mobile groups. The task forces draw on local expertise and manpower while taking full advantage of Federal investigative abilities and statutory tools. We have found the task forces to be extremely effective against Asian criminal groups.

I am pleased to report that we have strong and effective task forces in place in several key areas, with more planned for the future. For example:

- In New York City, Federal agents cooperate with New York City Police Department officers assigned to the Jade Squad, which monitors a wide range of Asian organized crime investigations.

- In Chicago, two task forces are in operation. The first, consisting of investigators from the FBI, BATF, Illinois State Police, and the Chicago Police Department's gang crime squad, targets Asian organized crime generally. The second, formed by the FBI and the Illinois State Police, targets Korean gangs.

- In New Orleans, the United States Attorney has formed an Asian organized crime task force consisting of FBI, DEA, Customs, IRS, BATF and INS agents, as well as officers from the New Orleans Police Department and the Jefferson Parish Sheriff's Office. This task force meets monthly to assess the activities of Vietnamese and Korean crime groups operating in New Orleans.

In similar fashion, Asian organized crime task forces also exist in Dallas, Washington, D.C., Miami, San Juan, and Portland, Oregon; we soon expect Seattle and Los Angeles to follow suit.

Los Angeles, of course, is an example of a city plagued with almost every form of organized criminality. As we step up our efforts against its Asian crime problem, we also do everything possible with our limited resources to curtail the daily murders and drive-by shootings attributed to Los Angeles' notorious street gangs, such as the Crips and Bloods, and the growing presence in Southern California of South American and Mexican drug traffickers and money launderers. To have the maximum impact on these groups,

while addressing the many other crime problems in a city of three and a half million citizens, we have to focus on the criminal hierarchies of these groups; we cannot afford to dilute our overall efforts by targeting all individuals who are arguably associated with organized crime groups.

In addition, the Department has in place its own specific groups devoted to addressing the Asian crime problem. Most prominent is the Criminal Division's Organized Crime and Racketeering Section, which is responsible for coordinating the Department's program against all forms of organized crime, including Asian. The Section supervises the operation of Strike Force Units in United States Attorneys' offices in 26 cities. Those units are dedicated to the investigation and prosecution of organized crime cases, as defined in the Organized Crime National Strategy. Although the Strike Force Units must continue to deal with the high-priority areas of traditional and Sicilian organized crime, you can see from our chart that at least nine of our offices--those in Atlanta, Boston, Chicago, Honolulu, Houston, Los Angeles, New Orleans, New York, and San Francisco, have already brought Asian organized crime cases. More such cases are now under investigation; at present we have more than thirty active Strike Force investigations involving Asian criminal groups. Under the mandate of the National Strategy, we expect our activity in this area to increase dramatically as our program gains momentum.

Also guiding the Department's efforts against Asian organized crime is the Subcommittee on Violent Crime and Emerging Organized Crime of the Attorney General's Advisory Committee of United States Attorneys. This Subcommittee, which consists of United States Attorneys from several affected cities, meets regularly to assess current plans and develop new initiatives, with particular emphasis on Asian groups.

Finally, the Attorney General's Organized Crime Council meets periodically to reassess our national priorities: in so doing, it annually gathers updated data from each United States Attorney's office to monitor the changing patterns of Asian and other organized criminal activity throughout the nation. The Acting Attorney General is now in the process of directing the 94 United States Attorneys' offices to update their assessments of organized crime within their districts. These reports will, of course, reflect the Asian organized crime problem.

D. Prosecution

As I noted at the outset of this statement, the Department is very gratified at the excellent support provided to our law enforcement efforts by the Congress over the past two decades. As you know, our significant inroads against traditional organized crime groups have been made possible in large part by our ability to employ extremely effective statutory weapons such as the RICO

statute, electronic surveillance, use immunity, and, more recently, asset-forfeiture and money-laundering provisions. We are expanding the use of these tools against Asian criminal groups.

For example, several of the successful prosecutions I described earlier involved RICO charges. The advantages of using this complex, powerful law are illustrated in simplified form on our chart depicting a typical RICO prosecution. The statute permits us, where appropriate in particular cases, to bring charges against organized criminals, when the evidence demonstrates that the defendants and their crimes have a common association with an "enterprise," such as, for example, the Green Dragons. Thus, we do not bring individual charges based on each isolated crime committed by a member of the group; rather, we bring a coordinated legal attack against the entire enterprise and its members in a way that permits us to present to the court and jury the true extent of the group's criminal activities. Moreover, upon conviction, RICO permits us to obtain forfeiture of the defendants' ill-gotten proceeds and any interest they have in the enterprise. Today, many LCN crime families are in disarray because of enterprise prosecutions built around the RICO statute. We will bring more of these Asian crime syndicates to their knees using the same basic technique.

Our Organized Crime National Strategy calls for continued use of this "enterprise theory" to incarcerate the hierarchies of major

criminal groups in single prosecutions wherever possible. We also will continue to take full advantage of the newest money-laundering, forfeiture, violent crimes, and other provisions that are designed to enable us to attack groups at their roots.

Although we are very pleased with the tools that have been given to us to date, we need the continued support of the Congress in granting us additional statutory measures as they become indicated in order to combat the changing patterns of organized criminal conduct. We also request that the Congress remain alert to the dangers of proposals that would unduly increase the risks faced by witnesses and, occasionally, jurors in organized crime prosecutions. The enactment of any provision requiring pre-trial disclosure of witness identities would have the gravest consequences for future prosecutions against violent and organized criminal groups.

One final point. I have outlined for you a number of the initiatives that we have under way or are planning to combat Asian organized crime. These initiatives will produce very important cases against Asian organized crime groups, I can assure you. But, as this Subcommittee knows from its own oversight and support of the Department's efforts against the LCN, the cases with real impact against the major groups take months -- and sometimes years -- to develop properly. Whether our evidence comes from undercover operations, electronic surveillance, cooperating conspirators, or

immunized witnesses, that evidence must come primarily from within the targeted crime groups. And since the Department is emphasizing criminal and civil forfeitures as key ingredients of this approach, the pre-indictment location and pre-trial restraint of forfeitable assets require careful preparation. In short, we must stay the course in these big cases while picking up as many smaller ones along the way as possible.

IV. CONCLUSION

In conclusion, let me emphasize that we are aware of the scope of the problem confronting us in this area and of the many difficult obstacles that we must overcome before we can eradicate the menace of Asian organized crime. However, our resolve is strong. As our testimony has demonstrated, we have achieved many successes. In the months and years to come, we will continue to build on the knowledge we are accumulating and to use our proven and evolving techniques, such as electronic surveillance, undercover operations, and joint task forces, to their greatest potential. I am confident that, when I or another Department representative revisits this area with your Subcommittee a year or two from now, we will have more substantial new achievements to report.

I am very grateful for the opportunity to brief the Subcommittee on our progress against Asian organized crime, and I

would be happy to respond to any questions the Members of the Subcommittee may have.