

Research and program evaluation in Illinois: Studies on drug abuse and violent crime

An Evaluation of Illinois' Cash Transaction Reporting Units and Drug Conspiracy Task Forces

November 1998

Prepared by
Center for Legal Studies
University of Illinois at Springfield

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Information Authority

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**ILLINOIS
CRIMINAL JUSTICE
INFORMATION AUTHORITY**

**An Evaluation of Illinois'
Cash Transaction Reporting Unit and
Drug Conspiracy Task Force**

Prepared for the
Illinois Criminal Justice Information Authority

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cases pursued by the DCTF, the geographic locus of activity for the units has been the Chicago area and surrounding collar counties. While this area undoubtedly had the greatest volume of drug (and gang/firearms) related crime, its need for assistance was somewhat counterbalanced by an array of investigatory and prosecutorial resources not found in the resource-poor southern part of Illinois. As a result, the CTRU/DCTF units found themselves frequently viewed as intruders and their services considered duplicative.

The establishment of the second SWGJ and the creation of an ISP-DCTF and IAG-DCTF presence in Springfield should open substantial opportunities for the units to serve as resources to local jurisdictions in central and southern Illinois. Additionally, the Springfield location should permit greater interaction with the ISP-CTRU, which was the only one of the four original units not located in the Chicago area.

Recommendations

- ◆ **The remaining three units, ISP-DCTF, IAG-DCTF and ISP-CTRU should maintain a clear focus on higher level drug conspiracies, particularly with regard to case identification and development.**

One of the potential major benefits of the CTRU/DCTF initiative is to put needed resources into the development of longer-term, complex investigations to pursue higher level multi-jurisdictional drug (gang/firearm) conspiracies. Three events occurring near the closure of this evaluation should promote this end. First, the response to tactical inquiries on CTR databases has been relocated from the central ISP-CTRU to ISP regional resource centers. This should free the ISP-CTRU to return to a major focus on developing cash transaction

ISP-CTRU's original mandate, this activity appeared beneficial to other agencies as reflected in their overwhelmingly positive comments about the services that they received. The unit's success in this area was so noticeable that the Financial Crimes Enforcement Network (FinCEN) cited the unit as a model and called on its supervisor to visit other states to promote the development of similar operations elsewhere.

Similarly, the IAG-DCTF, finding itself unable to link with its counterparts as originally envisioned, put forth great effort to reach out to local state's attorneys, MEGs/TFs and other local enforcement agencies to assist with cases and to make the SWGJ accessible to these agencies. Although modest in number, it also has continued to improve its prosecution success rate.

Significant improvement also has been achieved because of the effort put forth by the remaining ISP-DCTF, IAG-DCTF and ISP-CTRU units to work more closely together. Individuals within these units recognize the problems and conflicts that have characterized much of their working relationship and appear to be making a concerted effort to overcome them. For example, the two DCTF units now meet regularly and an Assistant Attorney General visits the ISP-DCTF office weekly to assist with the prosecutorial elements of case development and investigation.

Development of a "Downstate" Initiative

One of the issues confronting all of the units since their inception has been the environment in which their efforts were focused. As evidenced by the location of the majority of tactical inquiries received by the ISP-CTRU and of

knowledge needed to pursue mid-level drug conspiracy investigations using financial transaction data was significant. Yet, according to some interviews, a lack of training impeded the ability of staff to use available resources to pursue cases.

Strengths

Conceptual design

With the exception of the ambiguity of missions discussed above, the CTRU/DCTF initiatives appear conceptually well founded. Almost without exception, those interviewed both within and outside the units indicated that a mid-level drug conspiracy enforcement effort was needed. Further, there was consensus that units having statewide jurisdiction and access to the SWGJ had a powerful tool to pursue cases beyond the street-level. The majority of operational problems discovered did not appear endemic to the design of the CTRU/DCTF; rather they were artifacts of their implementation. If this is the case, then the potential exists for the units to change in a positive fashion, and in fact, the research team believes this is occurring.

Evidence of Positive Change

Despite the obvious weaknesses in the programs and their lack of production of anticipated conspiracy cases, the team was impressed by the efforts of current staff in the units to make their operations viable. When the ISP-CTRU found itself engaged in producing targets that were essentially being ignored by the field, it turned to answering field inquiries for information as a way to utilize its resources. While not fulfilling part of the

management issues, or they may be strategic, with a significant impact on the direction and/or success of the program.

If the research team, who could devote a significant amount of time and resources to identifying and obtaining vital program information encountered such problems, it is logical to assume that the program staff and administrators involved with these initiatives face even greater informational barriers. Much of the fragmentation that occurred between these four intertwined programs appears to have developed from a lack of formal and informal processes to insure the exchange of pertinent information.

Resource Issues

Two major resource concerns were identified in the evaluation. Within the CTRU/DCTF framework, two units existed under the aegis of one agency and two under another. Consequently, no centerpoint existed for the control of the activities of the four units to ensure the maximum use of existing resources. In this void, communication and information exchange, or more precisely, a lack thereof, resulted in each unit pursuing its own vision of a mission and its corresponding functions. The resulting "slippage" created duplication of effort both within and outside the CTRU/DCTF framework. Leads were not sequentially pursued, and potential cases floundered because fundamental information was missing. The low creation of self-initiated conspiracy cases, therefore, was not due to a lack of resources but the application of resources. The second resource issue is more mundane, but equally important. One of the observations made by the research team was that the level of specialized

Overlapping Jurisdictions

In this study, jurisdiction disputes seem to have affected program effectiveness negatively. Despite the exacting language of the Memorandums of Understanding (M.O.U.s) and Protocols, operational conflicts over jurisdictions emerged. Here, both horizontal and vertical turf issues existed. Horizontal jurisdictional problems appeared, for example, in conflicts between the IAG and the ISP with regard to investigative functions. Similar vertical jurisdictional conflicts emerged when local authorities perceived encroachment. Particularly in the Chicago area, where large local jurisdictions frequently had resources at their disposal and a multitude of special drug initiatives already existed, involvement by the DCTF was viewed as unnecessary.

Data Reliability and Accessibility

A pervasive problem encountered during the course of this evaluation involved the reliability and accessibility of program data. Monthly self-reported data sent to the ICJIA frequently did not match case file information reviewed by project staff, sometimes overreporting, and occasionally underreporting cases. Several data reporting instruments were changed, by either adding or deleting data elements, over the relatively brief periods covered by the evaluation. In several instances, file information could not be located by the unit personnel.

The point is not to belabor the problems faced by evaluators reviewing programs such as these, but to highlight the more fundamental issues that arise in the operation of programs when data are not available to make informed decisions. Such decisions may be operational in nature, dealing with daily

guilty; the majority entered plea agreements. Sentences often included IDOC commitments or probation supervision, with fines commonly added to each.

While the amount of time consumed by these cases was calculated, given the lack of accurate data involving case opening information, caution must be exercised in interpreting the results. Until such data are collected in a routine manner, it is impossible to accurately gauge the amount of time needed to complete prosecution of these cases.

Problems, Strengths and Recommendations

Problems

Ambiguity of Mission

Despite the best intentions of many involved in the design of the CTRU and DCTF projects, a serious problem regarding the mission of each component unit was present from their inception. On one hand, they were charged with the task of initiating cases, while on the other, they were to be a resource to other agencies. Essentially, the first mission required the units to be *proactive*, while the second required them to be *reactive*. Because the mechanism to provide a referral source was never well established for self-initiated activities, the units, with the possible exception of the ISP-DCTF, moved toward a mission of support and assistance rather than the initiation of conspiracy cases. While more proactive, the ISP-DCTF appears to have functioned like a traditional MEG/TF, focusing on street-level narcotics enforcement, rather than using financial transaction information to reach the criminal conspiracy level.

The unit was physically located in downtown Chicago, along with the ISP-DCTF. However, the ISP component moved to an ISP satellite office further south in the city early in 1996, perhaps reflecting some of the existing conflict between the units at that time.

Since its inception, the unit has handled 77 cases, of which 41 (53.2%) resulted in the indictment of one or more defendants. Although, during the early years, the unit was unsuccessful in obtaining a large percentage of indictments relative to total cases investigated, since then, great strides have been made. During the first half of 1997, the unit successfully obtained true bills for one or more defendants in each investigation. However, while their percentage of indictments has increased, the number of defendants per case indicted substantially has decreased, as the IAG-DCTF now focuses on individuals higher in the drug organization.

The IAG-DCTF has been involved in prosecutions in approximately 20 percent of all Illinois counties, and recently has been more involved in the downstate area. With the introduction of the second SWGJ, it is anticipated that more downstate counties, areas with limited resources, will take advantage of the services provided by the IAG-DCTF.

Charges resulting in indictments were generally consistent with those expected from drug conspiracies and racketeering investigations. Since program inception, IAG-DCTF personnel have seen 133 defendants, representing 24 cases, complete the judicial process. Over 80 percent of the individuals were

urging them to use the resources of the DCTF, but his focus was clearly on the IAG side of the DCTF. This constellation of factors ultimately resulted in the IAG-DCTF working more closely with Chicago area MEGs/TFs while the ISP-DCTF unit appeared to become more isolated.

According to ISP-DCTF case files, the ISP-DCTF handled 158 cases, nearly all involved drug-related crimes, as expected from a task force focused on drug activity. The suspects were involved in the financing, importing, manufacturing, and dealing of narcotics. In general, defendants within the same case were indicted on similar charges. Most defendants pled guilty to their charges, or if tried, most were found guilty.

IAG-DCTF

The IAG-DCTF unit, located within the Criminal Division of the IAG's Office, commenced operations in February 1993. This unit has been funded under four contracts with the ICJIA, beginning in October 1992, and continuing to the present. Under these contracts, approximately \$1,608,444 has been committed to the unit from Anti-Drug Abuse Act Funds, matched by \$536,148 in State general revenue matching funds, and \$74,990 in IAG non-match revenue funds.

The original structure of the unit included an attorney, who was named Chief of the IAG-DCTF operation. The unit additionally was staffed with one senior attorney, two junior attorneys, a financial analyst, a clerical position, and a part-time law clerk.

County MEG and the DCTF, and utilized the SWGJ for the first time. The successful conclusion to the case proved that the concept was feasible.

However, the unit continued to seek its niche in State drug enforcement, and encountered obstacles on two fronts. First, it was met by what might be termed an “ingrained reluctance” on the part of local enforcement and MEGs/TFs, which reflected these entities’ aversion to share information, informants, statistics and potential press coverage. The natural territoriality of the units seems to have been reinforced by a perceived lack of communication by the ISP-DCTF. An interview with one prior MEG Director indicated that initially the ISP-DCTF was helpful and kept the lines of communication open. As the commanders of the ISP-DCTF changed, the unit became pro-active, becoming the referral unit for the ISP Valkyrie (specialized highway drug interdiction teams) stops. When uniformed troopers on Valkyrie stops intercepted drug shipments and a controlled delivery subsequently arranged through the cooperation of arrested defendants, the ISP-DCTF would take the lead. The unit then began making “controlled (monitored) deliveries” in some counties without even notifying the local agency or the MEG/TF unit in that county. Communication became less and less frequent, and then non-existent.

Second, with the election of a new Illinois Attorney General, new individuals were brought in to fill important roles in the various offices. One of these, a new Bureau Chief, made a concentrated effort to reach out to local drug enforcement. He made personal visits to local law enforcement group leaders,

IAG-CTRU provided assistance. In essence, the IAG-CTRU appears to have spent a majority of its time evaluating cases that never developed into investigations and assisting the IAG-DCTF and other units within the IAG's Office.

ISP-DCTF

In tandem with the IAG's component, the ISP-DCTF commenced operations on February 1, 1993. In addition to the commander, the unit initially was comprised of two State Police Master Sergeants and seven investigators (a total of 10 sworn officers). Since its inception, the unit has had four commanders, with one having supervised the unit on two occasions. During the preparation of this report, this commander retired from the ISP, leaving the position open for yet a fifth commander. Thus, in the period from late 1994 through 1996, not only did the unit see its commander change three times, but several changes were made in the master sergeant (squad leader) assignments as well. A number of investigators also were transferred either in or out of the unit. These personnel changes seem to be one hallmark of the ISP-DCTF's evolution that may be indicative of the unit's problems in establishing a focused mission, or at least one with which the ISP's administration was satisfied.

At its inception, informational presentations were made to the ISP Command as well as to various MEGs/TFs, in an effort to solicit referrals. According to interview sources, the first referral came from the Lake County MEG, which had been conducting an investigation into several narcotic traffickers from Cook County. The investigation was a cooperative effort between the Lake

initiate prosecutorial action or assist local prosecutors. It also saw itself in the role of providing assistance to the Statewide Grand Jury (SWGJ) unit and other divisions of the IAG's Office. This latter role actually created problems for the unit when it ventured outside its drug-related focus. For example, in 1992 and 1993, the unit assisted other IAG units by investigating money laundering involving Women, Infant, and Children (WIC) and Medicare cases. Again, these practices were discontinued because WIC did not fall within the parameters of the funding.

As originally configured, the unit was to be staffed by a director, (an attorney), a second attorney and two financial analysts. During the majority of the unit's existence however, the staff consisted only of its director and one or two analysts, who were later called investigators. However, the lack of a full staff complement did not seem to adversely affect the productivity of the unit, as the volume of money laundering prosecutions never reached the anticipated level.

The IAG-CTRU operated for nearly four years under ICJIA funding. At the conclusion of grant funding, the unit was disbanded and its resources combined with other IAG units. From the beginning, the IAG-CTRU lacked both a clear focus and an established method for coordinating efforts with the ISP-CTRU. During its existence, the IAG-CTRU evaluated 48 situations of possible law violations. At times, the targets of these evaluations were outside the scope of the IAG-CTRU. The evaluations led to only two investigations, a number below its modest yearly goal of five investigations. The only IAG-CTRU indictments, and subsequent convictions, were from an IAG-DCTF case for which the

In essence, this situation was created by the legitimate need to make other agencies aware of the ISP-CTRU. The ISP-CTRU was very productive, but not in the area of producing refined investigative targets from the CTR information to which it had access. The ISP-CTRU exerted a great deal of time and energy early on to develop targets, but in turn, it received little feedback from the agencies that were given the targets. At the same time, the users of the informational service desired a quick turnaround on the intelligence material. The development time for target-level analysis would not have met the users' needs. This struggle between meeting self-initiated investigation goals and serving as an information resource to meet the needs of other agencies resulted in the ISP-CTRU focusing on providing assistance, thus sacrificing the other portion of its mission.

IAG-CTRU

During its nearly four years in operation, the IAG-CTRU received \$357,037 in Anti-Drug Abuse Act grant funds, matched by \$132,810 in State general revenue match funds. Officially launched on June 8, 1992, the unit did not actually become operational until October 1992 with the hiring of staff. During its first six months of operation, the IAG-CTRU was hampered by lack of direct access to financial transaction information. In February 1993, the IAG-CTRU gained direct computer access to the CTRU database maintained by its ISP counterpart.

The unit was designed to review CTR data for violations of the Illinois Money Laundering statute. When violations were identified, the unit was to

As the agency designated to receive the CTR information, the ISP-CTRU was essentially the gatekeeper of Illinois financial information. The primary goal of the ISP-CTRU was to use financial information to identify potential money launderers. The ISP-CTRU attempted to accomplish that goal by performing two activities. The first was to self-initiate investigations, and the second was to establish a reciprocal relation with local agencies to provide informational assistance.

In initiating its own investigations of suspicious activity, the ISP-CTRU used the CTR database as one of the primary sources of information to formulate targets. Between August 1992 and February 1996, 13 money laundering situations, "targets," were identified and referred to the appropriate investigative unit. Despite the ISP-CTRU's effort to distribute this intelligence information, it appears that no substantial investigatory or prosecutorial action was taken on any of the 13 targets by the DCTF units. This lack of response to the targets, in part, led the ISP-CTRU away from proactive activities during the evaluation period. The unit instead turned its attentions to addressing requests for information from a variety of local, state, and federal agencies—a reactive role. In a short amount of time, the ISP-CTRU became overwhelmed with such requests for information. This volume of requests pushed the unit even further away from analyses identifying potential money laundering suspects. From August 1992 through February 1996, the office received more than 2,000 requests for information.

The ISP-CTRU turned from producing case target analyses early on, to focusing its efforts on responding to informational inquiries from agencies throughout Illinois and the U.S. The IAG-CTRU did a small number of evaluations, but primarily provided information and offered assistance to other entities within the IAG's Office. Linkages between the IAG-CTRU and both of the ISP units could be described as weak at best. Both of the DCTF units separately initiated interactions with local jurisdictions. The ISP-DCTF became proactive in its case initiation. Its activities, in many instances, more closely resembled those of a traditional Multijurisdictional Enforcement Group or Task Force (MEG/TF), than the operation of a unit focused on larger drug conspiracies. The IAG-DCTF cultivated relationships with local jurisdictions that found its ability to access the Statewide Grand Jury (SWGJ) useful, but linkages with its ISP counterpart remained tenuous until late in 1996.

ISP-CTRU

The ISP-CTRU was funded under three ICJIA contracts with \$263,421 committed to the unit from Anti-Drug Abuse Act Funds, matched by \$87,807 in State general revenue funds. The unit was implemented in 1992 with four individuals, a Sergeant, two analysts, and a clerical position. Across all grant periods, clerical and administrative support services were contracted.

Unlike the other units, the ISP-CTRU is located in Springfield, within the ISP's Intelligence Bureau. This factor likely contributed to the lack of communication that occurred with its IAG counterpart.

proposals, funding agreements, monthly activity data reports, progress and summary reports, and correspondence.

Following these data collection efforts, semi-structured interview protocols were developed and were pre-tested in November 1996. Subsequently, 59 individuals with the IAG and ISP, identified through program documentation and a "snowball" sampling process, who were involved in the development or are involved in the operation of one or more of the programs were interviewed.

A number of site visits were also conducted with each of the four units to collect case-level data, and confer with unit administrators regarding unit operations and issues related to data interpretation.

A final aspect of the data collection involved personal and telephone interviews with a sample of individuals in other agencies who had been the "end users" of the services provided by the ISP-CTR unit. These individuals were questioned as to the usefulness of the help they received and recommendations they might have for improving the programs.

Findings

Activity Flow

In contrast to the systematic flow of information and case referrals proposed for the units' operations, the actual activity flow for these units was considerably less cohesive and interactive than envisioned. The interaction both in terms of information flow and case referral appears fragmented. Each of the four units pursued information exchange more or less independently.

Focus of the Study

During the course of the evaluation, it became clear to the research staff that the emphasis of the evaluation needed to be modified. It was concluded that too much attention was focused on the description and related assessment of the extent to which program implementation was conducted in accordance with pre-operational expectation. While documentation of the evolution and attainment of initial goals, objectives and structure, would be included in the report, it was believed that an emphasis on nature of change and exploration of the impact of the change on the four initiatives (rather than on factors causing the change), would be of more benefit to interested policy-makers and administrators. In essence, the study should be more of a "needs" assessment, rather than a formal process and impact evaluation. In this framework, the findings emphasize the appropriateness of the established goals and objectives relative to the respective units' capabilities (including resources, authority, and identified mission) to achieve them. Further, the impact evaluation focuses on elements that might affect program outcomes.

Data Sources

Data for the study were collected through a variety of sources. Initial meetings with ICJIA staff and unit administrators to discuss the research design and acquaint the researchers with the current status of the program were held in July and August 1996. Master file information on each of the programs maintained by the ICJIA also was collected during the initial phase of the grant. These files contained program documentation on items such as program

laundering drug offenders. A corresponding CTRU, designed to investigate, prepare, and prosecute such cases, was implemented in the IAG's Office. As originally conceptualized, these two CTRUs were to complement one another. The ISP-CTRU was to assist local multi-jurisdictional drug conspiracy investigations as well as the DCTF, while the IAG-CTRU was to develop expertise in the prosecution of drug-related money laundering cases to assist local multi-jurisdictional drug enforcement units and the ISP-DCTF.

The second prong of the enforcement effort was the development of the Drug Conspiracy Task Force (DCTF) initiative in the two agencies. As described in the Illinois Statewide Grand Jury Act, the purpose of the DCTF was to enhance prosecution of mid-level narcotic traffickers operating on at least a multi-county level in Illinois. Similar to the CTRU, individuals from both the ISP and IAG offices were assigned to the DCTF function. Specifically, the ISP was responsible for handling the investigations from initiation to apprehension, while the IAG provided the officers with legal support.

These efforts were initiated in 1992 and early 1993. In Spring 1996, the ICJIA issued a request for proposals to conduct an implementation and impact evaluation of the DCTF and CTR units that had been initiated some three years prior. The Center for Legal Studies (CLES) at the University of Illinois at Springfield subsequently was awarded a contract to complete the evaluation in June 1996. The remainder of this Executive Summary briefly details the evaluation and its major findings and recommendations.

EXECUTIVE SUMMARY:
**An Evaluation of Illinois' Cash Transaction Reporting Unit
and Drug Conspiracy Task Force**

In the ongoing "war on drugs" it has become clear that traditional law enforcement approaches are ineffective in dealing with criminal enterprises whose networks stretch across jurisdictions, states and even countries. Further, a shift in perspective away from drug crime as simply a "substance abuse problem" to an emphasis on the financially motivated nature of these offenses, has led to different law enforcement strategies. As illicit drug activity can be detected by the large amounts of cash it generates, recent efforts to identify money laundering activities have become a primary focus of attention for identifying those involved in drug sales and for attacking them in a vulnerable area—their assets.

In 1991, federal monies available through the 1988 Anti-Drug Abuse Act were provided through the Illinois Criminal Justice Information Authority (ICJIA) to undertake such initiatives in Illinois. These funds combined with state general revenue match funding permitted the Illinois Attorney General's (IAG) Office and the Illinois State Police (ISP) to launch four interrelated efforts in two enforcement arenas. The first, the Cash Transaction Reporting Unit (CTRU) was designed to collect, store, and analyze cash transaction data (allowed under the federal provisions detailed in the Bank Secrecy Act of 1970) for the subsequent identification, investigation, and prosecution of individuals involved in drug trafficking money laundering. Within the ISP, a CTRU was established to build and maintain a database for the subsequent identification of suspected money

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analyses, i.e., targets. Second, apparently the development of such target cases has been restructured so that the unit will use field referrals as the starting point for target development. Third, a concerted focus on “downstate” conspiracies is now possible with the establishment of a second SWGJ and the creation of a Springfield presence for both the ISP-DCTF and IAG-DCTF. The availability of these resources offers considerable potential benefits to central and southern Illinois jurisdictions with limited resources.

Recent developments in analytic tools such as mapping technology are particularly well suited to the identification of geographically distributed conspiracies that are the primary focus of these units. Such tools should be employed to the greatest extent possible. An illustrative example of this approach is provided in the report.

- ◆ **The units should reassess their operations on three process dimensions: communication, roles, and internal/external relationships.**

The natural evolution of these operations, coupled with organizational changes such as the elimination of the IAG-CTRU and the redefining of the ISP-CTRU’s function, provides a prime opportunity for the units to jointly examine these process issues. Such discussion should focus on maximizing operational effectiveness and could be facilitated by an outside party to provide objectivity.

- ◆ **Information management needs to be examined in terms of data collection/retention, quality, and accessibility.**

Numerous data quality and accessibility issues were identified during the course of the evaluation. Information plays a key role in shaping the daily activities of staff (e.g., maximizing resources), in permitting evaluation of

investigative approaches and prosecution to increase effectiveness, and in documenting the needs of the unit.

A possible starting point for such a review would be to have the units identify their information (data) needs, the information they receive or generate that is of little benefit (unnecessary) and the information they do not receive or generate that would be useful. A comparison of these three areas could then serve as a base to consider the issues above, and to promote information exchange among the three components, and between the component and the wider law enforcement community.

- ◆ **The IAG and ISP should explore mechanisms to enhance the integration of the operations of the CTRU/DCTF units.**

A primary question to be addressed by the respective agencies is how best to tie parts of the structure together. The formalized Protocols and M.O.U.s developed at the beginning of this initiative, although well intended, appear not to have had the desired impact. The desire to maintain well-integrated units must originate at the highest levels of these agencies if such integration is to be operationally achieved. Ideally, a central administrative structure could be developed to which all three units would report. A description of this model is presented in the report. This suggested process model reflects a stronger linear emphasis to provide a more structured operation for the information exchange and case referral process.

ABBREVIATIONS

IAG-CTRU:	Illinois Attorney General's Cash Transaction Reporting Unit
IAG-DCTF:	Illinois Attorney General's Drug Conspiracy Task Force [also known as the Drug Conspiracy Prosecution Task Force (DCPTF) and the Statewide Grand Jury (SWGJ) Bureau]
BJS:	Bureau of Justice Statistics
BNE:	Bureau of Narcotic Enforcement
BSA:	Bank Secrecy Act
CFIP:	California Financial Investigations Program
CLES:	Center for Legal Studies
CMIR:	Reports of International Transportation of Currency or Monetary Instruments
CTRU:	Cash Transaction Reporting Unit
CTR:	Cash Transaction Report
CTRC:	Cash Transaction Report by Casinos
DCTF:	Drug Conspiracy Task Force
DOJ:	Department of Justice
EPIC:	El Paso Intelligence Center
FBAR:	Foreign Bank Account Report
FinCEN:	Financial Crimes Enforcement Network
FOID:	Firearm Owner Identification
GAO:	General Accounting Office
HIDTA:	High Intensive Drug Trafficking Area
IAG:	Illinois Attorney General
ICJIA:	Illinois Criminal Justice Information Authority
IDOC:	Illinois Department of Corrections
ISP:	Illinois State Police
(ISP) 4-1:	Illinois State Police File Initiation Report
(ISP) 4-2:	Illinois State Police Evidence/Expenditure Report
(ISP) 4-8:	Illinois State Police Case Disposition Report
ISP-CTRU:	Illinois State Police's Cash Transaction Reporting Unit
ISP-DCTF:	Illinois State Police's Drug Conspiracy Task Force [also known as the Criminal Conspiracy Unit (CCU)]
MEGs/TFs:	Metropolitan Enforcement Groups/Task Forces
METs:	Mobile Enforcement Teams
MOCIC:	Midwest Organized Crime Information Center
M.O.U.:	Memorandum of Understanding
NAAG:	National Association of Attorneys General
OCN:	Organized Crime Narcotics
RISS:	Regional Information Sharing Systems
RFPA:	Right to Financial Privacy Act
RTOA:	Referred to other agency
SAO:	State's Attorney's Office
SAR:	Suspicious Activity Report
STR:	Suspicious Transaction Report
SWGJ:	Statewide Grand Jury
WIC:	Women, Infant, and Children



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CHAPTER 1: INTRODUCTION

In the past decade and a half, the demand for illegal drugs and the emerging drug enterprises formed to fill that demand have created communities in this nation characterized by high levels of drug addiction, extremes of poverty and wealth existing side-by-side, and violence accepted as an inevitable fact of life. The criminal justice system has responded through a "war on drugs."

Tougher drug laws have been passed, law enforcement efforts aimed at eradicating the drug problem have been developed, and prosecutorial programs targeting those selling and distributing drugs have been implemented. Despite many well-intended efforts, it has become increasingly clear that traditional law enforcement approaches simply are ineffective in countering this problem. The realization that illegal drug production, delivery and sales are not a problem confined to one jurisdiction alone, has led to a development of cooperative agreements among multiple agencies/departments, emphasizing both vertical and horizontal linkages (Schlegel & McGarrell, 1991).

Further, a shift in perspective away from drug crime as simply a "substance abuse problem" to an emphasis upon the financially motivated nature of these offenses, has led to different law enforcement strategies. In this regard, illicit drug activity can be detected by the large amounts of cash it generates, and recent efforts to identify money laundering activities have become a primary focus of attention for identifying those involved in drug sales. Increased attention also has been focused on attacking them in a vulnerable area—their assets.

In 1991, federal monies available through the 1988 Anti-Drug Abuse Act were provided through the Illinois Criminal Justice Information Authority (ICJIA) to undertake such initiatives in Illinois. These funds combined with state general revenue match funding permitted the Illinois State Police (ISP) and the Illinois Attorney General's (IAG) Office to launch four interrelated efforts in two enforcement arenas. This initiative sought to enhance the successful identification, investigation, apprehension and prosecution of offenders involved in drug conspiracies through improved tracking of the illegal gain stemming from such conspiracies and with improved sharing of information and resources throughout the State.

Two distinct but interrelated pieces of legislation served as the underpinning for this effort. The passage of the Illinois Statewide Grand Jury Act in 1992 bolstered the statewide investigative and prosecutorial power of the ISP and IAG to engage in multi-jurisdictional drug conspiracy investigations throughout Illinois through the creation of a Statewide Grand Jury (SWGJ). Secondly, during its 1991 spring session, the Illinois General Assembly passed the Illinois Currency Reporting Act which was signed into law on September 18, 1991 (retroactive to July 1, 1991). The Illinois Currency Reporting Act was modeled after the Federal Bank Secrecy Act (BSA) which established procedures that require the documentation and submission of specific reports and records involving U.S. currency transactions to the U.S. Department of Treasury. Financial institutions, casinos, and foreign banks are required to report

all currency transactions of more than \$10,000.¹ The act allowed financial institutions complying with federal law to be deemed in compliance with the act, thus financial institutions need not be encumbered by a second reporting requirement.

Upon this platform, the IAG's Office and the ISP launched four interrelated efforts in two enforcement arenas. The first, the Cash Transaction Reporting Unit (CTRU) was designed to collect, store, and analyze cash transaction data (to meet the federal provisions detailed in the Bank Secrecy Act of 1970) for the subsequent identification, investigation, and prosecution of individuals involved in drug trafficking money laundering. Within the ISP, a CTRU was established to build and maintain a database for the subsequent identification of suspected money laundering drug offenders. A corresponding CTRU, designed to investigate, prepare, and prosecute such cases, was implemented in the IAG's Office. As originally conceptualized, these two CTRUs were to complement one another, with the ISP-CTRU assisting local multi-jurisdictional drug conspiracy investigations as well as the statewide Drug Conspiracy Task Force (DCTF), while the IAG-CTRU was to develop the expertise in the prosecution of drug-related money laundering to assist local multi-jurisdictional drug enforcement units and the ISP-DCTF (described below).

¹ Banks and financial institutions report cash transactions over \$10,000 using a Cash Transaction Report (CTR). Reports of International Transportation of Currency or Monetary Instruments (CMIR) are filed by U.S. Customs to report cash or the equivalent of cash, e.g., traveler's checks in excess of \$10,000 entering or leaving the country. A Foreign Bank Account Report (FBAR) is filed by banks and financial institutions relating to interest in, or signature authority over, bank securities or other financial accounts in a foreign country that exceeds \$10,000 in total value at any time during the calendar year. Form 8300 is a form filed by businesses and trades other than financial institutions, i.e., auto dealers, jewelers, etc. Casinos file Currency Transaction Reports by Casinos (CTRC) for transactions over \$10,000.

The second prong of the effort was the development of the DCTF initiative in the two agencies. As described in the Illinois Statewide Grand Jury Act, the purpose of the DCTF was to enhance prosecution of mid-level narcotic traffickers operating on at least a multi-county level in the state. Similar to the CTRU, individuals from both the ISP and IAG offices were assigned to the DCTF. Specifically, the ISP-DCTF was responsible for handling the investigations from initiation to apprehension, while the IAG-DCTF provided the officers with legal support.

These efforts were initiated in 1992 and early 1993. In Spring 1996, the ICJIA issued a request for proposals to conduct an implementation and impact evaluation of the DCTF and CTR units that had been initiated some three years prior. The Center for Legal Studies (CLES) at the University of Illinois at Springfield responded to the solicitation, and on June 17, 1996 was awarded a contract to conduct the evaluation. The remainder of this report documents the project team's efforts in this regard.

As originally constructed, the evaluation was to consider how the programs were designed and implemented (process evaluation) as well as the outcomes produced by each unit (impact evaluation). However, as will be discussed later in this report, the research team believed that a greater benefit could be derived if the study focused on the resources, communication and cooperation linkages, and operational structure needs of the program, rather than a traditional process and impact evaluation.

This report is divided into five chapters. Following Chapter 1, a review of the literature and relevant legislation regarding multi-jurisdictional, drug conspiracy investigations and prosecutions is described. In Chapter 3 the study's methodology is described. An identification of the major sources of information gathered is discussed, as well as several of the data limitations. An in-depth review of the goals, objectives, and activities performed by each of the four units is included in Chapter 4. Special attention is focused on how the units initially were envisioned and designed compared to what actually transpired. Finally, Chapter 5 summarizes the findings of the report and offers a number of recommendations for the improvement of the programs under review and/or the implementation of such programs in other jurisdictions.

CHAPTER 2: LITERATURE AND LEGISLATION REVIEW

Literature Review

Major Dimensions of U.S. Drug Control Policy

Since the 1960's, the U.S. has witnessed a variety of strategies, policies, and tactics employed in an effort to manage societal and financial repercussions from drug use and drug-related criminal activity. Strategies have included supply reduction, demand reduction, user accountability and zero tolerance (Cowles, Small, Deniston, and Dewey, 1997).

A 1992 Bureau of Justice Statistics (BJS) publication, Drugs, Crime, and the Justice System, states that two policies, regulation and prohibition, have been the dominant themes of alcohol and drug control. From the beginning, drug control efforts focused on domestic regulation such as reporting and labeling requirements, restricted populations, and taxes. In time, national drug policies shifted toward prohibitive measures with both criminal and civil penalties acting as enforcers.

Since criminal and civil sanctions were employed against drug violations, arguments have been made for changes in the legal response to drug offenders. The range of proposals spans the continuum from no restrictions on drug abuse and trade, to partial legalization with some degree of regulation, to complete decriminalization with softer penalties (Bureau of Justice Statistics, 1992). However, the wide variety of illicit substances with which law enforcement has been confronted, in tandem with the economic repercussions of the drug trade, have made decriminalization a controversial issue. The 1997 Drug Control

Strategy opposes the legalization of marijuana and “other dangerous drugs” (Office of National Drug Control Policy, 1996).

In his 1996 address, *The Globalization of the Drug Trade*, in Dublin, Ireland, Robert Gelbard, Assistant Secretary for International Narcotics and Law Enforcement Affairs, reported that the end of the Cold War loosened U.S. border control and made international trade more readily accessible. With these changes, highly sophisticated, well-organized, illegal enterprises are said to have crossed national boundaries, creating an international organization of crime. The major illegal enterprises target and prey upon smaller institutions and businesses that exist for the benefit of citizens and their security. In countries such as Columbia, Burma, Nigeria, and some Caribbean nations, traffickers have managed to infuse influence into hierarchies of both government and society.

Secretary Gelbard asserts that the same advances in the areas of technology, travel, and telecommunications that were instrumental in creating our global economy and fostering interdependence, have come back to haunt us. Enormous amounts of illegal money, hundreds of billions of dollars from drug trafficking alone, purge our monetary system every year leaving economic distortions, increased inflation, and adding confusion to long-term economic planning (Gelbard, 1996).

The realization that illegal drug enterprises resembled multi-national corporations, with goods produced throughout the world and distribution systems in place to deliver these goods across U.S. borders and into both metropolitan and small-town markets, has resulted in enforcement efforts directed at the

national, state, and local levels. It also has become increasingly apparent to drug enforcement policymakers that failure to coordinate these efforts among all levels will result in ineffective enforcement.

National Initiatives for Drug Control

The President's National Drug Control Strategy

The current national enforcement policy is articulated via President Clinton's National Drug Control Strategy. The 1997 Strategy outlines a ten-year plan of action supported by two five-year budgets. The main objective of the comprehensive plan is to reduce the demand for illicit substances by balancing efforts between aggressive supply reduction and demand reduction (Bureau of Justice Statistics, 1992).

The Strategy's plan for dismantling the drug trade consists of three-steps: arresting the dealers, prosecuting and incarcerating the dealers, and making it difficult for drug dealers to find and access supply sources. The strategy includes domestic law enforcement initiatives encouraging state and local law enforcement agencies to join forces, share resources, and participate in task forces designed to bring agencies together in a cooperative and coordinated effort of drug control. Specifically, the plan calls for federal, state, and local enforcement agencies to form task forces, with the Federal Bureau of Investigation (FBI) and the Drug Enforcement Agency (DEA) providing financial and enforcement support (Office of National Drug Control Policy, 1997a).

As detailed below, several federal initiatives designed to support multi-jurisdictional enforcement efforts have been implemented in the past two decades.

Regional Information Sharing Systems (RISS) Program

The RISS Program is comprised of six regional projects that support federal, state, and local multi-jurisdictional law enforcement efforts. RISS initially was funded through a Department of Justice, Bureau of Justice Assistance grant in 1974. Its goal is to enhance law enforcement's capacity to identify, target, and eradicate multi-jurisdictional conspiracies. The basic services provided by RISS include rapid information sharing, complex case data analysis assistance, communication networks, and training sessions for personnel involved in cross-jurisdictional task force work. Additional services offered include investigative support, financial support, equipment loans, technical assistance for communications equipment, and specialized training for skills building.

Currently, RISS serves over 4,600 law enforcement agencies in the U.S. and Canada. Some RISS accomplishments between 1984 and 1994 include:

- 55,000 assists in arrests;
- \$11 billion in narcotics seizures;
- \$15 million in RICO seizures; and,
- training seminars for 20,000 law enforcement officers annually (The Institute for Intergovernmental Research, 1997a).

Organized Crime Narcotics (OCN) Trafficking Enforcement Program

The OCN, initiated in 1986 by the Department of Justice, Bureau of Justice Assistance, is a support service for enforcement agencies that investigate and seek to prosecute major organized crime and drug trafficking enterprises. The OCN program invests special interest in cases that require cooperation among agencies due to criminal activity that crosses jurisdictional boundaries. Projects handled by OCN must be initiated by a state or local law enforcement agency that requires the assistance of a federal agency, as well as prosecutorial assistance. The initiatives are managed on a shared management and decision-making basis whereby unanimous decisions occur among participating agency representatives regarding the investigative plan and allocation of resources (The Institute for Intergovernmental Research, 1997b).

DEA's Mobile Enforcement Teams (METs)

In early 1995, the DEA earmarked \$3 million to train, equip, and operationalize 19 METS. METs are tactical, quick response teams that offer financial and investigative support services to local and state police involved in tracking violent crime and drug trafficking. METs participate in surveillance detail, intelligence collecting and sharing, obtaining indictments, and assisting with arrests. METs' bifurcated mission is to accumulate intelligence to be shared among law enforcement agencies and to assist with investigations.

Priority attention is provided to areas prone to violence because of street-level drug trafficking, areas thick with overt drug dealing and trafficking operations, and areas where drug deals and distribution are occurring on or near

school property, playgrounds, or any environment where children congregate (Drug Enforcement Administration, n.d.).

High Intensity Drug Trafficking Area (HIDTA) Program

Stemming from the Anti-Drug Abuse Act of 1988, the director of the Office of National Drug Control Policy identified numerous metropolitan areas perceived to have the worst drug trafficking problems. The HIDTA Program reflects a joint operation between local, state and federal enforcement agencies to devise threat assessments and strategic plans for the elimination of drug trafficking in identified cities (Office of National Drug Control Policy, 1997c). The program is designed to encourage teamwork and promote partnership in drug control, through participation in shared decision-making and planning.¹

In FY 1997, the HIDTA Program received \$140 million in federal funds for the provision of continued support of more than 150 national task forces. Such support includes enhancing data collection and sharing, offering assistance in data analysis, and improving efforts of cooperation among agencies combating drug trafficking conspiracies (Office of National Drug Control Policy, 1997c).

State and Local Initiatives in Drug Control

While three levels of enforcement (state, local, and federal) share tasks of enforcing our nation's drug laws, most arrests are made by state and local authorities (Office of National Drug Control Policy, 1997b). According to the BJS, state and local arrests for drug law violations (adult only) totaled 1,294,750 in 1996 (Bureau of Justice Statistics, 1997).

¹ In 1995, Chicago, Illinois was identified as an HIDTA.

Traditionally, initiatives for drug control and enforcement consisted of jurisdiction-based investigations, arrests, and prosecutions (Cowles, et al., 1997). However, as the complexion of drug-related crime changed through the late 1960's and early 1970's, this approach became insufficient in the light of expanding networks that emerged to provide a variety of illegal substances. Drug trafficking, and dealers themselves, had taken their businesses on the road, creating the need for increased communication between law enforcement officials from varying counties and states. The concept of a multi-jurisdictional drug enforcement task force was born out of the needs that became apparent to enforcement officials in their fight against highly-organized drug trafficking networks operating across county and state lines (Cowles et al., 1997).

By 1990, an estimated 900 multi-jurisdictional task forces operated across the country (Cowles et al., 1997). The BJS, Law Enforcement Management and Administration Statistics Survey (LEMAS) reported that most state and local agencies involved in drug control participated in multi-jurisdictional task force operations (Bureau of Justice Statistics, 1992).

The U.S. Department of Justice Assistance Edward Byrne Memorial Formula Grant Program is the primary source of funding for such enforcement initiatives. Typically, state and local monies supplement federal funds. In addition, task forces usually are required to match some of the state funding. In the past, this has been accomplished by participating agencies in the task force operation donating personnel services. From state to state, this creates a patchwork of funding sources (Cowles et al., 1997).

Components of Successful Operations

In order for combined state, local and federal drug control efforts to effectively disrupt the flow of illicit substances, it is essential that operations are truly coordinated, and open lines of communication among participating agencies are established (Bureau of Justice Statistics, 1992). In the BJS report, Drugs, Crime, and the Justice System, three approaches that coordinated enforcement teams used to stop the domestic distribution of drugs are identified.

The first, the case-oriented approach, is reactive in nature. Efforts in the case-oriented approach are focused on collecting sufficient evidence from illegal events that have already occurred to convict targeted, infamous dealers. The second strategy is a network-oriented approach. Proactive in nature, network-oriented enforcement concentrates attention on tracing drug distribution chains from the street back to the distribution source. In the U.S., the length of distribution chains can vary. One factor influencing length is the location of the user relative to the supply source. Fewer links are required in distribution chains located in U.S. entry ports, such as New York City and Los Angeles, which have fewer middlemen between users and wholesalers. As a result of levels in the distribution networks increasing as a user gets further and further away from the drug source, wholesalers, in effect, buffer one another from law enforcement detection. The third approach, termed the problem-reduction strategy, involves examining the supply and demand forces at work in a community. Supply source examination can involve one or all of the following: identifying foreign countries supplying illicit substances, uncovering smuggling routes, watching points of

entry into the U.S., and dissecting chains of distribution. Gaining an understanding of the demand forces in a community requires identifying users of illicit substances, providing information about the hazards and fallout from substance abuse, and providing treatment for those in need (Bureau of Justice Statistics, 1992).

In each approach, case intelligence data collection and sharing is crucial. Horizontal coordination among agencies refers to peer jurisdictions in an area collecting and sharing information. Vertical coordination involves the same collection and dissemination of information, but encompasses agencies at different levels of government (Bureau of Justice Statistics, 1992).

In the 1997 evaluation of Metropolitan Enforcement Groups and drug task forces (MEGs/TFs) in Illinois, Cowles et al. found that the organizational structure of the enforcement group was critical. Identified factors that impeded operational success of the MEGs/TFs included:

- inconsistent and conflicting directives;
- poor planning;
- ill-defined task descriptions; and,
- indistinct directions and task assignments.

Much of the research conducted about task force operations has been only descriptive in nature. However, beginning in 1990, drug enforcement task forces in a number of states were evaluated for effectiveness and impact. Cowles et al. (1997) reviewed the impact evaluations and asserted a number of conclusions. First, once task forces were operational, levels of cooperation and

communication improved among the participating agencies. Second, whether a task force is situated in a rural or urban environment bears some influence on the type of drug enforcement focus, the unit's effectiveness, and its impact. Finally, drug enforcement task forces are flexible in nature; they adjust to, and mirror, changes in finances and political initiatives.

Legislative Overview

Across the country law enforcement agencies have attempted to tackle illicit drug use, drug trafficking, and other forms of corruption by following the path of illicit profits generated from criminal activity. The Department of Treasury, Financial Crimes Enforcement Network (FinCEN) indicates that illicit proceeds from crime are an enormous problem that has massive affects on our economic and social environments (U.S. Department of Treasury, 1996).

Money Laundering

Clearly, a major underlying motivation for much criminal activity is the ability to reap substantial profit. Once in possession of their illegal profits, most criminals face the problem of disposing of, or spending, the cash without drawing attention to themselves. In order for an illegal enterprise to flourish, the illicit proceeds must be commingled with the legal financial system and re-circulated as respectable, legitimate funds. Money laundering is the term used to describe the means used by criminal enterprises to make illegally obtained money legitimate (National Association of Attorneys General, 1993). Money laundering starts with the placement of illicit profits into expensive purchases, or deposit accounts. Additionally, criminal profits may be converted into a less suspicious

medium such as traveler's checks. The next stage in the laundering process is referred to as "layering". Layering means hiding the criminal transaction by covering it, or layering it with legitimate transactions. The layering process commonly is the stage at which cash-intensive businesses such as bars, restaurants, and real estate transactions come into the picture. The final phase of laundering is the reintegration of the cash back into the criminal enterprise (National Association of Attorneys General, 1993).

Each year \$100-\$300 billion are laundered in the U.S. (GAO Report No. 95156, 1995). Narcotics trafficking is but one contributor to the problem of illicit proceeds and money laundering. Other financially motivated crimes that feed this enormous problem are trade fraud; tax evasion; organized crime; weapons smuggling; and bank, medical and insurance fraud (GAO Report No. 95156, 1995).

In order for the money laundering process to flourish two needs must be satisfied. First, sizable profits must exist, and second, the profits must be cleansed to appear respectable and legitimate. Because illicit proceeds have to be cleansed before they can be utilized, money laundering is an essential element of any illegal enterprise. However, the process itself provides a means for detection of financially motivated crime.

There are a number of factors that make money laundering the "weakest link" (National Association of Attorneys General, 1993, p. 10) in a criminal enterprise. First, key players in the laundering process are typically white-collar professionals such as investment managers, bankers, attorneys, and

accountants who stand to lose considerably if detected and sanctioned. Unlike their street-level dealer counterparts, professional people are responsive to deterrence (National Association of Attorneys General, 1993, p. 10).

Second, money launderers who become witnesses for the state are usually effective and valuable participants in prosecuting a case. In stark contrast to the street-level criminal, they are educated, articulate, believable, and without criminal records. In addition, their testimony can be readily corroborated due to their meticulous record-keeping practices (National Association of Attorneys General, 1993).

Third, the same fastidious records that make launderers effective witnesses also expose launderers and their clients to investigation. Unlike the arcane records of drug dealers, launderers' records occasionally must be combined with legitimate business records, thereby leaving them susceptible to review and investigation (National Association of Attorneys General, 1993).

Lastly, professional money launderers are vulnerable because there are few in number, and established launderers are difficult to replace. Because of this an attractive target for law enforcement is created in that focusing on launderers ideally will result in the gradual slowing of the flow of illegal money (National Association of Attorneys General, 1993).

There are countless types of financial transactions that readily can incorporate and conceal the process of laundering illegal money. The transactions typically consist of one of two mechanisms: money in or money out, depending on whether the flow of assets is heading to or away from the

launderer. On-going, repeated transactions can expose a network structure among associates of a laundering enterprise, even a loosely structured enterprise. Laundering is accomplished by manipulating transaction records which increase legitimate income through artificially low expenditures or sizable, false deposits (Holmes, 1991).

Attempts at obstructing the methods used to dispose of illicit proceeds affects criminal activity in a number of ways:

1. federal reporting requirements have made high-dollar profits more readily detectable and vulnerable to investigation;
2. money laundering statutes permit the pursuit of anyone obtaining profit from illicit proceeds even if they were not present when the original crime was committed; and,
3. investigations into illicit proceeds often uncover additional crimes that generated considerable amounts of cash (Holmes, 1991).

The President's Commission

In response to an increasing concern that states were attempting to fight the war on drugs without a sufficient plan, Congress established a commission to devise model state drug legislation. In November 1992, the President appointed a 24-member commission comprised of treatment providers, state legislators, law enforcement representatives, attorneys, housing specialists, and other experts. The Commission on Model State Drug Laws' objective was to focus on the long and short-term effects of substance abuse problems. Together, commission members identified problem areas needing comprehensive state legislation. In

the end, much of the model legislation designed by the Commission represented a culmination of ideas and initiatives that had been implemented successfully in certain areas of the country (Bureau of Justice Assistance, 1995).

The President's Commission identified cash and property as vital elements of the drug industry, and proposed several economic remedies for dismantling the financial networks that conceal and launder illicit proceeds. The Model Financial Remedies Act, a package of remedies aimed specifically at the financial aspects of criminal behavior was assembled (The President's Commission on Model State Drug Laws, 1993a). This collection of remedies included the Model Money Laundering Act, the Model Financial Transaction Reporting Act, the Model Money Transmitter Licensing & Regulation Act, and the Model Ongoing Criminal Conduct Act. The legislative intent behind the acts was to deter potential launderers from becoming involved in the handling of illicit proceeds. Together, the four acts encompass a number of objectives:

- provide state law enforcement officials with the same financial data that federal agents use;
- regulate institutions that sell or issue payment instruments, or transmit money;
- limit entry into the money transmitter business field;
- revoke the licenses of businesses accommodating money laundering efforts;
- penalize the knowing participation in, or facilitation of any criminal network; and,
- penalize the negligent loan, lease, or provision of property for unlawful activity (President's Commission on Model State Drug Laws, 1993a).

The Model Financial Remedies Act was proposed for adoption by all state legislatures. It was intended for enactment as a package, yet was designed to be flexible enough to be tailored to meet the needs of each state. The package does not propose new crimes, rather it creates new civil remedies. The remedies are targeted at criminal behavior that is conducted with the intent of financial gain, as well as conduct that violates civil statutes. The proposed legislation for civil sanctions reflects the perception that only certain aspects of financially motivated crime were addressed in the past. A more comprehensive social approach, it was believed, would result in more effective disruption of current illegal enterprises and deter future conspiracies from developing. It was hoped that civil remedies would reduce the number of low-level offenders taking the rap for few high-level players, foster equal justice for the wealthy as well as the poor, and complement criminal sanctions for a more effective and thorough sense of social justice (Holmes, 1991).

Bank Secrecy Laws

Statutory obligations and fiduciary duties between bankers and their clients exist under bank secrecy laws that make it a criminal offense to reveal information regarding the details of a banking relationship (Rutledge, 1996). These laws are but one component of financial privacy laws enacted with the intent of protecting banking relationships. The concept of bank secrecy is derived from principles of personal privacy, economic freedom, and strict confidentiality. Serving as the structural base of organized crime in the U.S., secret foreign bank accounts and institutions have supported white-collar crime

for a very long time. Some critics refer to Switzerland as the money laundering capitol of the world (Moser, 1995).

While various countries have enacted bank secrecy legislation, the U.S. approached the banker-client relationship from a different angle due, in part, to its struggle against organized and white-collar crime (Moser, 1995). The Bank Secrecy Act (BSA), enacted in 1970, is a federal statute that grants authority to the Treasury department to access financial information typically classified as confidential. First, the Secretary of the Treasury is authorized to require financial institutions to keep records of their business dealings for the purpose of investigations. Second, the Secretary of the Treasury also is authorized to require banks, businesses, and individuals to report designated financial transactions (Moser, 1995). In short, the BSA mandates that certain financial transactions, suspicious financial activities, and foreign bank account transactions be reported to the U.S. Treasury Department (Moser, 1995).

Reporting Forms

The BSA requires four different types of reports to be filed with the government. One of the reports is a Currency Transaction Report (CTR). CTRs are filed when currency transactions involving \$10,000 or more are conducted. Reports for International Transportation of Currency or Monetary Instrument (CMIR) are filed when currency or monetary instruments involving \$10,000 or more enter or leave the U.S. Any financial interests in foreign banking or securities with a combined value greater than \$10,000 must be reported on a Foreign Bank Account Report (FBAR). Lastly, the Currency Transaction Report

for Casinos (CTRC) is filed when licensed casinos earning gross annual gaming revenues in excess of one million dollars participate in transactions that exceed a threshold dollar amount (Eid, 1996).

Related Legislation

The 1978 Right to Financial Privacy Act (RFPA), enacted eight years after the BSA, questioned financial institutions' authority to report suspicious transactions. The RFPA was enacted to provide financial institutions protection from civil liability when they complied with reporting requirements. The RFPA requires banks and financial institutions to inform their clients prior to releasing information to the Department of the Treasury. Under the RFPA, the government can access financial records through written consent of the bank customer, a search warrant, an administrative subpoena, a judicial subpoena, a formal written request, or a grand jury subpoena if the customer does not voluntarily offer the information which aroused suspicion (Rutledge, 1995).

In 1986, the Money Laundering Control Act amended the RFPA by specifying certain account information could be disclosed to the government by financial institutions without customer permission, subpoenas, search warrants, or summonses. The legislative intent of the amendment was to balance the privacy rights of banking clients with investigator access to records so that violations/violators could be pursued. The passage of the Money Laundering Control Act served to strengthen the BSA reporting requirements and provide protection against civil liability for financial institutions and employees after

making a disclosure, or failing to notify a client of a disclosure (GAO Report No. 95156, 1995).

More recently, in 1992, the Annuzio-Wylie Anti-Money Laundering Act further broadened the scope of immunity provided to financial institutions and their employees. The act prohibited financial institutions from notifying banking clients involved in suspicious activities that their transaction(s) had been reported (GAO Report No. 95156, 1995).

Additionally, in May 1995, the General Accounting Office (GAO) identified a number of states required to file Suspicious Activity Reports (SAR) because possible laundering and BSA violations had been detected in financial institutions. The SAR was a way to identify individuals who may have attempted to skirt the \$10,000 reporting requirement. Initially implemented in 1988, the form contained a checkbox that banking personnel could mark if a transaction appeared suspicious. In April 1996, the SAR was revised to include a narrative section for detailed description of the suspicious transaction (Eid, 1996).

In addition to the four reports required under the BSA, President Clinton recently signed a long-awaited piece of legislation. The Taxpayers Bill of Rights-HR 2337 allows local, state, federal, and foreign government agencies access to IRS Form 8300. These are forms required by the IRS for any participant in a non-financial business or trade who engages in transactions of \$10,000 or more in a single transaction or series of related transactions. This form is especially important to law enforcement because of the increasing number of retail businesses used as money laundering channels (Eid, 1996).

Asset Forfeiture and Seizure

The Money Laundering Control Act made money laundering and the known participation in transactions involving property gotten from illegal activity criminal offenses. In addition, the act permits criminal and civil forfeiture of items produced from laundering activities (Navarro, 1995).

Prior to the Money Laundering Control Act, Congress enacted the Drug Control Act in 1970. Under provisions of the Drug Control Act the government has the authority to take property without regard to the owner's innocence. Amendments to the Drug Control Act in 1978 and 1986, respectively, expanded forfeiture authority to include taking "direct proceeds" and "derivative proceeds" related to drug offenses (Navarro, 1995, p. 1618).

In a 1995 law review, *Salvaging Civil Forfeiture Under the Drug Abuse and Control Act*, Navarro identified three classes of liable property: "guilty," "hostile," and "indebted" (Navarro, 1995, p. 1614). Guilty property becomes liable when used in an action that violates law; hostile property is owned or controlled by an enemy of war; and indebted property refers to property that has been tagged as collateral for a bad debt. Civil forfeiture deals with illegal activity, and thus guilty property.

Government imposed civil sanctions always have played an important role in enforcing national laws; and no forfeiture penalties are stronger than those associated with criminal drug violations (Navarro, 1995). Civil forfeiture plays a critical role in drug enforcement due to the *in rem* proceedings which allow the government to take property, cash, or drugs, regardless of the offender's

whereabouts or innocence. With forfeiture proceedings, property is rendered guilty by virtue of its relatedness to illegal activity. If the government has reason to believe that the property was either used in, or derived from drug-related activity, it declares a pre-existing right to that property. *In rem* proceedings allow the government to take action against property while providing public notice of intent to do so. The notice requirement allows persons with interests in the property to defend those interests. In their 1994 article, *Drug Enforcement's Double-Edged Sword: An Assessment of Asset Forfeiture Programs*, Miller and Selva contended that with the increased incidence of seizures and forfeitures came a flurry of civil liberties violations and "a new standard of presumed guilt" (p. 315).

Illinois' Efforts to Attack Illicit Proceeds

The 1992 National Drug Control Strategy asserted that state governments were thought to be in the best position to attack localized money laundering networks, and thus encouraged states to pass their own cash transaction reporting requirements. The strategy suggested that the states enact tough money laundering and forfeiture legislation enforced by aggressive investigation and prosecution so that illegally-derived property could be seized by enforcement officials (The President's Commission on Model State Drug Laws, 1993b).

In October 1992, the GAO published the results of an investigation, detailing the efforts of various states in combating money laundering. The report listed the different types of assistance state enforcement agencies could receive from the federal government in such efforts (GAO Report No. 931, 1992).

Data revealed that by June 1992, 22 states, including Illinois, had enacted legislation penalizing money laundering activities. However, considerable variation existed in legislation among the states. The differences were evidenced in the states' definitions of the criminal offense underlying the money laundering, the types and severity of penalties, the varying degrees of a defendant's knowing participation, and whether the defendant intended to conceal profits and/or evade reporting requirements (GAO Report No. 931, 1992).

In review of offense definitions, six states limit the underlying offense to drug-related criminal activity only. Other states list specific criminal activity statutorily linked to money, and still others simply require that the illicit proceeds be tied to "unlawful activities." Finally, some states define money laundering offenses by designating a minimum dollar amount for the underlying crime. Fourteen of the 22 states with legislation require proof that the defendant *intended* to further the underlying crime. Five states require proof that the defendant *knew* proceeds were illegal, and that there was an attempt to conceal the money to avoid reporting requirements (GAO Report No.931, 1992).

In Illinois, the money laundering statute does not link the commission of money laundering with any specific criminal conduct. Rather, money laundering is committed pursuant to Money Laundering, 720 ILCS 5/29B-1 when a person:

knowingly engages or attempts to engage in a financial transaction with criminal proceeds with either the intent to promote the underlying criminal act or when he knows or reasonably should know that the transaction is designed totally or in part to conceal or disguise the nature, location, source, ownership, or control of the illicit proceeds.

While the statute can be interpreted broadly because of its lack of specificity regarding the criminal conduct underlying the laundering, it contains the language that has been recommended by FinCEN regarding its recent target of money services businesses and their vulnerability to money laundering activities. Some of the language used to define "financial institution" in the Illinois statute includes "currency exchange," "credit union," and "issuer, redeemer, or cashier of travelers checks, checks, or money orders" (Money Laundering, 720 ILCS 5/29B-1(b)(2)).

Illinois' Narcotics Profit Forfeiture Act outlines the forfeiture procedure. The Act designates that any profits, proceeds, and interests in an enterprise acquired or maintained in violation of the Act, OR used to facilitate a violation, OR acquired or maintained through narcotics racketeering operations shall be forfeited to the State. Section (f) of the statute itemizes the distribution of the proceeds of the forfeiture as follows: 50.0 percent to the local law enforcement agency conducting the investigation and effecting the arrest(s) leading to the forfeiture, 12.5 percent to the State's Attorney in the county where the prosecution occurs, 12.5 percent to the Narcotics Profit Forfeiture Fund for use by the appellate prosecutor in appeals arising under this Act, and the final portion, 25.0 percent is distributed to the Drug Traffic Prevention Fund in the State treasury to help fund the creation of MEGs (Narcotics Profit Forfeiture Act, 725 ILCS 175/5 (g)(1)(2)(3)).

The most commonly seen provision of the Illinois drug forfeiture law falls under 725 ILCS 150/1 et. seq. that provides a forfeiture procedure for property

attributable to the manufacture, sale transportation, distribution, possession or use of cannabis or controlled substances. It is modeled after the federal forfeiture provisions in 21 U.S.C. 881. The Act provides a non-judicial procedure for non-real property with a value of \$20,000 or less. Under the non-judicial procedure the local State's Attorney must provide notice of the forfeiture proceeding to all persons having an interest in the property.

If there are no objections filed within 45 days of the notice, the State's Attorney can declare the property forfeited and notify the ISP Director, who is responsible for disposing of the property. An interested party may object to the proceedings by stating the basis for their objection in writing and posting a 10% cash bond. The case will then proceed as a judicial forfeiture. However, if a forfeiture is subsequently granted, the objecting party can be made to pay all costs and expenses of the forfeiture proceeding. A judicial process is provided for all real estate, non-real property with a value over \$20,000, and for any instances where an objection is filed to a non-judicial forfeiture. Under the judicial process, the State must establish probable cause for a forfeiture at which point the burden shifts to the claimant that the property is not subject to forfeiture.

The Illinois Statewide Grand Jury (SWGJ)

In spring of 1992, the Illinois General Assembly passed legislation creating a SWGJ for drug offenses that crossed county lines. The SWGJ Act provides the opportunity for the IAG to make application to the chief justice of the Supreme Court to convene the grand jury. Indictments returned by the SWGJ indicate in which counties the alleged offense(s) took place, and a circuit judge then

determines where the trial will be held. In 1994, the scope of the SWGJ was expanded to include multi-jurisdictional weapons and gang offenses.

In June 1997, Illinois Supreme Court Justice asked the Chief Judge of the Seventh Judicial District to determine whether a second SWGJ was needed. Within a month, the Chief Judge affirmed the need for the creation of a downstate SWGJ; a second 16-member SWGJ was impaneled in August 1997. The second grand jury, which convenes monthly in Springfield, enables prosecutors to pursue downstate cases without having to conduct their proceedings in Chicago (Copley News Service, Aug. 14, 1997).

When an investigation or indictment related to narcotics racketeering occurs under provisions of the Illinois SWGJ Act, distribution of the forfeiture proceeds is proportioned accordingly: 60 percent goes to the MEG, local, or State law enforcement agency responsible for the investigation leading to the forfeiture; 25 percent is distributed to the IAG and earmarked as grant funds for drug education, treatment, and prevention efforts; and 15 percent goes to the Illinois Attorney General and the State's Attorney, if applicable, who handled prosecution (Narcotics Profit Forfeiture Act, 725 ILCS 175/5 (h)(1)(2)(3)).

Department of Treasury Memorandum of Understanding (M.O.U.)

Despite the states' acknowledgments of the BSA and its requirements, a 1992 GAO telephone poll revealed that only nine states had enacted laws mandating that CTRs be filed with the state, and nine others had made it an offense to evade reporting requirements. Additionally, five states passed legislation requiring merchants who file IRS Form 8300 with the federal

government also file a duplicate form with the state. Presently, Illinois receives CTR, CMIR, and FBAR data through a M.O.U. with the U.S. Treasury (GAO Report No. 931, 1992).

The Treasury Department's, FinCEN negotiates M.O.U.s and encourages states to participate in such agreements. Conditions set forth in a M.O.U. between a state and the Treasury require the state 1) to disclose the identity of partners having access to the data provided by FinCEN, 2) to supply the Treasury with statistical information from their investigations on a periodic basis, and 3) to notify the appropriate federal authorities when an investigation results in violations of both state and federal laws (GAO Report No. 931, 1992).

Recommended State Legislation

A 1991 report detailing Arizona's initiatives in combating money laundering identified three critical recommendations for a strong legislative agenda: criminal remedies, broad civil remedies which enforce financial responsibility, and regulatory provisions with structures to block the money laundering process. The report, compiled by the Arizona Attorney General's Financial Remedies Unit, found that the most effective state civil legislation subjects launderers to joint and several liability for the gross gain of the entire illegal enterprise. It also subjects the entire enterprise to forfeiture if it has been used to launder illegal profits. Joint and several liability means that every member of the laundering operation is individually liable, in addition to being collectively liable with his or her partners in crime (Black's Law Dictionary, 1990).

Over the past 20 years, forfeiture has become a major deterrent for financially motivated criminal networks. As executive and judicial officials have employed forfeiture remedies, so too have state legislatures enacted comprehensive forfeiture statutes.²

In March 1993, the National Association of Attorneys General (NAAG) published a program manual for investigators and prosecutors of financial crime. In the manual, the NAAG reported that states, rather than the federal government, have the biggest stake in enforcing legislation against intrastate (multi-county and local) money laundering. The problem of illicit proceeds has become so pervasive that it no longer can be considered exclusively a federal issue. The NAAG provided guidelines to effectuate solid state legislation, and emphasized the importance of state, local, and federal law enforcement personnel and prosecutors acting as a united front in their efforts.

Guidelines offered by the NAAG regarding the states' legislative response to money laundering included recommendations to regulate businesses susceptible to money laundering enticements, to regulate businesses interested in keeping customer profiles spotless, and to regulate for the sake of assuring financial stability. Legislation, according to the report, also should mandate that businesses keep records of all significant cash transactions, transactions that exceed a designated dollar amount, and all suspicious financial activities. The NAAG also suggested licensing all money transmitters. Any, and all, knowing participation in money laundering was recommended subject to prosecution with

² Arizona and Louisiana lead the way in this area.

imposition of both criminal and civil penalties. Finally, the NAAG encouraged the enactment of forfeiture laws for the seizure of criminal proceeds.

A study of money transmitters recently was completed at the request of FinCEN (Coopers & Lybrand, 1997). The evaluation examined the workings of money transmitters, as well as their susceptibility to launderers. In response to the findings, FinCEN proposed three amendments to the BSA that directly would affect money services businesses. The proposals, in part, were a spin-off from the Treasury's involvement with the Geographical Targeting Order in New York. After metropolitan New York money transmitters were required to report information about cash transmissions in amounts of \$750 or more to Columbia, a significant decrease in the export of drugs to Columbia was noticed. Since then, President Clinton has asked the Treasury to formalize the efforts that succeeded in New York (U.S. Department of Treasury, 1997).

On May 21, 1997, the Federal Register published three proposed amendments to the BSA. The first proposal required money service businesses to register with the Treasury Department and keep active lists of agents affiliated with the money service businesses.³ With the rapid development of electronic business and trade, the market for money transmissions has increased steadily within the past 10 years (Coopers & Lybrand, 1997). It is believed that registration will deter those businesses from illegal activity, as well as assist law enforcement agencies in tax and regulations investigations. Failure to meet the registration requirement would result in criminal prosecution and sanctions.

³ The majority of money transmitters in the U.S. are located within six states: California, Florida, Illinois, New Jersey, New York and Texas.

Next, FinCEN proposed that money transmitters and their agents be subject to identification procedures, in addition to meeting reporting requirements for transactions between \$750 and \$10,000 destined for persons outside U.S. boundaries. This proposal is suggested as supplementary to the CTR requirement for transactions over \$10,000. Coopers and Lybrand (1997) reported that money transmitters exist in over 150,000 locations across the country. Money services businesses participate in financial services involving over \$200 billion each year to customers who, for one reason or another, fail to use traditional banking institutions.

FinCEN's third proposal was to amend the BSA to require money transmitters and issuers, sellers, and redeemers of money orders and traveler's checks to report all transactions of \$500 or more, perceived to be suspicious in nature (Requirement of Money Transmitters and Money Order and Traveler's Check Issuers, Sellers, and Redeemers to Report Suspicious Transactions, 31 CFR 103). This proposal would require of money transmitters the same SAR mandated from financial institutions for nearly two years.⁴

⁴ The opportunity to meet and comment on the three proposals was extended from August until September 30, 1997. As of December 1997, this process remained on going.

CHAPTER 3: METHODOLOGY

This chapter describes the research methodology used in the evaluation; it is divided into three sections detailing the data collection. The first section, labeled "Unit Interviews", describes the interviews of personnel and chronicles such events as they transpired. Specifically, IAG and ISP personnel are described, and site visits and interviews are discussed. The second section, labeled "Unit Data", describes the methods and procedures that were employed during the collection of program data. Program data include monthly reports submitted by each agency to the ICJIA, case-level information involving investigations and/or prosecutions considered, computer files containing information describing the requests for assistance submitted by other agencies to the ISP-CTRU, and interviews of the end-users of ISP-CTRU targets. The third section is labeled "Other Information Sources". It details the site visit conducted of a similar California program, as well as information involving the consultation with a FinCEN representative.

Prior to a discussion involving the types of information collected during the course of this evaluation, some attention needs to be focused on the scope of the study, and how it evolved over time.

Scope of the Study

During the course of the evaluation, it became clear to the research staff that the emphasis of the evaluation was somewhat off target. That is, too much

attention was focused on the description and related assessment of the extent to which program implementation was conducted in accordance with pre-operational expectation. While documentation of the evolution and attainment of initial goals, objectives and structure, should be included in the report, emphasis would be better served on the nature of the change and exploration of the impact of the change (rather than on factors causing the change). Additionally, this report should be more of a "needs" assessment, rather than a formal process and impact evaluation. In this framework, the findings emphasize the appropriateness of the established goals and objectives relative to the respective units' capabilities (including resources, authority, and identified mission) to achieve them. Further, the impact evaluation focuses on elements that might affect these outcomes. Basically, this report follows a multi-attribute utility method (MAULT; Edwards, W., Guttentag, M., & Snapper, K., 1975). Such techniques are used to disaggregate a decision, that is, to separate the elements of a complicated decision and evaluate each element separately to help consider the strengths of alternative ways of meeting the needs identified.

Unit Interviews

Interviews were conducted with 59 individuals who were/are involved in the development or operation of one or more of the programs. In total, 61 separate interviews were conducted; one individual was interviewed twice and one individual was interviewed for both the ISP-CTRU and ISP-DCTF.

Prior to interviewing program employees, two initial meetings were scheduled. The first meeting, held on July 30, 1996, included evaluation staff, ICJIA employees, and supervisors from the ISP-CTRU, IAG-CTRU, and IAG-DCTF. The purpose of this meeting was to introduce the research team to the programs and to acquaint the researchers with the general status of each program. It also provided an opportunity to review the research design and to address any issues raised by either the program directors or the researchers. As ISP-DCTF representatives could not attend that meeting, a second, similar meeting was held on August 15, 1996.

Following these meetings and the collection of master file data kept by the ICJIA, efforts centered on development of the semi-structured interview protocol. The first draft of this instrument was completed subsequent to a formal meeting involving research staff and all consultants where the discussion centered on the types of data that would be needed to address specific research questions and the important areas to be addressed in both the process and impact portions of the evaluation. The interview protocol was pre-tested during interviews that occurred in early November 1996. After two meetings were held to discuss the interview protocol, and subsequent revisions were made, interviews resumed on January 22, 1997. A copy of the interview protocol is included in Appendix A.

The semi-structured interview protocol was basically the same for each unit. It was 11 pages in length and divided into seven areas: 1) general overview, 2) planning and development, 3) goals and objectives, 4) resources,

5) communication and cooperation, 6) training, and 7) activities. Between January 22, 1997 and June 23, 1997, 59 interviews were conducted with a variety of individuals who were involved in the development or current operation of these programs. Interview subjects were identified from the program documentation collected and through a "snowball" process where initial subjects were asked to identify other appropriate interview subjects. Additionally, program documents such as grant proposals, progress reports, and program memorandums, were reviewed to insure the universe of relevant individuals had been identified. Interviews were conducted in the individual's office and lasted approximately one and one-half hours.

Within the IAG's Office, 16 interviews were conducted. Of these, three individuals were investigators, nine were attorneys, and four were administrators; one administrator was interviewed twice. Within the ISP, 45 interviews occurred, 21 involving the DCTF staff and 24 involving the CTRU. Of the 21 DCTF interviews, seven of the interviewees had worked within the unit, seven had command roles (at varying levels) over the unit, four had a fiscal or monitoring relationship with the unit, and three were assigned to other units involved with the DCTF. The majority of interviewees, 89.5 percent, are, or were, sworn ISP personnel. Five of the ISP-CTRU interviewees had worked within the unit, six had supervisory roles (at varying levels) over the unit, five others had a role or relationship in the unit at startup, five provided support for unit functions, and the remaining two were involved in ISP operational management; one-third were sworn ISP personnel.

Within each section of the interview protocol, a variety of open and closed-ended questions were included. Oftentimes the interviewee was asked to further explain or comment on a previous response. As such, the protocol allowed the research team to further probe into areas brought up by the interviewee to a greater detail. At the end of each interview, the interviewee was then asked to complete a short, anonymous form that included three questions: 1) "Do you believe your unit is doing a good job?"; 2) "Upon what criteria do you base your answer?"; and 3) "Are there any additional issues, problems or information that you think would be helpful to us in understanding the workings of this program, or recommendations that you would make to others considering developing a similar effort?". These questions were added due to the concern that some interview subjects would not feel comfortable in addressing all questions to the extent they desired due to confidentiality concerns. Only seven individuals chose to return the subsequent form, two from the IAG and five from the ISP.

A second form also was left with the respondents that asked them to identify the agencies with which they worked, as well as other staff within their office who were involved with the unit. By allowing the respondents to return this second form at their convenience, it was believed the list of interview subjects would be more complete, and that it would save time and thus not impede the interview process. However, only a handful of these forms were returned, and they provided no new leads for possible interview subjects.

Unit Data

As stated previously, unit data included monthly reports submitted by each agency to the ICJIA, case-level information involving investigations and/or prosecutions considered, computer files containing information describing the requests for assistance submitted by other agencies to the ISP-CTRU, and interviews of the end-users of the ISP-CTRU targets.

Monthly Data Reports

One of the tasks set for this evaluation was to determine whether the CTRU and DCTF programs had achieved the goals that were originally set for the units. However, perhaps more valuable than this basic determination, was an examination of the scope and nature of the activities in which the CTRU and DCTF had engaged during the evaluation period. It was believed that such an exploration of activities might help provide insight to explain why the units had been successful or unsuccessful in achieving their stated goals; and, that such information might be valuable to the units and similar undertakings in the future.

To this end, the research team undertook an examination of the activities in which the CTRU and DCTF units had engaged during the evaluation period. The majority of these activities were documented through self-reporting instruments that the units were required to provide to the ICJIA on a monthly basis.

ISP-CTRU

The ISP-CTRU reported their activities in a day-by-day narrative format. Their performance indicators included requests for assistance, the use of

databases for researching a suspect's financial records, and the review of ISP reports to identify potential money laundering investigations.

Monthly data reports spanned the period of August 1992 through February 1996.¹ As the unit is no longer receiving grant funding, the submission of data reports has concluded. Thus, analyses of ISP-CTRU performance indicators cover a 42-month period.

IAG-CTRU

The IAG-CTRU reported the number of evaluations, investigations, indictments, and convictions on a monthly basis. Other performance indicators were inferred from IAG-CTRU activity comments also provided monthly to the ICJIA.

The IAG-CTRU is no longer receiving grant funding; thus, the submission of monthly data reports to the ICJIA has ceased. Months of funding for which IAG-CTRU forms were sent to the ICJIA include a 48-month period, commencing in October 1992 and ending in August 1996.

ISP-DCTF

The ISP-DCTF detailed their performance measures in numeric form each month to the ICJIA. Their measures included the number of investigations, arrests, indictments, seizures, and convictions. Briefing reports that addressed task force activities were included with the monthly reports. Part of the ISP-DCTF documentation obtained from the ICJIA was close out materials for each funding agreement between the ICJIA and the ISP-DCTF. In comparing

¹ Despite several attempts, the January 1996 monthly data were never obtained from the ISP-CTRU.

the frequencies of each performance measure from the close out materials with the frequencies from the monthly data reports, many discrepancies, in varying degree, were apparent. Subsequently, ISP-DCTF personnel instructed the evaluation team to use the close out materials because not all information was provided to the ICJIA on the monthly data reports. They explained, for example, that if a forfeiture or seizure occurred in May, it was only recorded on the May monthly data report if the ISP-DCTF received confirmation in May that the ISP would receive profit from the seizure. If confirmation was received several months later, the ISP-DCTF would not record the seizure on that month's data report nor would it revise May's data report. Therefore, the close out materials provided more accurate information on the ISP-DCTF's performance measures. While yearly reported data were used when possible, monthly data reports for the period including March 1996 through June 1997 were used due to the unavailability of the yearly review document.

IAG-DCTF

The IAG-DCTF self-reported their performance measures in both numeric and narrative form. Their monthly data reports sent to the ICJIA also included a narrative of case dispositions and statewide grand jury proceedings. Among the indicators documented were the number of indictments, convictions, and incarcerations. During examination of the monthly data reports it was discovered that the data tabled in numeric form did not correspond to the same data presented in narrative form. That is, in some instances the frequencies of the tabled data were higher than the frequencies of the data in narrative form and

vice versa. To clarify these discrepancies, the IAG-DCTF personnel instructed the researchers to use the individual case data (discussed below) for most performance indicators under evaluation. The only information gathered from the monthly data reports was the number and type of trainings and meetings attended.

Case Data

IAG-DCTF

The IAG-DCTF provided the evaluation staff with three types of data in addition to the monthly data reports. These included case-level information for all cases brought before the SWGJ, individual-level information for each defendant indicted, and anecdotal information for cases in which the unit assisted another agency.

The case level information included a listing of the 77 cases that the unit investigated and/or handled. Case data included the IAG's investigation number, the investigation name, the assigned SWGJ number, and case status (i.e., closed, opened, or indicted).

Individual level information was provided for each defendant brought before the SWGJ. Included in that data were the defendant's name, their case affiliation, the most serious charge on which they were indicted, their disposition (including whether they pled or went to trial) and related sentence, and the dates of their case opening, indictment, and case closure.

Approximately 50 percent of the efforts of IAG-DCTF staff are directed toward handling cases that they do not subsequently prosecute. Instead,

because multi-jurisdictional involvement could not be proven, the case is referred to a local level agency. Oftentimes, the unit continues to support the prosecution of these cases by maintaining involvement and offering assistance. IAG-DCTF staff provided anecdotal information pertaining to a number of these instances, which is included in the subsequent discussion of the unit's activities.

ISP-DCTF

An analysis was performed on the cases handled by the ISP-DCTF. Toward those efforts, the evaluation team needed to review three ISP reporting forms: the 4-1 File Initiation Report, the 4-2 Evidence/Expenditure Report, and the 4-8 Case Action Report. Arrangements were made in March 1997 for ISP-DCTF personnel to photocopy the necessary forms for each case, opened between January 1993 and February 1997, and forward them to the researchers.² However, upon the recommendation of ISP legal counsel, the researchers were informed that the information would not be photocopied. Arrangements then were made for the researchers to visit the ISP-DCTF office and type the necessary information into laptop computers. The first of such visits occurred on May 1, 1997. An additional visit took place two weeks later (May 15, 1997) to gather the remaining information. However, at that second visit, several forms from a number of cases were missing. Upon return to the CLES, a formal letter was drafted and sent to ISP-DCTF personnel

² The ISP-DCTF provided the researchers with a master list of all cases handled. That report served as the basis from which all subsequent case data collection efforts were centered; it included 147 cases.

requesting the missing information; the researchers gathered all remaining data on September 30, 1997. At least one report was acquired for 158 cases.³

As its title suggests, the "4-1" File Initiation Report is completed when a criminal or suspicious incident occurs and is brought to the attention of the ISP-DCTF. The date of the incident, and/or the date it was reported to the department are recorded, as is the location of the incident and a narrative describing the incident and alleged criminal activity. Information about the subject, such as race, gender, and address also is reported. In addition, the form lists the agency requesting assistance, if any, and whether the case was closed or continued at that time.

The 4-2 Evidence/Expenditure Report records the collection or handling of evidence. ISP-DCTF personnel complete the 4-2 regardless of whether they or another law enforcement agency collected the evidence, as long as it was at one time in the ISP-DCTF's possession. This form details where the evidence was obtained, the type of evidence (e.g., narcotics or U.S. currency) and the quantities and value of the evidence. In addition, the 4-2 records when ISP agents provide funds to confidential sources or defendants.

The 4-8 Case Action Report records adjudication and case status changes. For defendants charged and adjudicated, the 4-8 lists the date of their arrests, their charges, the date and type of their criminal proceeding and the subsequent action, for example, conviction or dismissal. If the defendant pleads

³ There were 22 cases for which the evaluation team collected information that were not included in the master list. Additionally, there were 11 cases on the list for which no information was collected. Thus, 158 cases serve as the basis for all analyses.

or is found guilty, the report also describes the sentence. In addition, this form records changes in case status, such as pending or closed.

ISP-CTRU Requests for Assistance

One function of the ISP-CTRU is answering incoming calls for information, regarding the existence of financial data on suspects being investigated by local, state, federal and international law enforcement officers. To better understand the utility of this service, end-user interviews were conducted.

Using the ISP-CTRU database of incoming requests for assistance, the ten most frequent area codes of callers were selected. A representative percentage of each of those was then chosen for the end-user interviews. The sample consisted of 290 calls made from September 1993 through February 1996, initiated by 126 individuals. Although an attempt was made to reach all persons in the sample, phone interviews were completed with only 38 individuals (30.2%). In most cases, successful contact was not made even after several repeated attempts. In addition, there were several instances where individuals phoned did not recall ever interfacing with the ISP-CTRU. Several persons also were unreachable due to vacations or incorrect phone numbers.

There were 287 out-of-state calls listed in the ISP-CTRU database, initiated by 143 individuals between September 1993 and February 1996. After contacting, or attempting to reach, all individuals who made requests for assistance in 1995 and 1996, the phone interviews were stopped because of unsuccessful results. Of 67 phone calls, only four individuals were available for interviewing. Of the other 63 calls, 26 phone numbers were disconnected, not in

service, or otherwise incorrect; 21 individuals were unreachable after numerous attempts; and 15 individuals no longer worked for the agency. Perhaps most surprising was that the remaining 20 individuals had no recollection of requesting information from the ISP-CTRU.

ISP-CTRU Targets

During the course of grant funding, one of the responsibilities of the ISP-CTRU was to analyze suspicious activity reports and develop leads, "targets", of possible money laundering efforts that were related to the operation of a drug conspiracy. Investigation reports developed on targets detailed why the individual was considered a suspect; demographic information, including occupation, SSN, DLN, and address; information on their financial accounts, criminal history and employment history; names of known relatives; any ISP investigative reports; a FinCEN review; details of all property owned; a credit report; and a table of all CTR activity.

According to ISP-CTRU staff, 13 targets were completed and sent to various investigatory staff throughout Illinois, including IAG staff, ISP staff, and MEG/TF commanders. While attempts were made to trace the specific movement of these reports after being forwarded by the ISP-CTRU, little success was obtained. None of the individuals identified were available when contacted; none returned telephone messages.

Limitations of Unit Data

In addition to the problems detailed above regarding the accuracy of information recorded and obtained, as will be discussed later, the small number

of cases handled by these units precludes any substantial quantitative data analysis such as the development of case trends, offender profiles, or correlates of successful investigations/prosecutions. While this may be reflective of the nature of cases handled (i.e., multi-jurisdictional, mid-level, narcotics distributions); it also may be the result of internal problems experienced among the programs, which will be discussed in Chapter 4.

Other Information Sources

California Site Visit

On January 16, 1997, a site visit was conducted of the California Financial Investigations Program (CFIP). The CFIP was formed subsequent to enactment of the California's currency transaction reporting statutes, which mandated that the California Department of Justice collect currency transaction information, analyze it, and refer possible money laundering violations to the appropriate criminal justice authorities. California was one of the first states to pass such legislation. Thus, it was believed the site visit would provide valuable information from which comparisons and contrasts to Illinois' program could be developed

Over the course of the site visit, the program and a criminal intelligence specialist were interviewed. The interviews followed a semi-structured protocol designed by the project research team, and gathered information about the history, organization, implementation, and performance of the CFIP. The interviews also solicited advice and recommendations for successful program implementation in other jurisdictions. Additional time was spent touring the

operations and gathering materials developed by the CFIP that would assist research staff in a more comprehensive understanding of their program.

FinCEN Consultation

During February 1997, several telephone conversations were held between evaluation staff and a representative of FinCEN. At that time, the representative had been employed at FinCEN for one year, previously working at the General Accounting Office (GAO) where one of his responsibilities was the compilation of information regarding state anti-money laundering efforts. Given his expertise in the area, as well as his interest to further speak with CLES staff, he scheduled a two-day meeting around a previously planned trip to Springfield, Illinois.⁴ Thus, on February 19th and 20th, 1997 face-to-face meetings were held. During this visit, the representative spoke at great length regarding ways in which CTR data are utilized (i.e., proactive versus reactive usage), the role of FinCEN, the advantages of attacking criminal proceeds, and the necessary elements of appropriate legislation. His comments are referenced throughout various sections of the report.

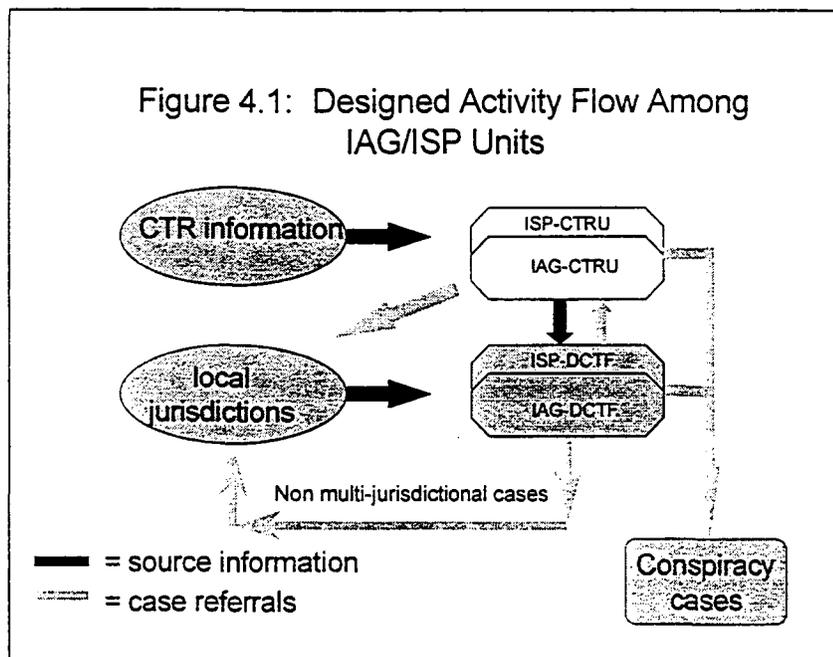
⁴ The FinCEN representative had already planned to travel to Missouri with a representative of the ISP-CTRU to advertise the advantages of such a unit.

CHAPTER 4: FOCUS ON THE UNITS

Referral Structure

Designed Activity Flow

As can be seen in Figure 4.1, the integration of the four units of the IAG and ISP was intended to occur through a flow of information originating both with CTR information provided and through inquiries generated at the local level. In the first instance, the “gatekeeping” function was to be provided by the ISP-CTRU and involved the analysis of data to determine whether a likelihood of potential illegal drug money laundering existed. The CTRU would then pass the case targets to the ISP-DCTF and/or IAG-DCTF. Simultaneously, the IAG-CTRU would receive the CTR data and begin to work with the appropriate unit, e.g., local state’s attorneys, to secure the necessary legal tools to pursue the case. The DCTF units would then investigate the case, and link with local jurisdictions to pursue conspiracy cases. If, after investigation,

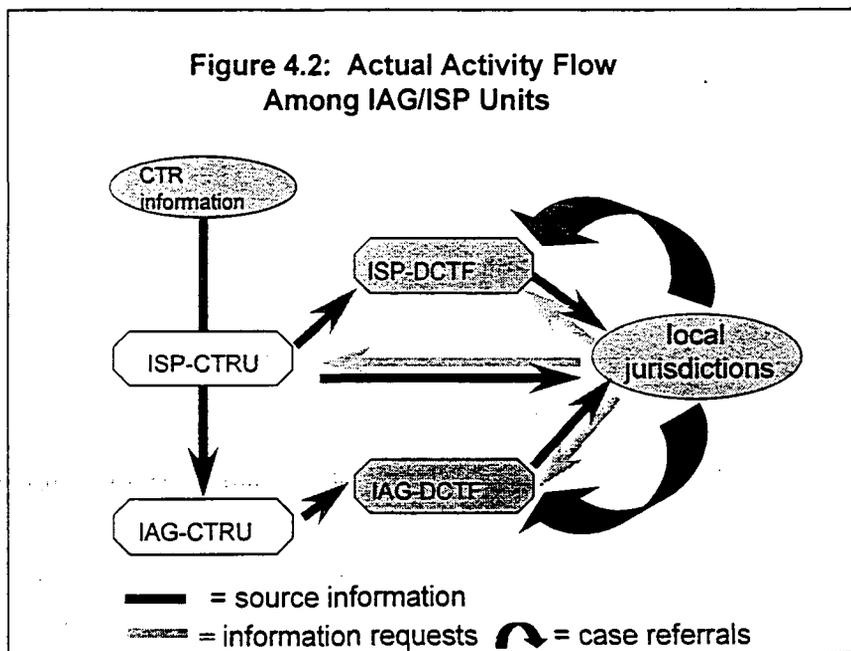


the DCTF determined that a case was not multi-jurisdictional in nature, it would be handed-off to local authorities.

In the second instance, referrals might originate with a local jurisdiction that would direct an apparent multi-jurisdictional case to either the DCTF or the CTRU for assistance. The local jurisdiction would remain involved as the case developed, but the units would provide resources and assistance (as appropriate) for investigation, arrest and prosecution of the case.

Actual Activity Flow

In contrast to the systematic flow of information and case referrals proposed for the units' operations, the actual activity flow for these units was considerably less cohesive and interactive than envisioned. As depicted in Figure 4.2, the interaction



both in terms of information flow and case referral appears fragmented. Each of the four units seems to have pursued information exchange more or less independently. As will be discussed in more depth later in this report, the ISP-CTRU turned early on

from producing case target analyses to focusing its efforts on responding to informational inquiries from agencies throughout Illinois and the U.S. The IAG-CTRU did a small number of evaluations, but primarily provided information and offered assistance to other entities within the IAG's Office. Linkages between the IAG-CTRU and both of the ISP units could be described as weak at best. Both of the DCTF units separately initiated interactions with local jurisdictions. The ISP-DCTF became proactive in its case initiation—its activities, in many instances, more closely resembled those of a traditional MEG/TF than the operation of a unit focused on larger drug conspiracies. The IAG-DCTF cultivated relationships with local jurisdictions that found its ability to access the Statewide Grand Jury (SWGJ) useful, but linkages with its ISP counterpart remained tenuous until late in 1996.

Cash Transaction Reporting Unit

Cash is the preferred method of payment in drug transactions and other illicit activities. As indicated previously, criminals attempt to conceal the source of this cash by depositing, transferring or exchanging it at financial institutions—a process commonly defined as money laundering.

Background and Purpose

On March 18, 1992, the Department of the Treasury and the State of Illinois (ISP and IAG) signed a Memorandum of Understanding (M.O.U.), formalizing an agreement for the Treasury to provide Cash Transaction Reports (CTRs), Reports of International Transportation of Currency or Monetary Instruments (CMIRs) and Reports of Foreign Bank Accounts (FBARs) information to the ISP (see Appendix B). In doing

so, it was believed this information could assist Illinois "in its efficient and effective participation in current joint operations...for the purpose of disrupting the financial superstructure of smuggling groups in Illinois."

The CTR and FBAR data were to be provided periodically to the ISP, through the Internal Revenue Service Computing Center, in a magnetic medium. The CMIR information was to be provided via the U.S. Customs Service, Office of Enforcement Systems, and also be received by the ISP in a magnetic medium.

It was stressed in the M.O.U. that the State was to inform Treasury of any investigations it entered into as a result of related data analysis that might affect ongoing Federal investigations. Close coordination between federal and state operations was considered imperative.

Additionally, several restrictions with regard to dissemination of the CTR, FBAR and CMIR data were included. However, it was stated that the ISP

...shall provide the Illinois Attorney General, for his own use, and in furtherance of the Illinois Attorney General's investigations and prosecutions, direct access to CTR, CMIR and FBAR information provided to Illinois by Treasury, by means of a direct computer hookup, on lines and equipment provided and owned by the State Police.

Thus, clearly the two agencies were to share access to the CTR, CMIR and FBAR data, with the ISP serving as the central repository for such information.

As a result of the M.O.U., a formalized Protocol between the IAG and ISP subsequently was developed (see Appendix B). Direct access to the data was restricted to these agencies, which were intended to work in concert to "provide and share information in an expeditious manner so that independent investigations [could] proceed efficiently and effectively."

A bifurcated role was included for both agencies—to both serve as a support mechanism for local law enforcement and prosecution, and to serve as case initiation units. Open links of communications were to be maintained, and all requests for information were to be responded to “in an expeditious manner.” Any requests for information from agencies external to the ISP or IAG were to be referred to the ISP; also, if it appeared that more than one agency was inquiring on the same subject, it was the responsibility of the ISP to coordinate the data dissemination.

Roles for each unit were outlined in the Protocol. Specifically, in addition to assisting local law enforcement, the ISP-CTRU was to:

... review the electronic material provided under the M.O.U.s, routinely or upon special request, to identify apparent violations of the currency reporting act or indications of numerous small, single transactions frequently used to avoid reporting of the transaction.

Once a person or agency was identified, the ISP was to coordinate with the IAG to “insure there is no duplication of effort.” Once this was complete, all new investigations were to be referred to the Operations Command, Division of Criminal Investigation, for initiation of an investigation. The U.S. Treasury, as well as other pertinent federal agencies, were to be informed of the impending investigation.

The IAG’s role was quite similar in design. Specifically, as stated in the Protocol, the IAG was to:

... utilize the database to further invest[igate] leads in on going investigations by their office or to develop information derived through the statewide grand jury authority.

The agency was to coordinate with the ISP to insure there was no duplication of effort. Again, the ISP was responsible for informing concerned federal agencies of the impending investigation.

With respect to training, both units were to provide initial, as well as on-going training to all staff designated to analyze the related data. Further, advanced training, including analytical and computer courses, were to be made available to personnel. Trainings, orientation seminars and meetings were to be held with local agencies in order to educate the law enforcement community with respect to the program.

In addition to the formal Protocol, under the direction of the ICJIA, the roles of each unit were further specified and/or modified via an inter-agency M.O.U. developed at the start of the second grant funding period. Although not stated in the correspondence among the IAG, ISP, or ICJIA, it is believed this further specification of roles was intended to reduce any confusion that may have existed regarding the appropriate roles of the ISP and IAG units.

According to the agreement, the ISP unit was to analyze the Treasury tapes in search of suspicious transactions (i.e., a proactive role), serving as the "primary and lead investigative body." Upon the identification of a possible investigation, the ISP was to inform the IAG and provide them with a copy of any information developed. From here the ISP was to serve a supportive role with respect to the potential case, while the IAG was to contact the relevant local state's attorney and request permission to be involved in the investigation. It was believed that the expertise of the IAG in the areas of money laundering and currency transaction violations would serve as the incentive for gaining access into local jurisdictions. The IAG also was to provide support to the

IAG-DCTF by analyzing the CTR tape information for the purpose of identifying any subsequent potential seizures and forfeitures.

Also included in the M.O.U. was specific language regarding efforts to avoid the duplication of effort. In order to prevent this from occurring, it was agreed that the ISP would handle all direct inquiries from local law enforcement, with the IAG referring any inquiries they received to the ISP. Additionally, the M.O.U. stated that each unit would communicate "in such a manner that all targets are being examined by only one of the units." Moreover, in order to avoid duplication of efforts, monthly meetings were recommended.

ISP-CTRU

Structure and Operations

The ISP-CTRU, as indicated below, was implemented in 1992 with four individuals, a Sergeant, two analysts, and a clerical position. However, due to a State of Illinois hiring freeze, none of these positions were financed with the grant funding. Rather essential positions were filled from personnel currently working within the ISP. In subsequent contract periods, this practice was continued. Across all grant periods, clerical and administrative support services were contracted.

The ISP-CTRU was funded under three contracts with the ICJIA, beginning in May 1992, and ending in February 1996. Under these contracts approximately \$263,421 was committed to the unit from Anti-Drug Abuse Act Funds, matched by \$87,807 in State general revenue funds.

Unlike the other units, the ISP-CTRU is located in Springfield, within the ISP's Intelligence Bureau. This geographical distance (some 250 miles between Springfield

and Chicago) hampered communication not only with their IAG counterpart, but with the other units as well. Further hampering intra-agency communication was the housing of the ISP-CTRU and the ISP-DCTF in different administrative divisions responsible for command and oversight. What resulted was a unit, disengaged from the rest of its co-units, left to develop and change on its own. The remainder of this section presents a summary of the goals and objectives that shaped the efforts of the ISP-CTRU. A review of the activities in which the unit engaged also is presented.

Goals and Objectives

Initially the ISP-CTRU established a comprehensive set of goals: establishing its ability to obtain and use the federal CTR information to pursue money laundering investigations, sharing that information among Illinois law enforcement, joining with other states' CTRUs to form a national organization, and a general initiative to make in-roads in the dismantling of drug organizations in Illinois.

Agreement #4201: May 7, 1992-November 30, 1993

Goals:

- ◆ Establish a unit to obtain data from the federal government on certain mandated currency transactions within the state in excess of \$10,000 and certain other mandated financial transactions in excess of \$3,000.
- ◆ Use the data, when applicable, for the purpose of initiating money laundering investigations and preparing prosecutions of drug traffickers.
- ◆ Share the information in concert with local and state law enforcement and prosecutorial agencies for the purpose of assisting such agencies with their investigative and prosecutorial efforts.

- ◆ Join forces with other states in which Cash Transaction Reporting Units exist, for the purpose of forming a national organization that will advance the development of money laundering programs.
- ◆ Make headway into the important task of dismantling drug trafficking operations in Illinois.

Objectives:

To pursue these goals, the unit identified for itself an ambitious set of objectives for analysis of CTR data and responding to requests of law enforcement agencies. It also set specific objectives regarding its mission to work with its IAG-CTRU counterpart and other law enforcement entities:

1. identify during its first year a minimum of 100 potential money laundering situations, by personnel or organizations, and refer the matter for investigation to the appropriate agency;
2. respond to a minimum of 100 requests for information from local and state agencies to assist in their investigations and/or prosecutions;
3. conduct monthly meetings between the Illinois State Police and the Attorney General of the State of Illinois, to coordinate matters pertinent to the program;
4. with the Attorney General's Office, meet on a semi-annual basis with the MEGs, State's Attorneys, the Sheriff's state association and the Police Chief's association; and,
5. meet with other law enforcement and prosecutorial agencies, at their request, to facilitate information sharing and analysis.

In the second contract period, a review of the unit's goals and corresponding objectives reveals a *shift away* from the units self-initiated efforts to analyze and produce potential money laundering targets to one focused on assisting other law enforcement agencies investigations and prosecutions. Between the first and second contract, the anticipated minimum number of such targets decreased from 100 to 24.

As Illinois' CTRU programs increased their awareness of money laundering environments, it became clear that riverboat gambling operations provided significant opportunity for money laundering. Reflecting this awareness, a goal was added to work with the Treasury Department to obtain and incorporate information on CTRs filed by the riverboat casinos during the second contract period.

Agreement #4342: December 1, 1993 – December 14, 1994

Goals:

- ◆ Utilize the data obtained from the federal government for the purpose of initiating money laundering investigations and preparing prosecutions of drug traffickers.
- ◆ Share the information in concert with local and state law enforcement and prosecutorial agencies for the purpose of assisting such agencies with their investigative and prosecutorial efforts.
- ◆ Work with the U.S. Department of the Treasury reference to obtain CTRs by casinos and incorporate the information received into the current database.
- ◆ Join forces with other states in which CTR Units exist for the purpose of advancing the development of money laundering programs.
- ◆ Establish procedures to track investigations initiated by the CTR Unit.

Objectives:

1. identify during the year a minimum of 24 potential money laundering situations, by personnel or organizations, and refer the matter for investigation to the appropriate agency;
2. respond to a minimum of 100 requests for information from local and state agencies to assist in their investigation and/or prosecutions;
3. meet with Illinois Gaming Commission personnel to establish procedures for receiving CTRC and incorporating these reports into the main CTR database;
4. conduct quarterly meetings between the Illinois State Police and the Illinois Attorney General's Office, to coordinate matters pertinent to the program; and,
5. meet with other law enforcement and prosecutorial agencies, at their request, to facilitate information sharing and analysis.

In the third contract period, the shift away from the analyses of CTR data to provide potential targets became even more evident as the unit cut its objective to identify potential money laundering situations, from a minimum of 24 to 12. Again, the unit appears to have emphasized its role of assisting other law enforcement agencies rather than initiating CTR based analyses.

Additionally, during the following contract period, the objective for meeting with IAG-CTRU staff was increased from quarterly to monthly. This increase was, perhaps, reflective of the awareness of a growing schism between the two components that emerged during that period.

Agreement #4439: December 15, 1994 - February 15, 1996

Goals:

- ◆ Utilize the data obtained from the federal government for the purpose of initiating money laundering investigations and preparing prosecutions of drug traffickers.
- ◆ Share the information in concert with local and state law enforcement and prosecutorial agencies for the purpose of assisting such agencies with their investigative and prosecutorial efforts.
- ◆ Join forces with other states in which there are laws enacted regarding money laundering and the reporting of currency transactions for the purpose of advancing the development of money laundering programs.
- ◆ Respond to the training needs of state and local law enforcement agencies regarding training needed to conduct money laundering investigations.
- ◆ Develop training programs to be utilized by banking personnel in identifying money laundering situations.

Objectives:

1. identify during the year a minimum of 12 potential money laundering situations, by personnel or organizations, and refer the matter for investigation to the appropriate agency;
2. respond to a minimum of 100 requests for information from local and state agencies to assist in their investigation and/or prosecutions;
3. conduct monthly meetings between the Illinois State Police and the Illinois Attorney General's Office, to coordinate matters pertinent to the program;

4. meet with other law enforcement and prosecutorial agencies to facilitate information sharing and analysis;
5. identify the number of indictments and convictions due to information provided by the CTR database; and,
6. provide lists of suspicious CTRs filed to state police districts quarterly.

Activities

This section describes how the ISP-CTRU *actually* functioned while it was funded by the ICJIA. This discussion of the activities self-reported to the ICJIA illustrates how the ISP-CTRU attempted to meet its goals and objectives. The ISP-CTRU monthly data reports were obtained from the ICJIA for August 1992 through December 1995 and for February 1996, the time frame of ICJIA funding for the ISP-CTRU program. Data from January 1996 were missing, and after several contacts with ISP-CTRU personnel, it was determined records for that month were not available. Thus, the following discussion likely reflects a slight under-reporting error.

The ISP-CTRU was the agency designated to receive the CTR information, which essentially made the ISP-CTRU the gatekeeper of Illinois financial information. The primary goal of the ISP-CTRU was to use financial information to identify potential money launderers. The ISP-CTRU attempted to accomplish that goal by performing two activities. The first was to self-initiate investigations, and the second was to establish a reciprocal relation with local agencies to provide informational assistance.

Self-initiated review of ISP reports. The supervisor of the ISP-CTRU indicated one of the initial objectives of the unit was to gain exposure with the local law enforcement community and acquaint them with services it could provide. To that end,

the ISP-CTRU began reviewing ISP case reports in 1993. ISP-CTRU staff reviewed ISP 4-1s, File Initiation Reports, and ISP 4-2s, Evidence/Expenditure Reports, for the purpose of checking cases that indicated middle or high-level drug traffickers or cases that indicated money laundering. Such a case could be an individual arrested while in the possession of a large sum of money. During the first two years of program operation, approximately 8,300 4-1s and 14,600 4-2s were reviewed (see Table 4.1). As the volume of requests for information from local agencies increased, the practice of reviewing these ISP reports was discontinued.

Table 4.1: ISP-CTRU – Self-Initiated Investigations

Year	ACTIVITY					
	Review ISP 4-1s		Review ISP 4-2s		Target subjects	
	N	%	N	%	N	%
1992 ¹	Not reviewed in 1992				0	0.0
1993	4,339	52.0	7,159	48.8	0	0.0
1994	4,000	48.0	7,515	51.2	8	72.7
1995	Not reviewed in 1995				2	18.2
1996 ²	Not reviewed in 1996				1	9.1
Total	8,339	100.0	14,674	100.0	11³	100.0

¹ 1992 *only* includes data from August through December.

² 1996 *only* includes data from February.

³ The actual number of targets is 13; however, the dates of two were not reported.

The process of targeting subjects. In initiating its own investigations of suspicious activity, the ISP-CTRU used the CTR database as one of the primary sources of information to formulate targets. As discussed previously, CTRs are completed by financial institutions on transactions of \$10,000 or more. Originally the CTR form had a question, completed by bank personnel, addressing whether the financial transaction was "suspicious". Those individuals who appeared to avoid the reporting requirements by making a series of transactions just under the reporting limit,

a practice referred to as “structuring”, were investigated further to determine whether there were other criminal offenses related to their structuring.¹ Other red flags included financial activity that did not fit the type of business or numerous transactions marked suspicious for one individual. While targeting suspicious individuals was always a goal of the ISP-CTRU, according to personnel, generally there was not enough time to perform such activities. Consequently, this type of activity was slowed down to accomplish what had become the top priority—addressing requests for information from a variety of local, state, and federal agencies.

Between August 1992 and February 1996, 13 money laundering situations were identified and referred to the appropriate investigative unit (see Table 4.1). The documentation on the target included the individual’s criminal history, legitimate business holdings, cash transactions, and the identification of potential criminal activity. The ISP-CTRU informed the investigative unit that the IAG-CTRU could provide assistance with any prosecution. Additionally, the IAG-CTRU was to receive copies of the targets’ intelligence reports. However, after perusing through IAG-CTRU program documents, it appears there was some disagreement between the ISP and IAG on this matter. To illustrate, the minutes of a September 1994 meeting between the IAG-CTRU and the ISP-CTRU detail a conversation between personnel of both units regarding this matter. After IAG-CTRU personnel asked for copies of intelligence reports for structuring and/or money laundering suspects, ISP-CTRU personnel said the unit “could

¹ In April 1996, the CTR form was changed and a suspicious transaction report form was created. The ISP-CTRU recently regained access to the suspicious information in September 1997, in the form of narratives describing suspicious transactions. Additionally, it seems unlikely that ISP-CTRU personnel reviewed every suspicious CTR. Program documentation did not include any information regarding how it was determined which suspicious CTRs to investigate further nor what percentage of the forms was actually reviewed.

not give copies of the intelligence reports to the IAG-CTRU and that they would have to get them directly from law enforcement agencies assigned to the cases.” However, the M.O.U. between the Treasury and Illinois states that the IAG-CTRU may have access to the CTR information, although the IAG-CTRU may not, in turn, disseminate the information. At a meeting between the two units in November 1994 this issue again arose. This time, the IAG-CTRU was told it could receive the intelligence files if they got involved with the case. Further confusing this issue was the indication given to evaluation staff by ISP-CTRU personnel that the IAG-CTRU was given copies of the targets’ files.

The issue of which agencies received the intelligence information notwithstanding, over \$15.5 million in CTRs were located for the thirteen targets. The majority of suspects (n=8, 72.7%) were targeted in 1994; two were targeted in 1995, one in February 1996, and two more in unreported years (again see Table 4.1).

Despite the ISP-CTRU’s effort to distribute their intelligence information, it appears that no further investigatory or prosecutorial action was taken on any of the 13 targets by the DCTF units.² When interviewed, a former assistant bureau chief stated a belief that there needed to be an “up-front commitment on who will be the consumer of the proactive products.” Additionally, an individual who acted as a temporary assistant bureau chief explained during an interview that “districts got the target information, but did not know what to do with it”. Along a similar vein, an ISP-DCTF officer stated “they [ISP-CTRU] do an excellent job, but targets created a problem... CTR would do their

² Although not officially confirmed, reference was made during several interviews that an IAG unit eventually prosecuted one of the ISP-CTRU targets; however, the cash transaction violation identified was not drug related.

thing, spend a lot of time and energy to produce a nice target... but ISP-DCTF was down staff." In essence, the message conveyed to the ISP-CTRU by their ISP sister agency was, as quoted by an ISP-DCTF member, "I appreciated your work, but we have no time, no staff. Also, you are drawing some conclusions that maybe be mistaken [i.e., you have no investigatory background]. We can't do anything." Clearly one of the early decisions should have been what agency or unit had the skills and desire to further pursue the money laundering cases initiated by the ISP-CTRU or a mechanism to better link field investigations with the development of targets.³ The lack of response to the targets, in part, led the ISP-CTRU away from proactive activities during the evaluation period.

Utilizing databases to gather financial information. The ISP-CTRU typically gathered financial information on targeted subjects by performing net worth analyses, which included the subpoena of records, identification of property, and conducting searches in numerous databases (see Table 4.2). The same process was undertaken when responding to other agencies' requests for information.

³ This procedure subsequently was developed (after the evaluation period) by implementing regional intelligence "service centers". These service centers have assumed the burden of responding to requests for information while the central ISP-CTRU pursues the development of targets based on information initiated in the field.

Table 4.2: ISP-CTRU – Sample of Databases Used by the ISP-CTRU

Name of Database	Description
Atlas – Credit Bureau System	Address verification
CTR Database	IL financial transaction information
DEA's El Paso Intelligence Center (EPIC)	Drug information
Employment	Location of employment
Financial Crimes Enforcement Network (FinCEN)	Provides assistance in locating assets
FinCEN's Gateway	Nationwide financial transaction information
Illinois Department of Corrections' (IDOC) Offender Tracking System	Tracks committed adults in the IDOC
Illinois Department of Revenue	Information regarding businesses, taxes paid, and any partnerships
Lexis/Nexis	Public records
Phone Disk	Nationwide published telephone numbers
Public Aid	Addresses, if receiving food stamps
Redi Real Estate Information Service	Information on real property in certain counties
Safety Net	Nationwide motor carrier (semi-trucks) safety
Vital Records – state database	Marriages, divorces, family members
Wabash	Phone numbers and corresponding names in Chicago area

Examples of database usage. Four of the databases used by the ISP-CTRU were highlighted in the monthly reports to the ICJIA. With the exception of the Financial Crimes Enforcement Network (FinCEN) database, individual usage was not reported after 1995. According to ISP-CTRU personnel, it became impractical to report usage of each database due to the volume of requests and the number of databases searched.

For example, during an interview, a former assistant bureau chief stated that “in the first year, we became the number one public entity user of Lexis/Nexis, comparable to a major New York law firm.” Thus, the following discussion only considers those databases reported on the monthly reports through or prior to the end of 1995.

One of the databases, the Redi Real Estate Information Service, provided information on all real property listed in Cook, Will, and DuPage Counties.⁴ Table 4.3 shows the usage of the Redi Real Estate Information Service for the years which data were available.⁵ Nearly 900 searches were made from September 1992 through July 1994. Another database was the FinCEN, which provided assistance in locating assets. As Table 4.3 shows, more than 350 searches were performed during the evaluation period.

Table 4.3: ISP-CTRU – Collection of Financial Information

Year	DATABASE USE							
	Redi Real Estate		FinCEN		CTR		Lexis/Nexis	
	N	%	N	%	N	%	N	%
1992 ¹	358	41.0	60	16.5	<i>Unreported</i>		<i>Unreported</i>	
1993	368	42.2	110	30.3	1,152	95.2	<i>Unreported</i>	
1994	147	16.8	119	32.8	58	4.8	557	65.4
1995	<i>Unreported</i>		65	17.9	<i>Unreported</i>		295	34.6
1996 ²	<i>Unreported</i>		9	2.5	<i>Unreported</i>		<i>Unreported</i>	
Total	873	100.0	363	100.0	1,210	100.0	852	100.0

¹ 1992 *only* includes data from August through December.

² 1996 *only* includes data from February.

⁴ These were the counties incorporated in the service as of December 1993, according to an ICJIA memorandum from the grant monitor regarding a site visit.

⁵ Usage of the Redi Real Estate Information Service was not reported after June 1994. According to ISP-CTRU personnel, it became impractical to continue reporting database usage because so many were used on a regular basis. The ISP-CTRU has since stopped using this database.

CTRs provided by the U.S. Department of Treasury formed a third database. The staff queried the CTR database for subject and business information. As seen in Table 4.3, there were 1,210 CTR database searches reported in 16 of the months between January 1993 and May 1994.⁶ Nearly all searches (n=1,152, 95.2%) took place in 1993. The ISP-CTRU also uses Lexis/Nexis to search the Lexis Public Records database. This tool locates assets, businesses, legal judgments, and people. Between August 1994 and July 1995, there were 852 runs on this database (see Table 4.3).⁷

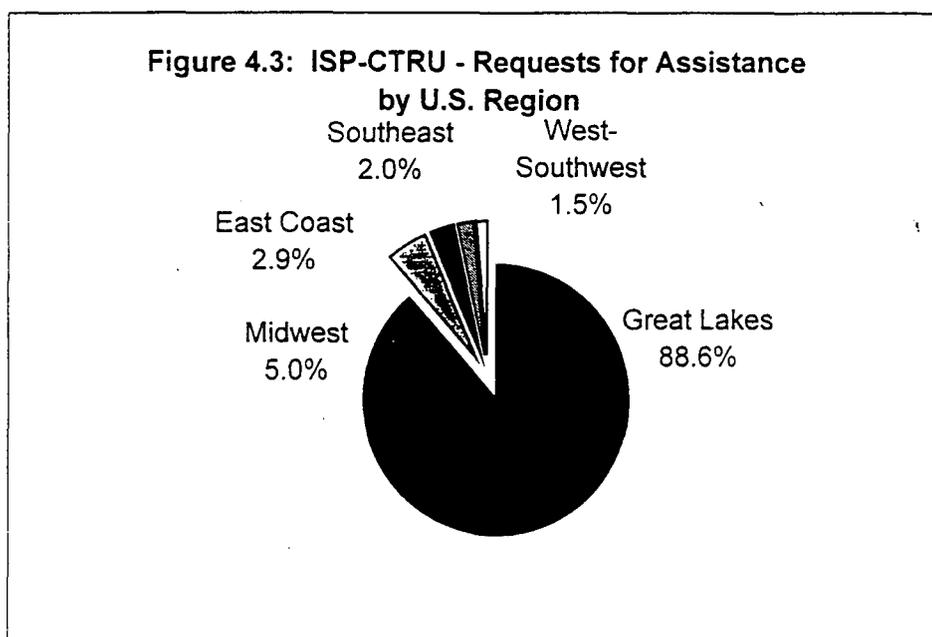
Requests for information. In the beginning of its operation, the ISP-CTRU contacted ISP field offices to inform them the unit could provide financial information and analysis. Presumably, the agencies that used the service would then begin to provide targets to the ISP-CTRU. However, the other agencies never fed referrals back into the process, leaving the ISP-CTRU to develop targets on its own.

Number of requests. The ISP-CTRU received requests for information from local, state, federal, and international law enforcement personnel. According to personnel, during the early stages of program operation, the requests were not always specific to CTR information. From August 1992 through February 1996, the office received nearly 3,700 requests for information. The office averaged 100 requests for information per month, with a monthly minimum of 39 and a monthly maximum of 289 requests.

⁶ Usage of the CTR database was not reported after May 1994. According to ISP-CTRU personnel, Project Gateway replaced the CTR database, for most functions, in October 1994.

⁷ Usage of the Lexis Public Records database was not reported after July 1995. According to ISP-CTRU personnel, although Lexis/Nexis is still used today, it is impractical to report each time that it is used.

Location of requesting agency. According to their database of incoming request calls, 2,010 requests for information were assigned to ISP-CTRU personnel between September 15, 1992 and February 29, 1996.⁸ As Figure 4.3 shows, agencies located in the Great Lakes region initiated 88.6 percent of the calls (n=1,771) to the ISP-CTRU, with all other regions combined, including those outside the U.S., only accounting for about 12 percent of the inquiries.⁹ Agencies in the Midwest accounted for 5.0 percent



⁸ This is a fewer number of requests than reported in the first paragraph. The database of calls kept by the ISP-CTRU contained information on 2,010 requests, whereas 3,695 requests were self-reported to the ICJIA. In discussions with ISP-CTRU personnel, the evaluation team was told that the database of requests was a more accurate source of information than were the monthly data reports. Requests may have been double counted in the monthly reports if an agent worked on the request in multiple months. It was also stated, however, that not every request may have been entered in the database. Therefore, it would seem that the actual number of requests is between 2,010 and 3,695.

⁹ The location of the agency was unknown for 11 requests.

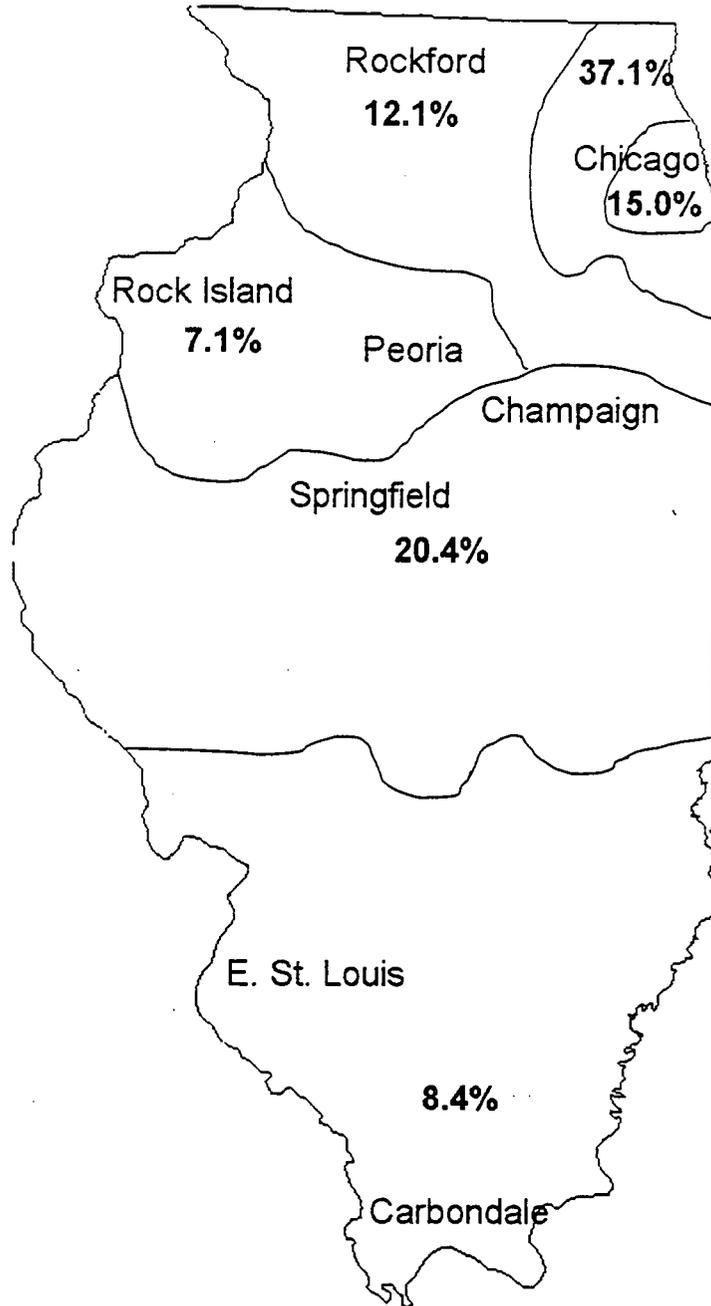
of the calls (n=100). In addition, 58 calls were made from the East Coast, 39 from the Southeast region, 29 from the West-Southwest region, and two from outside of the country.¹⁰

An overwhelming majority of the request calls came from agencies within Illinois suggesting a strong intra-state focus for the information provided by the unit. Further review determined the greatest volume of calls originated from agencies in the collar counties, the counties surrounding Cook County (see Figure 4.4). These counties accounted for 37.1 percent of all calls. In addition, 332 calls were placed from the Springfield-Central Illinois area; 244 were placed from Chicago, 196 from the North Central area, including Rockford and Joliet, 137 from Southern Illinois, and 114 from the Peoria area.¹¹

¹⁰ Calls originated from these Great Lakes states: Illinois, Indiana, Michigan, Ohio, and Wisconsin; these Midwest states: Arkansas, Iowa, Kansas, Missouri, Nebraska, Oklahoma, and South Dakota; these East Coast states: Connecticut, Delaware, Maine, Massachusetts, New Hampshire, New Jersey, New York, North Carolina, Virginia, and West Virginia, as well as Washington, D.C.; these Southeast states: Alabama, Florida, Georgia, Kentucky, Louisiana, and Tennessee; and these West-Southwest states: Arizona, California, New Mexico, Texas, and Washington.

¹¹ The county the agency operated in was unknown for 86 calls.

**The Percentage of Calls for Requests for Information
Per Region of the State**



Requesting agency. ISP officers utilized the ISP-CTRU services most frequently, placing more than one-third of all calls for information (n=754).¹² Most of the ISP calls originated from district offices responsible for patrol and investigation. Illinois' Metropolitan Enforcement Groups and Task Forces (MEGs/TFs), which function in multiple jurisdictions, also initiated a large volume of calls, 503 (25.4%). Out-of-state agencies, such as the Mid-States Organized Crime Information Center (MOCIC) in Springfield, Missouri, placed 234 calls to the ISP-CTRU (11.8%). In addition, requests for information from local police and sheriff's departments accounted for 198 calls (10.0%). Likewise, local state's attorneys and the IAG made 80 calls to the ISP-CTRU (4.0%). Other notable agencies making requests included INTERPOL (n=40), federal agencies (n=28), the Illinois Department of Revenue (n=21), and Chicago-HIDTA (n=17).

In summary, it would appear that the informational resources provided by the ISP-CTRU were primarily directed to the area surrounding Chicago. The unit's value to local agencies' enforcement efforts came principally through requests from district ISP operations or through local multi-jurisdiction drug enforcement groups.

End-User Interviews

A sample of personnel from agencies that made tactical inquiries to the ISP-CTRU was interviewed by phone to ascertain their experiences with the ISP-CTRU personnel and the financial information provided. Questions focused on the usefulness of the information received, not on confidential case information.

¹² The agency requesting the information was unknown for 28 calls.

Using the ISP-CTRU database of incoming requests for assistance, the ten most frequent area codes of callers were selected. A representative percentage of each of those was then chosen for the end-user interviews. The sample consisted of 290 calls made from September 1993 through February 1996, initiated by 126 individuals. The calls were made from the following geographic regions: the collar counties (n=171), Springfield-Central Illinois (n=38), Chicago (n=33), North Central Illinois (n=22), Southern Illinois (n=11), the Peoria area (n=9), and out-of-state (D.C., Missouri, and Wisconsin; n=6).

Although an attempt was made to reach all persons in the sample, phone interviews were completed with only 38 individuals (30.2%). In most cases, successful contact was not made even after several repeated attempts. In addition, there were several instances where individuals phoned did not recall ever interfacing with the ISP-CTRU. Several persons also were unreachable due to vacations or incorrect phone numbers.

All 38 individuals interviewed represented Illinois agencies. Thirteen individuals worked for agencies in Springfield-Central Illinois; nine worked in the collar counties, five each in Chicago and in North Central Illinois, and three each in the Peoria area and in Southern Illinois. Half of the individuals contacted were with the ISP; 12 were from MEGs/TFs, and four each from local state's attorneys' offices and a group of other state agencies.

When asked how they learned about the ISP-CTRU as a resource for obtaining financial transaction data, most individuals responded they were told at a seminar or training. Several said someone had referred them to the service or they had seen an ISP-CTRU flyer.

In general, only one interviewee, a local state's attorney, presented a negative view of the ISP-CTRU. This individual believed the response to the request for information was slow. (S)he also commented that (s)he knew "transactions had been made, but that no CTRs were found." Therefore, (s)he was "unsure whether the unit did a bad job or whether record-keeping was at fault." All other interviewees were extremely positive and reaffirmed the usefulness of the information provided by the ISP-CTRU.

During the interview, individuals were asked several questions about the financial data: "Did the information help develop leads? Gather evidence? Identify assets? And have a direct impact on successful prosecution?". For those individuals who used the information for these purposes, most of the time it met their needs. Several individuals responded that they used the ISP-CTRU simply to identify addresses to locate individuals. One MEG agent's response, reflected by several others, was that the information "not only helps to develop some suspects, but it helps to eliminate some." Commenting on the impact on prosecution, another MEG agent explained that the information "has at times been one of the most important pieces of information."

Assessments of the timeliness and accuracy of the information also were positive. Most individuals responded that the information was sent very quickly and

seemed accurate. Only three interviewees claimed they received slow responses to their requests for assistance. Conversely, one ISP agent stated "if I indicated it's urgent then I get it within an hour" and a local state's attorney commented that the information was received "faster than the time I was told it would take to receive."

Most individuals said it was very likely they would make similar inquiries to the ISP-CTRU in the future. One ISP agent answered it was "100 percent likely. Our unit puts a lot of value on CTR reporting. We now request them for every case reported." In closing, interviewees were asked for suggestions on how to make this type of inquiry more useful to them or for any additional comments. There were two common responses. One was to allow direct access to CTRs because, as one MEG inspector commented, the information "goes through too many channels." The second response frequently given was to advertise the ISP-CTRU as a resource. One police department's deputy chief responded that the ISP-CTRU should "send out a flyer reminding law enforcement of the service, especially since so many resources are out there." He explained that when his department "gets other notices they are filed away as a future reference."

According to the 38 individuals who were interviewed, the ISP-CTRU was a worthwhile endeavor that assists law enforcement agencies with initiating and building cases. Due to the fact that only a few agencies outside of Illinois were included in the phone interview sample, and none were successfully reached for interviewing, a second round of phone interviews was attempted with individuals from out-of-state agencies.

Out-of-state users interviews. There were 287 out-of-state calls listed in the ISP-CTRU database, initiated by 143 individuals between September 1993 and

February 1996. After contacting, or attempting to reach, all individuals who made requests for assistance in 1995 and 1996, the phone interviews were stopped because of unsuccessful results. Of 67 phone calls, only four individuals were available for interviewing. Of the other 63 calls, 26 phone numbers were disconnected, not in service, or otherwise incorrect; 21 individuals were unreachable after numerous attempts; and 15 individuals no longer worked for the agency. Perhaps most surprising was that the remaining 20 individuals had no recollection of requesting information from the ISP-CTRU. For example, one woman had made at least nine requests in 1996, yet could not remember interacting with the ISP-CTRU. She explained that she works with several states in obtaining information on suspects. Another individual, who could also not remember making a request, responded that "if it wasn't yesterday I don't remember." These law enforcement employees exercised every opportunity to obtain information on suspects. Therefore, it should be understandable that they may not recall from whom they sought assistance, especially because the phone interviewer was unable to cue them with details of the case that prompted their request to the ISP-CTRU. Another possibility is that calls made to the ISP Intelligence office were redirected to the ISP-CTRU, thus confusing callers as to whom they had spoken with.

Nevertheless, four individuals from out-of-state agencies were interviewed regarding their evaluation of the information received from ISP-CTRU. Unfortunately, these interviewees did not provide any constructive feedback. One individual could not recall the specific inquiries (s)he made, however, when told the name of the agent assigned to the request (s)he did remember that individual. Another individual recalled the ISP-CTRU, but not specific times (s)he had contacted them. (S)he explained that

when the agency came into contact with someone with an Illinois driver's license (s)he would call the ISP-CTRU to get the individual's birth date. All four interviewees were positive about the ISP-CTRU, although they struggled to answer some of the questions in detail.

Despite the unsuccessful out-of-state phone interviews, communication with in-state users revealed the value of financial information provided by the ISP-CTRU. The ISP-CTRU personnel also were positively evaluated for their speed of response and the accuracy of the information they collected for the requestors.

Meetings

From August 1992 through February 1996, ISP-CTRU personnel participated in 27 internal ISP meetings, with 85 percent (n=23) occurring in the last five months of 1992 and in 1993. In addition, between August 1992 and February 1996 there were a total of 37 meetings, typically held monthly with the unit's counterpart, the IAG-CTRU.

Trainings

The ISP-CTRU personnel attended 28 trainings, consisting of 63 days of instruction, between August 1992 and February 1996. The most common subjects of these trainings included computer software and databases, such as Lotus, MapInfo, Gateway, and Focus. Staff also participated in training courses on narcotic-related financial investigative techniques, sponsored by the U.S. Department of Justice, white collar crime, financial manipulation analysis, and insurance crime and fraud, conducted by the National Insurance Crime Bureau.

Conversely, the ISP-CTRU personnel also provided 30 trainings. The number of participants was reported for only 17 of the trainings but totaled more than 700 persons.

Recipients of these trainings included law enforcement agents, primarily from the ISP, and financial industry personnel. The most common courses lectured participants on Illinois' Currency Reporting Act and the federal Bank Secrecy Act. Other topics included training on use of databases, such as Lexis/Nexis, and seminars on money laundering.

Summary

In a short amount of time, the ISP-CTRU became overwhelmed with requests for information. As a former supervisor explained during an interview, "routine requests just buried us". This essentially forced the unit to shutdown its self-initiated activities. What originally was intended to be their primary focus was instead placed on the back burner and replaced by the activity of providing assistance to other law enforcement agencies.

In essence, this situation was created by the legitimate need to make other agencies aware of the ISP-CTRU. The ISP-CTRU was very productive, but not in the area of producing refined investigative targets from the CTR information to which it had access. The ISP-CTRU exerted a great deal of time and energy early on to develop targets, but in turn, it received little feedback from the agencies that were given the targets. At the same time, the users of the informational service desired a quick turnaround on the intelligence material. The development time for target-level analysis would not have met the users' needs. This struggle between meeting self-initiated investigation goals and serving as an information resource to meet the needs of other agencies resulted in the ISP-CTRU focusing on providing assistance, thus sacrificing the other portion of its mission.

IAG-CTRU

Structure and Operations

During its nearly four years of operation, the IAG-CTRU received \$357,037 in Anti-Drug Abuse Act grant funds, matched by \$132,810 in State general revenue match funds. The majority of the funds were expended for staff salaries, with the remainder used to establish offices and provide computer and other equipment necessary for the unit's work. Officially launched on June 8, 1992, the unit did not actually become operational until October 1992 with the hiring of staff. During its first six months of operation, the IAG-CTRU was hampered by lack of direct access to financial transaction information. In February 1993, the IAG-CTRU gained direct computer access to the CTRU database maintained by its ISP-CTRU counterpart.

The unit was designed to review CTR data for violations of the Illinois Money Laundering statute. When violations were identified, the unit was to initiate prosecution or assist local prosecutors. It also saw itself in the role of providing assistance to the IAG-DCTF and other divisions of the IAG's Office. This latter role actually created problems for the unit when it ventured outside its drug-related focus. In 1992 and 1993, the unit assisted other IAG units by investigating money laundering involving Women, Infant, and Children (WIC) and Medicare cases (discussed later in the report). Upon learning of these activities, ICJIA program grant monitors met with program supervisors and notified the IAG-CTRU in writing that such efforts were outside the scope of the funding agreement and needed to be curtailed immediately.

As originally configured, the unit was to be staffed by a director, who was also an attorney, a second attorney and two financial analysts. During the majority of the unit's

existence however, the staff consisted only of its director and one or two analysts, who were later called investigators. However, the lack of a full staff complement did not seem to adversely affect the productivity of the unit as the volume of money laundering prosecutions never reached the anticipated level.

Goals and Objectives

The Protocol (discussed previously) established guidelines for the ISP and IAG to work cooperatively and effectively in the area of cash transaction reports. A major facet of the overall strategy was a reciprocal communication referral system for investigation and prosecution of drug conspiracy cases. Unfortunately, the mechanism for this system was never fully explicit, and as a result, seemed to create an ongoing tension between the IAG-CTRU and the ISP units. The lack of financial data source material left the IAG-CTRU essentially without fuel for its engines. The unit's inability to produce tangible products seems tacitly accepted in the goals specified for the unit over the years of its existence. In its first contract period, the unit established a target of initiating 15 money laundering cases. By the second contract this number was reduced to five investigations resulting in two indictments—the number also proposed for the final contract.

Agreement #4161: June 8, 1992 - February 28, 1994

Goals:

- ◆ Establish a unit which will be able to obtain data from the federal government on cash transactions within the state in excess of \$10,000.

- ◆ Analyze that data for the purpose of initiating during the first year of the Unit's operation a minimum of 15¹³ money laundering cases.

Objectives:

1. use the information obtained and analyzed to assist the investigative and prosecutorial efforts of local and state agencies;
2. work cooperatively and in concert with local and state law enforcement and prosecutorial agencies for this purpose;
3. join forces with other states in which Cash Transaction Reporting Units exist, for the purpose of forming a national organization that will share technical information and advance the development of money laundering programs;
4. conduct monthly meeting between the Attorney General's Office and the State Police to coordinate matters pertinent to the program;
5. meet together with the State Police on a semi-annual basis with the MEGs, State's Attorneys, the Sheriff's state association and Police Chief association;
6. meet with other law enforcement and prosecutorial agencies, at their request, to facilitate information-sharing and analysis; and ultimately
7. make some headway into the task of disassembling drug trafficking operations in Illinois.

¹³ This number refers only to investigations that are part of a case that will be prosecuted.

Agreement #4343: March 1, 1994 - May 31, 1995

Goals:

- ◆ Obtain data from the Illinois State Police on cash transactions within the state in excess of \$10,000, and/or obtain information concerning suspicious financial transactions (e.g., via investigative reports from local law enforcement personnel).
- ◆ Meet with other law enforcement and prosecutorial agencies to facilitate information-sharing and analysis.
- ◆ Join forces with other states in which CTR Units exist for the purpose of advancing the development of money laundering programs.

Objectives:

1. analyze CTR/suspicious financial data/information for the purpose of initiating a minimum of five investigations for money laundering and/or violations of the Currency Reporting Act, and resulting in a minimum of two indictments;
2. assist in the investigative and prosecutorial efforts of the Attorney General's Office and local law enforcement agencies (as it relates to money laundering and/or violations of the Currency Reporting Act);
3. assist the DCTF in handling asset forfeitures and performing other financial analysis; and,
4. conduct periodic meetings (as needed, but at least monthly) between the Attorney General's CTRU and the State Police's CTRU to coordinate matters pertinent to the program.¹⁴

¹⁴ Narrative was missing from objective number four. That is, the sentence ended as follows "...pertinent to the program, and". The decision was made to end the sentence after program.

Agreement #4440: June 1, 1995 - September 30, 1996

Goals:

- ◆ Develop a comprehensive strategy, involving legislation and regulation, investigation, and enforcement, to deal with the money laundering/structuring problem in Illinois (the IAG-CTRU will continue to participate with NAAG in developing a state and local response to money laundering). In the interim, CTRU continues to introduce legislative initiatives designed to make Illinois money laundering/structuring enforcement provisions stronger and to provide an incentive for local law enforcement agencies to investigate these cases (e.g. via adding forfeiture provisions).
- ◆ Develop and participate in specialized training programs in the areas of financial crimes, economic remedies and sanctions, as the nature of financial crimes case preparation and prosecution requires constant and distinctive training.
- ◆ Meet with other law enforcement and prosecutorial agencies to facilitate information-sharing and analysis; foster multi-jurisdictional cooperation with various federal agencies, state agencies, states attorneys and local law enforcement.

Objectives:

1. analyze CTR/suspicious financial data/information for the purpose of initiating a minimum of five investigations for money laundering and/or violations of the Currency Reporting Act, and resulting in a minimum of two indictments;
2. assist in the investigative and prosecutorial efforts of the Attorney General's Office and local law enforcement agencies (as it relates to money laundering and/or violations of the Currency Reporting Act);

3. assist the SWGJ Unit in handling asset forfeitures and performing financial analyses on major SWGJU cases; and
4. conduct periodic meetings (as needed, but at least monthly) between the Attorney General's CTRU and the State Police's CTRU to coordinate matters pertinent to the program.

Activities

The following section reviews the activities of the IAG-CTRU, as reflected by monthly data reports submitted to the ICJIA during the October 1992 through August 1996 grant funding period. Activities included within the monthly self-reports include the numbers of case evaluations of potential law violations, investigations of money laundering, and indictments. As discussed below, these data would suggest that the *actual* functioning of the unit fell far below the expectations presented in the unit goals and objectives.

Case evaluations. The initial activity IAG-CTRU staff focused on was the evaluation of cases that represented potential violations of the federal currency reporting requirements and/or Illinois' Money Laundering statute. The stated purpose of these evaluations was to determine if further investigation was warranted. According to March 1993 documents, cases were selected from a review of suspicious transaction reports given to the IAG-CTRU by the ISP-CTRU. Evaluation of cases involved running the suspect's name through databases and performing public record searches in database services. This evaluation process created a profile of the suspect and his/her activities and associates. If leads or patterns emerged that suggested possible money laundering activities, the case proceeded to the investigation stage. However, as

documented in case material, some evaluations were stopped because the IAG-CTRU learned other agencies were investigating their same targets. Program documents specify that lines of communication would be developed to prevent duplication of effort. Yet it appears that repetition of work was a common occurrence. A stronger focus on activities related to prosecution of money laundering cases, rather than investigatory activities, seems more congruent with the identified mission of the IAG-CTRU.

From October 1992 through August 1996, 48 evaluations of potential law violations were performed (see Table 4.4). None were noted in the final three months of 1992 or in 1996, 12 (25.0%) occurred in 1993, 20 (41.7%) in 1994, and 16 (33.3%) in 1995. The IAG-CTRU conducted as many as fourteen evaluations a month.

Table 4.4: IAG-CTRU – Case Evaluations

Evaluations Completed		
YEAR	N	%
1992 ¹	0	0.0
1993	12 (80 ²)	25.0
1994	20 (44 ³)	41.7
1995	16	33.3
1996 ⁴	0	0.0
Total	48	100.0

¹ 1992 *only* includes data from October through December.

² Monthly reports for the IAG-CTRU were revised in July 1993 for all previous monthly reports. The evaluations category was expanded to include efforts to search and identify assets of targets in on-going drug trafficking investigations. Revised numbers reflect evaluations made on the CTR database and asset searches. In August 1993, the IAG-CTRU component reverted back to the original monthly reporting category.

³ This number reflects the inclusion of twenty-four WIC fraud evaluations reported in January 1994.

⁴ 1996 *only* includes data from January through July.

In July 1993, the IAG-CTRU component revised their monthly reports for October 1992 through June 1993 (see Table 4.4). The evaluations category was changed to reflect other activities including identification of assets, searches for hidden assets, and identification of potentially forfeitable assets of targets in on-going drug trafficking investigations. The revised numbers thus reflected evaluations made on the CTR database, as well as asset evaluations performed pursuant to drug trafficking investigations. Although both the previous and revised reporting definitions resulted in no reported evaluations in the last three months of 1992, a change did occur for the first seven months of 1993. The number of evaluations for that period was revised from none to 80. In August 1993, the IAG-CTRU component reverted back to the original monthly reporting category, which included only those evaluations initiated pursuant to suspected money laundering and currency reporting violations. However, during the final two agreement periods with the ICJIA, the IAG-CTRU continued to list its efforts in assisting the IAG-DCTF with asset forfeitures and other financial analyses as a legitimate goal. Interestingly, the IAG-DCTF made few asset forfeitures during this time.

A second change in reporting occurred in January 1994 when the IAG-CTRU component reported 24 evaluations of WIC fraud cases. However, as the IAG-CTRU was funded through the Federal Anti-Drug Abuse Act, asset evaluations and WIC fraud cases were actually outside the scope of the grant-funded program.

In considering the previous information, it would appear the IAG-CTRU clearly did not have enough money laundering cases to keep busy. Why this situation arose is

not clear, but it seems the information and referral linkages with other units were hampered by communication and cooperation issues.

Investigations and outcomes. The evaluations discussed in the previous section led to one investigation in September 1994 and one in January 1996. None were reported opened in 1995, and data for 1992 and 1993 were unavailable. As previously mentioned in the discussion of the ISP-CTRU, the ISP-CTRU was suppose to send copies of the intelligence reports on their money laundering targets to the IAG-CTRU. There is some confusion as to whether that occurred, and if it did occur, when the practice began. In 1994, there was discussion among personnel from both CTRUs, and it appears that for some length of time the ISP-CTRU did not provide this material, leaving the IAG-CTRU to obtain these copies on its own.

Between October 1992 and August 1996, there were three defendants indicted, all in October 1993. However, the IAG-CTRU only assisted with these indictments, which arose from the work of the IAG-DCTF (the Smith case). These indictments all resulted in convictions in 1994. Despite being funded for nearly four years, the IAG-CTRU was unable to meet either the goal of initiating five investigations or the goal of indicting at least two individuals.

In a program narrative dated April 1995, IAG-CTRU personnel wrote that there was "a lack of investigative assistance for money laundering cases and that generating enthusiasm for such cases has been a challenge." It was suggested that more training would be provided in an attempt to rectify the low interest. However, the IAG-CTRU only offered one training during its operational existence. In November 1995, the

IAG-CTRU and the ISP-CTRU jointly hosted a one-day money laundering seminar. Clearly, the IAG-CTRU did not put much effort into training the state's law enforcement agencies or in creating an interest in money laundering cases.

IAG-CTRU personnel also received a number of external trainings. Ten training sessions were attended, with one-half occurring in 1993. The majority of these training sessions, six of the ten, were on financial crimes investigation techniques. Some of the IAG-CTRU personnel also participated in computer training and an U.S. Department of Justice law enforcement seminar.

Other activities. Only twice did the IAG-CTRU report money or other asset forfeitures. In July 1993, the unit reported the forfeiture of \$11,994. In February 1994, three vehicles and \$7,500 were reportedly forfeited in the IAG-DCTF's Smith case.¹⁵

For a one-year period beginning in May 1993, the IAG-CTRU also reported the number of subpoenas and other legal documents (e.g., forfeiture petitions and seizure warrants) prepared. According to the monthly data reports, 86 subpoenas requesting financial records and 18 other legal applications were filed. Most of this activity appears to have been done as a service for the other units within the IAG's Office.

External Meetings

The monthly data reports identified 13 external meetings in which the IAG-CTRU staff participated. These meetings were held with prosecutorial agencies to discuss legal proceedings and with law enforcement agencies to facilitate information sharing

¹⁵ Data on forfeitures were not reported after November 1995. According to that month's data report, at the time there were no forfeiture provisions in Illinois money laundering and structuring statutes. In addition, the IAG-CTRU was no longer jointly prosecuting cases with the IAG-DCTF. Furthermore, the report stated that future forfeitures were not expected until such time that provisions were added to the state laws.

and analysis. According to a July 1995 report, the IAG-CTRU met with agents from the U.S. Postal Inspector's Office, U.S. Customs, MEGs, ISP, Cook County Sheriff's Department, and with local state's attorneys.

Summary

The IAG-CTRU operated for nearly four years under ICJIA funding. At the conclusion of grant funding, the unit was disbanded and its resources combined with other IAG units. From the beginning, the IAG-CTRU lacked both a clear focus and an established method for coordinating efforts with the ISP-CTRU. During its existence, the IAG-CTRU evaluated 48 situations of possible law violations. At times, the targets of these evaluations were outside the scope of the IAG-CTRU. The evaluations led to only two investigations, a number below its modest yearly goal of five investigations. The only IAG-CTRU indictments, and subsequent convictions, were from an IAG-DCTF case for which the IAG-CTRU provided assistance. The IAG-CTRU appears to have spent a majority of its time evaluating cases that never developed into investigations and assisting the IAG-DCTF and other units within the IAG's Office.

Drug Conspiracy Task Force

Background and Purpose

At the direction of the ICJIA, a formalized Protocol between the IAG, the ISP and the State's Attorneys Appellate Prosecutor's Office was finalized in September 1991 (see Appendix B) to establish the DCTF as a joint venture between the ISP and the IAG. The ISP was responsible for investigation and apprehension of those engaging in drug conspiracy, while the IAG was responsible for the prosecution of cases. One

focus of the unit was to serve as a support mechanism for local multi-jurisdictional enforcement efforts:

The two agencies will solicit referrals from other law enforcement and legal agencies, such as local police departments, sheriff's departments, MEGs, Task Forces, State's Attorney's offices and State's Attorneys Appellate Prosecutors. In addition, these law enforcement and legal agencies will be able to refer cases to the Drug Conspiracy Task Force, which will work with them cooperatively (Protocol, 9/91, p.1).

However, the Protocol also suggested that the DCTF would be active in initiating its own cases as well:

The Illinois State Police will also initiate investigations when appropriate, and work with local agencies as needed . . . The State Police will develop cases through investigative procedures; the Attorney General will provide felony review (Protocol, 9/91,p.1).

Attempts at managing these dual roles of both support unit to local agencies and lead investigative unit appear to have been problematic for the DCTF. For example, one upper-level ISP official involved with the oversight of the ISP-DCTF component noted in an interview that when the ISP-DCTF was placed in his/her command, no rational feeder mechanism existed to get appropriate cases to the unit. This administrator held a meeting with MEG/TF supervisors to explain how the ISP-DCTF could be effective in assisting them with follow up on their investigations to develop potential conspiracy cases. The administrator discovered that the MEG/TF supervisors viewed the ISP-DCTF as competition and believed that the unit was not structured to provide real assistance to their units. Moreover, the administrator stated that this perception was not totally erroneous because, at the time, a majority of the ISP-DCTF's cases were street level investigations, frequently of a smaller scale than those pursued by the MEGs/TFs units. The administrator attributed part of this inappropriate focus to

a lack of good management, and a perception by ISP-DCTF supervisors that they needed to increase their "numbers," e.g., arrests and seizures.

The agreement Protocol also stressed the collaborative but distinct nature of the two agencies' roles:

The Attorney General will provide legal support to State Police investigative procedures, dealing with such matters as wiretaps, consensual overhear, search warrants and use of a grand jury. The Attorney General will also provide staff financial-analysts (sic) to support the 'money laundering' and asset-forfeiture aspects of a case. The analysts will not be street investigators, but could be sworn as inspectors with the approval of the State Police. These analysts will work with agencies that can assist them, including the State's Attorneys Appellate Prosecutor in accordance with paragraph VII (Protocol, 9/91, p. 2).

In essence, the Protocols established between the IAG and ISP for the operation of the DCTF conceptualized the units as a *single entity* capable of taking drug conspiracy cases from the point of initial investigation through the final stages of prosecution.

The DCTF commenced operations in February 1993 as the only state law enforcement entity capable of conducting statewide drug investigatory-prosecutorial operations. Among the resources available to the DCTF was the direct use of federally (and state) mandated cash transaction records in excess of \$10,000, the use of the SWGJ as an investigative tool, and the ability to employ the "immunity use" option in conjunction with the SWGJ proceedings.

ISP-DCTF

Structure and Operations

In tandem with the IAG's component, the ISP-DCTF commenced operations on February 1, 1993. In addition to a commander, the unit was comprised of two State

Police Master Sergeants and seven investigators (a total of 10 sworn officers). Since its inception, the unit has had four commanders, with one having supervised the unit on two occasions. During the preparation of this report the commander retired from the ISP, leaving the position open for yet a fifth commander. In the period from late 1994 through 1996, not only did the unit see its commander change three times, but several changes were made in the master sergeant (squad leader) assignments as well. A number of investigators also were transferred in or out of the unit. These personnel changes seem to be one hallmark of the ISP-DCTF's evolution that may be indicative of the unit's problems in establishing a focused mission, or at least one with which the ISP's administration was satisfied.

At its inception, informational presentations were made to the ISP Command as well as to various MEGs/TFs, in an effort to solicit referrals. According to interview sources, the first referral came from the Lake County MEG, which had been conducting an investigation into several narcotic traffickers from Cook County. The investigation was a cooperative effort between the Lake County MEG and the DCTF, and utilized the SWGJ for the first time. The successful conclusion to the case proved that the concept was feasible. According to those involved, the usefulness of CTRs for developing investigative leads proved less useful than originally anticipated. Combined with staff personality problems, the overall effectiveness of the ISP-DCTF to attack conspiracy cases was less than originally hoped. Additionally, as reported by those involved, little if any formal training in the areas of money laundering or conspiracy investigations was available at the time to those in the fledging unit.

As the unit continued to seek its niche in state drug enforcement, it encountered obstacles on two fronts. First, as indicated at the beginning of this chapter, it was met by what might be termed an "ingrained reluctance" on the part of local enforcement, MEGs/TFs, reflecting these entities aversion to share information, informants, statistics and potential press coverage. The natural territoriality of the units seems to have been reinforced by a perceived lack of communication by the ISP-DCTF. An interview with one prior MEG Director indicated that initially the ISP-DCTF was helpful and kept the lines of communication open. As the commanders of the ISP-DCTF changed, the unit became pro-active, becoming the referral unit for the ISP Valkyrie (specialized highway drug-interdiction teams) stops. When uniformed troopers intercepted drug shipments during Valkyrie stops and a controlled delivery subsequently arranged through the cooperation of arrested defendants, the ISP-DCTF would take the lead. The unit then began making "controlled deliveries" (monitored) in some counties without even notifying the local agency or the MEG/TF agency in that county. Communication became less and less frequent, and then non-existent.

Second, with the change in the State's Attorney General, new individuals were brought in to fill important roles in the various offices. One of these, a new Bureau Chief, made a concentrated effort to reach out to local drug enforcement. He made personal visits to local enforcement group leaders, urging them to use the resources of the DCTF, but his focus was clearly on the IAG's side of the DCTF. One interviewee reported the local State's Attorney was supportive of this because it brought the availability of the SWGJ, but allowed prosecution to occur in the local county.

Consequently, this leader, a local MEG Director, began a close relationship with the IAG-DCTF, but has had little or no involvement with the ISP-DCTF.

As stated previously, originally the ISP-DCTF was jointly housed with the IAG-DCTF. Ostensibly, the move of the ISP-DCTF was a cost saving action, however, during the course of this evaluation two factors influencing the decision became apparent. First, the central city location was problematic for ISP-DCTF agents, whose frequent field assignments made commuting downtown difficult. Second, the move, in part, may have been reflective of the strained relations that had developed between the two units.

The remainder of this section presents a summary of the goals and objectives that shaped the efforts of the ISP-DCTF. A review of the activities in which the unit engaged also is presented.

Goals and Objectives

The ISP-DCTF unit's initial goals mirrored those of the IAG's component:

Agreement #4160: October 1, 1992 – August 31, 1994

Goals:

- ◆ Increase law enforcement efforts that would identify, investigate, apprehend, prosecute and ultimately, to disassemble the illicit drug operations that supply narcotics to street level and other dealers.
- ◆ Increase information-sharing and other kinds of involvement among the intelligence elements of law enforcement with the prosecutorial teams.

Objectives:

Like the IAG's component, the ISP-DCTF unit also identified five initial objectives designed to help it achieve these goals. For the most part, these objectives were similar to those of the IAG-DCTF:

1. to initiate at least five new investigations during the first year—investigations from which cases to be charged will be determined;
2. to also use these investigations to develop information which will result in the seizure and forfeiture of assets from traffickers in 80 percent of the cases;
3. to use the knowledge and expertise which the Attorney General's office had gained through preparing legislation which increases the effectiveness of drug conspiracy prosecution to develop, with assistance from the IAG's Legislative Department, new legislative initiatives, as the need arises, to deal with the increasingly sophisticated techniques used by drug traffickers in hiding or dissipating assets acquired through drug-related activities;
4. to attend MEG and drug task force meetings on a quarterly basis to share and exchange data and ideas to enhance local law enforcement agencies' abilities to deal with drug-related crime; and,
5. to utilize the I-LIEN program administered by the Illinois State Police to disseminate intelligence information developed as a result of the Illinois Drug Conspiracy Task Force investigations among the program's 226 participating local, state and federal law enforcement agencies.

The goals and objectives identified for the ISP-DCTF's operations for the following two years (Agreement #4214 June 1, 1994-February 29, 1996) essentially

extended the original goals and objectives. The new Grand Jury Act of December 1994 resulted in the metamorphosis of the DCTF into what is now referred to as the Criminal Conspiracy Task Force.¹⁶ The correlation between narcotics trafficking and illegal gun sales and use, in addition to the involvement of gangs, was surfacing as an important factor in drug conspiracy investigations. As a result of the statutory changes to the Grand Jury Act, coupled with analysis of drug law enforcement data and investigative experience, the mission of the DCTF was expanded to mirror the SWGJ and fill the investigative void that existed in dealing with gun and gang multi-county criminal conspiracies.

Agreement #4530: March 1, 1996 – February 14, 1997

Goals:

- ◆ Continue its efforts to identify, investigate and apprehend individuals, organized groups, and street gangs that are involved in multi-county criminal conspiracies, through the use of covert and overt investigations and by utilizing cash transaction reporting (CTR) laws, as well as the resources of the ISP/IAG CTR units.
- ◆ Prosecute criminally and/or civilly in state court, or cause to be prosecuted federally, and ultimately disassemble the multi-county operations involved in the trafficking of illicit or the diversion of legitimate drugs into the illicit marketplace, as well as other violent criminal enterprises dealing in the unlawful sale and/or transfer of firearms to individuals, organized groups or street gangs that are then used to facilitate the often violent activities of those criminal enterprises.

¹⁶ For sake of clarity, the Task Force will be referred to as the Drug Conspiracy Task Force (DCTF) although the reader should note that the mission of the unit expanded in 1995.

- ◆ Continue to solicit and provide information and intelligence resources regarding the individuals, organized groups or street gangs to law enforcement agencies on a federal, state, county, local and interstate basis, as a method of targeting groups for investigation and prosecution.

Objectives:

To accompany these adjusted goals, five corresponding objectives for the ISP-DCTF were instituted:

1. to continue to receive, review and vigorously investigate, and refer for prosecution at least 25 selected cases including CTR-based referrals—the review process will take into account the availability of staff and resources that can effectively be assigned to manage new cases;
2. to utilize current investigations to determine, identify and pursue assets deemed forfeitable under current law and statutes in at least 60 percent of cases initiated;
3. to maintain interactions with the prosecutive elements of the Task Force to maximize communications which should lead to effective prosecution of cases;
4. to work with personnel from the Illinois Attorney General's Office assigned to the Task Force to identify, develop, and propose changes to existing legislation to correct deficiencies or propose new legislation to effectively augment existing statutes relative to the Task Force mission; and,
5. to maintain liaison contacts established by the Task Force personnel with MEGs/TFs and members of federal, county and local law enforcement agencies on an as needed basis, to share and exchange data and ideas to enhance law enforcement's ability to deal with our ever changing criminality.

Activities

This section reviews the activities of the ISP-DCTF from its initiation through June 1997. Due to discrepancies in monthly reporting figures and close-out report figures, the information presented was compiled by the research team based upon case file reviews, unless otherwise noted. Data not available in the file materials, including the numbers of investigations opened and closed, arrests, and seizures, were summarized from the close-out reports filed upon completion of each grant contract period, and from the monthly data reports provided to the ICJIA for February 1993 through June 1997.¹⁷

ISP-DCTF activities and progress measures are presented over three time periods: February 1993 through October 1994 (Agreement #4160), June 1994 through February 1996 (Agreement #4214), and March 1996 through June 1997 (current Agreement #4530). Due to the differing time lengths of these three periods, 21, 21 and 16 months respectively, the reader is cautioned with regard to making strict comparisons of activity in one period versus another. The intent for using these three periods is to provide an indication of varying activity levels over the course of the program.

Due to the five-month overlap between Agreements #4160 and #4214, an over-reporting error exists for some information. Since the information was reported in aggregate, the source of this over-reporting could not be neutralized. Self-reported data for the final time period, March 1996 through June 1997, come solely from the monthly

¹⁷ There are more data available for both components of the DCTF, as compared to both CTRU components, because ICJIA has continued to fund only the DCTF.

data reports because the current agreement has not expired; thus, no final summary report yet exists.

The challenge presented to the ISP-DCTF was to be both a lead investigative unit for multi-jurisdictional drug conspiracy cases and to be a support unit for local law enforcement. Their investigations were to be prosecuted by the IAG-DCTF. It was this exchange of cases and information between the ISP-DCTF, local agencies, and IAG-DCTF that caused much of the ISP-DCTF's troubles and hindered the unit from performing at its anticipated level.

Investigations opened. As previously noted, information on investigations and arrests, presented below, was compiled using the summary agreement close-out reports, and the monthly data reports for the current contract period. During the 54 month (February 1993 through June 1997) period, the ISP-DCTF opened 163 cases of potential criminal drug conspiracies (see Table 4.5). It was in the last time frame (March 1996-June 1997) that more than one-half of the investigations (n=97) were opened.¹⁸ Investigations either were initiated internally or as the result of other agencies requesting investigatory assistance from the ISP-DCTF. Most case referrals came from MEGs/TFs, ISP investigative units, the IAG-CTRU, or U.S. Customs.

¹⁸ Five activities reported here have large frequencies for the last sixteen months under evaluation (March 1996-June 1997) as compared to the first two time periods. Those activities are the number of cases opened, arrests, U.S. currency seizures, vehicle seizures, and cocaine seizures. The increase in cases should in part explain some of the increase in the other activities. In addition, ISP-DCTF personnel gave several explanations for the large increase in activity. According to personnel, during the sixteen month period, the ISP-DCTF had more officers, including a Springfield unit, the ISP-DCTF was assisting other agencies more frequently, and there were more seizures.

Table 4.5: ISP-DCTF – Investigations and Arrests

Year	Cases Opened		Cases Closed		Arrests	
	N	%	N	%	N	%
Feb93-Oct94	41	25.2	17	19.8	51	21.2
June94-Feb96	25	15.3	20	23.3	46	19.1
March96-June97	97	59.5	49 ¹	57.0	144 ³	59.8
TOTAL	163	100.0	86	100.1²	241	100.1²

¹ On the monthly data reports, closed cases were categorized as closed administratively or closed by adjudication. Of these 49 closed cases, 39 were administratively closed and 10 were closed by adjudication.

² Totals over or under 100.0% are due to rounding.

³ On the monthly data reports, arrests were categorized as either DCTF arrests or arrests made while assisting other agencies. Of these 144 arrests, 111 were DCTF and 33 were made during assists.

Investigations closed. During the time period of the first agreement, 17 cases were closed, while 20 cases were closed during the time of the second agreement (see Table 4.5). Again, more than one-half (n=49) were closed during the last 15 months under evaluation.

According to data reports, closed cases were categorized as either “administratively” closed or closed “by adjudication.” Typically, cases were closed administratively because investigative leads had been exhausted, evidence of additional offenses and/or assets could not be substantiated, subjects of the investigation were deceased, or their physical whereabouts were unknown. Of the 49 cases in the last time period, only 10 were closed by adjudication. This number of adjudicated cases did not meet the objective of “at least 25 cases” referred for prosecution. Thus, during the latter time frame, the majority of the ISP-DCTF case investigations were brought to closure because the investigation had produced no tangible results or could proceed no further.

Arrests. Nearly 250 arrests were made by the ISP-DCTF (see Table 4.5). As with other activities, nearly three-fifths of the arrests (n=144) occurred during the last time period. On the monthly data reports, arrests were categorized as either DCTF arrests or arrests made while assisting other agencies. Most of the arrests (n=111) were made by the DCTF alone.

Incident narratives. ISP-DCTF agents completing the 4-1 reports provided a narrative of the incident that led to the task force's involvement. Due to varying completeness and detail of the narratives, the incidents are described here only in terms of what was explicitly written on the 4-1s. To categorize the incidents, the narratives were reviewed for common types. A specific list of characteristics then was created based upon this review. The characteristics of the incidents, which are not mutually exclusive, are discussed below.

A file was initiated in 17 instances (11.3%) because the ISP-DCTF self-initiated an investigation. According to 28 narratives (18.5%), the ISP-DCTF assisted other agencies with their investigations. Joint ventures between the task force and other agencies were documented in 11 narratives (7.3%). In two cases (1.3%), an agency turned the investigation over to the ISP-DCTF and in three cases (2.0%) an investigation originally initiated by the ISP-DCTF was turned over to another agency. Nearly one-half of the narratives reported the receipt of intelligence information from another agency and 21 4-1s (13.9%) stated the involvement of a confidential source.

According to the narratives that described direct, initial ISP-DCTF activity, the task force made eight seizures, 11 arrests, six controlled deliveries of narcotics, six narcotic purchases, and three traffic stops which led to the discovery of narcotics or

money. In addition, ISP-DCTF investigative activity included 12 cases of drug distribution, seven cases of drug trafficking, and one case of money laundering. Two narratives also mentioned activity occurring at the Chicago O'Hare International Airport and one described the transportation of drugs via the U.S. Postal Service.¹⁹

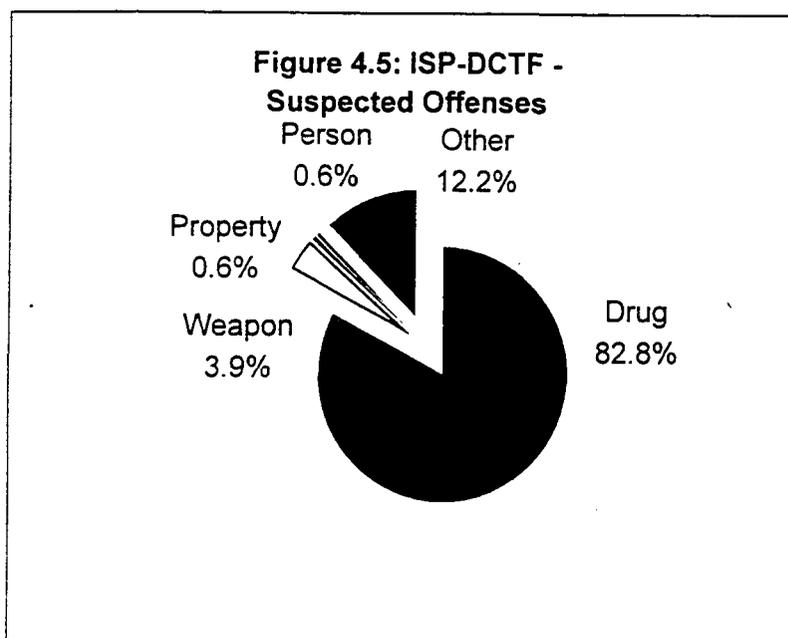
During interviews with individuals previously or currently involved with the ISP-DCTF, several opinions regarding the investigative activity of the unit were asserted. During an interview with an administrative staff member from the ISP-DCTF Springfield unit, the view was expressed that "in Chicago, there was a former tendency to work street level cases, which is no different from a MEG/TF." The MEGs/TFs are established investigative units with their own methods of conducting investigations. They appear to have resisted the ISP-DCTF's resources and the image of the ISP-DCTF as a leading investigative unit pursuing criminal drug conspiracies. Another individual stated that the ISP-DCTF went after "targets of opportunity, rather than seeking out the most appropriate cases."

Finally, several individuals commented on the struggle between the ISP and IAG and expressed negative emotions about the IAG-DCTF initiating their own cases without informing the ISP-DCTF. Once that began to happen, communication between the two DCTF units decreased and the ISP-DCTF agents settled into investigations with which they were familiar and comfortable—street level drug deals. Street-level drug activity became the focus for several reasons: leadership directions, poor communication and cooperation between the ISP-DCTF and other agencies, and lack of trained personnel. No information on the types of trainings received was provided on

¹⁹ Information on the initial incident was unknown for seven cases.

the monthly data reports. However, a number of interviewees reported receiving little or no training in financial crimes and criminal conspiracy investigations.

Suspected offenses. The ISP-DCTF handled 158 case investigations²⁰, involving 180 crimes²¹, from January 1993 through June 1997. As expected, the majority of suspected offenses were drug-related (see Figure 4.5).



Of the 149 drug-related offenses, more than one-half involved conspiracy offenses (n=80). This included 57 counts of criminal drug conspiracy and 20 counts of criminal cannabis conspiracy. In addition, there was a large number of cocaine and marijuana offenses. For example, there were 24 instances of delivery/possession with

²⁰ Note that this is five cases less than reported on the final progress and data reports and the monthly data reports, which were the basis for the previous section. As previously noted there was a five-month overlap between the first and second agreements, which might explain this discrepancy.

²¹ The number and type of offenses for six cases was unknown.

intent to deliver cocaine (16.1%) and 12 individuals suspected of delivery of cannabis (8.1%). Also of note were eight cases of heroin-related activities (5.4%).

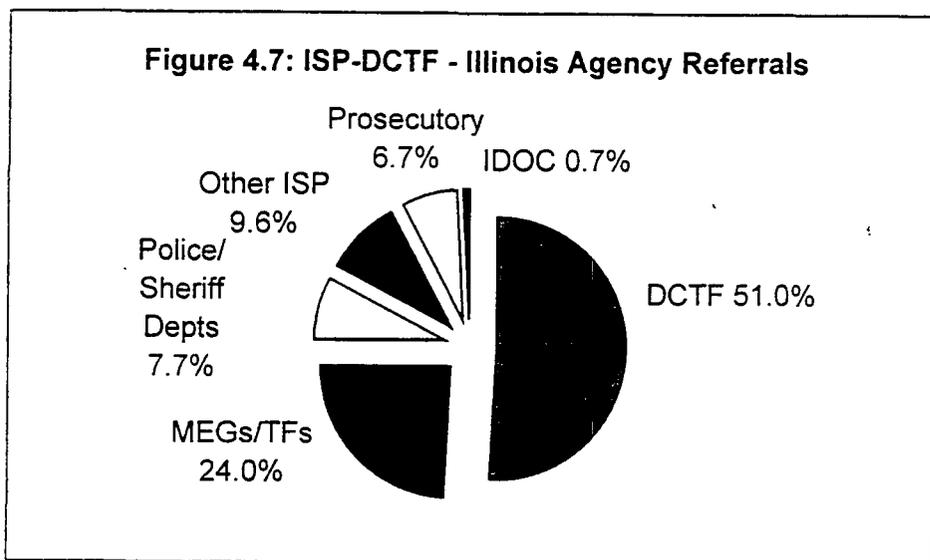
Requesting agency. Nearly two-thirds of the 148 cases²² originated from agencies offering referrals to the ISP-DCTF, while 53 cases (35.8%) were self-generated. Requests for assistance were made by five agencies outside Illinois (3.4%): the Arizona Department of Public Safety, the California Attorney General's Office, the Nebraska State Patrol, the South Carolina Law Enforcement Division, and a local police department in Wisconsin. Federal government agencies accounted for 39 referrals (26.4%), with the U.S. Customs making the most (n=27). Other referrals came from the DEA (n=6), ATF (n=4), and FBI (n=2). The remaining requests were made by Illinois agencies. Clearly the ISP-DCTF interacted with an array of local, state, and federal law enforcement agencies.

With the inclusion of the ISP-DCTF initiations, 104 cases (70.3%) began with Illinois agencies. A map of Illinois counties with the number of referrals to the ISP-DCTF displayed in each referring agency's county is presented on page 108 (see Figure 4.6). Some exaggeration in the number of referrals is displayed on the map because many referrals came from MEGs/TFs, which are multi-county in nature. As such, each request was marked in each agency's county of operation. For example, a request by the North Central Narcotics Task Force (NCNTF) is displayed on the map as one request in each of the three counties (DeKalb, Kane, and McHenry) of NCNTF operation.

²² The requesting agency for 10 cases was unknown.

As is evident by the visual depiction, agencies that made referrals to the ISP-DCTF function primarily in two regions of the state—in Cook County (n=69) and its surrounding counties, and in Sangamon County (n=13) and the surrounding area. The map illustrates the major focus of investigative activity in the Chicago area. As is true with the other units under evaluation, there is a greater need for these types of enforcement resources downstate; thus, activities should shift away from the Chicago area and focus downstate.

As previously noted, one-half of the Illinois cases originated within the ISP-DCTF (see Figure 4.7). MEGs/TFs consulted the ISP-DCTF on 25 cases (24.0%). Other units within the ISP; such as Operation Valkyrie, consulted on 10 cases (9.6%). Local sheriff's and police departments, including the Chicago Police Department, requested assistance on eight cases (7.7%). The IAG, along with local prosecutorial offices, made seven investigatory referrals (6.7%), four of which came from the IAG-CTRU. In addition, the IDOC also referred a case requiring further investigation.



In general, the ISP-DCTF most commonly received investigatory referrals from agencies within Illinois regarding suspected criminal conspiracies and other drug-related offenses involving cocaine and marijuana.

Major suspects. The initial suspect in the ISP-DCTF investigations commonly was a male Caucasian. To illustrate, of the 141 cases with information on the suspect's gender and race available, 120 cases (85.1%) involved male suspects, 19 (13.5%) involved female suspects, and 2 (1.4%) targeted businesses. The race or ethnicity of

the suspects was reported as white (n=60), African-American (n=44), Hispanic or Latino (n=35), or Pakistani (n=2).

Most suspects reported U.S. residence, primarily in Illinois (n=117, 83.6%). Fifteen suspects (10.7%) lived in other states: Arizona, Arkansas, California, Florida, Indiana, New Mexico, or Texas. Another eight suspects (5.7%) were from countries outside the U.S.: Belize, Canada, Japan, Mexico, Nigeria, or South Africa.²³ Record checks were performed on 86 suspects, of which 47 (54.7%) revealed criminal histories.²⁴ The prior records of these individuals were not known in any greater detail.

The case classification of the suspect's current alleged activity identifies their role in the drug conspiracy. According to the 4-1s, suspects were involved in the financing and dealing of cocaine, heroin, and marijuana; the importing and laboratory manufacturing of cocaine, heroin, marijuana, and stimulants; and the dealing of cocaine, depressants, hallucinogens, heroin, marijuana, and stimulants.²⁵ A similar number of the suspects were classified as either financier and dealer or importer and lab operator (n=43, 30.5% and n=40, 28.4%, respectively). Nearly one-fourth were also dealers and 25 were suspected of other criminal offenses, such as structured criminal activity, financial crimes, or organized crime.

Investigation status. The 4-1s also detailed what happened to the investigation at the file initiation stage. Three-fifths of the ISP-DCTF cases (n=83) were continued, 21 of the investigations (15.9%) were referred to other agencies, and in two cases

²³ The suspect's residence was unknown for 18 cases.

²⁴ Whether or not record checks were performed on the other 72 suspects was unknown.

²⁵ Case classification was unknown for 17 cases.

(1.5%), individuals were taken into custody. The remaining 26 cases (19.7%) administratively were closed.²⁶

Collection of evidence. The evaluation team obtained 4-2s for 40 of the cases that were continued beyond file initiation reports. Evidence was collected on 73 individuals. These evidence reports also suggest that the unit commonly paid informants in the collection of evidence. The most common evidence collected by ISP-DCTF agents included documents, electronics, narcotics and paraphernalia, U.S. currency, vehicles, and weapons. Documents were seized in 16 cases (40.0%). Additionally, electronics worth at least \$762 were confiscated in five cases (12.5%).

In 16 cases (40.0%), approximately 7,400 pounds of marijuana was seized. The estimated illegal value of this marijuana was nearly \$3.4 million. In 15 cases (37.5%), the ISP-DCTF seized 10,000 grams of cocaine with an estimated illegal value of \$1.2 million. Crack cocaine, valued at \$1,100, was collected in only two cases. In addition, heroin, LSD, manitol, and PCP were each collected once in three different cases. More than 61 grams of these narcotics were seized, with an estimated illegal value of more than \$60. Drug paraphernalia, valued at \$100, were collected in two cases.

In addition, the ISP-DCTF collected U.S. currency in 13 cases (32.5%). The seizure of approximately \$180,000 was reported, a case average of nearly \$14,000. Cars, vans, and a boat—worth more than \$50,000—were also taken as evidence in nine cases (22.5%). Lastly, weapons were collected as evidence in seven cases (17.5%). The number of weapons was unreported, although their legal value was

²⁶ Information on the status of the investigation was unknown for 26 cases.

reported as more than \$850 and their total illegal value as more than \$100.²⁷

To summarize, records showed evidence was collected or handled by the ISP-DCTF on 73 individuals from 40 cases. Narcotic evidence, totaling 338 kilograms and reportedly worth \$4.6 million was collected. Twelve vehicles valued at more than \$50,000 were also taken as evidence. The ISP-DCTF gathered U.S. currency, electronics, and weapons valued at more than \$180,000.

Seizures. The type and quantity of seizures are displayed in Table 4.6. However, the number of seizures yielding this volume of currency, vehicles, weapons, and narcotics was not reported. Over the entire evaluation period, nearly \$1.2 million dollars was seized. The majority, more than \$900,000, was seized in June 1997. During the last period, the monthly data reports categorized currency seizures as either DCTF seizures or seizures occurring while assisting other agencies. Of these currency seizures, more than \$1 million was seized solely by the DCTF. During the evaluation period, the ISP-DCTF seized 15 vehicles, mostly while assisting other agencies. All but one of those vehicle seizures occurred in the last time period. In addition, the monthly data report for December 1996 included two weapon seizures.

²⁷ The amounts detailed here slightly under report the amounts noted in the data reports submitted to the ICJIA. The information reported in this section was extracted from case files, some of which could not be located by the unit at the time of the evaluators' visit.

Table 4.6: ISP-DCTF – Seizures

Year	SEIZURES									
	U.S. Currency		Vehicles		Cocaine (grams)		Marijuana (pounds)		Heroin (kilograms)	
	N	%	N	%	N	%	N	%	N	%
Feb93-Oct94	\$ 501	0.0 ¹	1	6.7	<i>Not reported</i>		<i>Not reported</i>		<i>Not reported</i>	
June94-Feb96	\$ 118,736	9.9	0	0.0	341.1	0.4	6,379.0	52.0	6.4	98.5
March96-June97	\$1,077,558 ²	90.0	14 ³	93.3	86,757.9	99.6	5,890.3	48.0	0.1	1.5
Total	\$1,196,795	99.9⁴	15	100.0	87,099.0	100.0	12,269.3	100.0	6.5	100.0

¹ The actual value is 0.04%.

² During this time period seizures were categorized as either DCTF seizures or seizures occurring while assisting other agencies. Of these currency seizures, \$1,058,327 was seized by the DCTF and \$19,231 was seized while assisting other agencies.

³ Of these vehicle seizures, five were made solely by the DCTF and nine occurred during assists (see Footnote 2).

⁴ Totals over or under 100.0% are due to rounding.

Narcotics seizures were reported by type of drug, primarily cocaine and/or marijuana (see previous table). However, during the time frame of the first agreement, no narcotic seizures were reported. The amount of cocaine seized increased greatly from approximately 340 *grams* in the second time period to 87 *kilograms* in the third. The seizure of marijuana decreased slightly from about 6,400 pounds in the second time period to nearly 5,900 pounds in the third. The amount of heroin seized also decreased from more than 6 kilograms in the second time period to virtually none in the third time frame. In addition, the monthly data reports for 1997 listed two seizures of methadone totaling 10 grams. In summary, over the two latter time frames (June 1994-June 1997), the amount of cocaine seized increased dramatically, the amount of marijuana seized remained relatively stable, and the amount of heroin decreased significantly.

Case status. Lastly, the ISP 4-8 reports described what happened to the investigations that were continued beyond the file initiation stage. Recall that 85 cases were continued or had suspects taken into custody.²⁸ Adjudication was completed for 37 individuals (23.0%). The majority of cases (n=67) were pending at the end of the evaluation period; although this can mean, for example, the case has been adjudicated but that evidence is being held. In addition, six individuals (3.7%) were listed as fugitives. Nearly one-third of the cases were closed by one of several actions: administrative decision, decline by prosecution, exceptional clearance, or being unfounded. Lastly, four cases (2.5%) were referred to another agency.

The reports included some comments as to why cases were administratively closed. In 10 instances, cases against individuals were closed pending new or further leads. Other reports stated that the confidential source was not active or cooperative, and one other commented that the closure was due to the credibility of the main witness.

Charges. Charge information was available for 101 defendants who were indicted. According to the documentation the evaluation team received, there was an average of five defendants indicted per case, although the number of defendants per case was as high as 19. As displayed in Table 4.7, the most common charge, of which 51 individuals were accused, was criminal drug conspiracy. Criminal cannabis conspiracy was also a frequent charge, with 20 defendants accused of such activity. A few individuals were charged with non-drug offenses, including unlawful harassment of

²⁸ The 4-8 reports were missing for six of those cases; therefore, this section reflects the records of 79 cases and 172 suspects.

a witness. According to the ISP-DCTF records, most defendants were charged with one or two crimes (n=78, 77.2%), although 23 defendants were charged with three to seven separate crimes.

Table 4.7: ISP-DCTF – Charges at Indictment

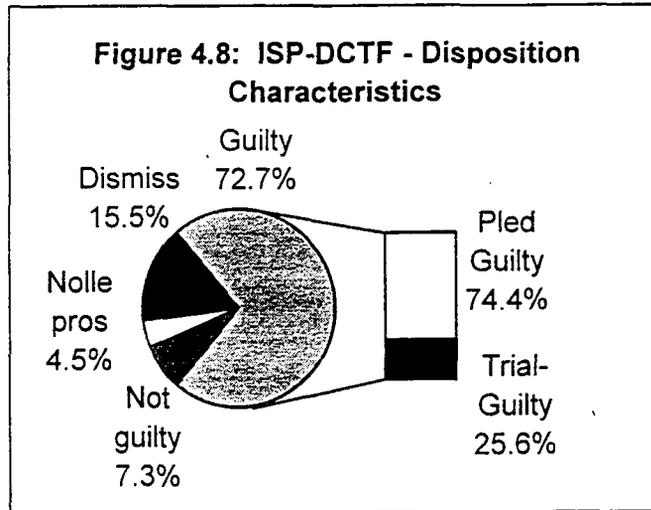
Charge	n	%
Criminal drug conspiracy	51	26.8
Other delivery/possession with intent to deliver	23	12.1
Criminal cannabis conspiracy	20	10.5
Delivery of cannabis	16	8.4
Delivery/possession with intent to deliver	15	7.9
Delivery/possession with intent to deliver heroin	13	6.8
Delivery/possession with intent to deliver cocaine	11	5.8
Possession of cocaine	11	5.8
Other criminal offenses	8	4.2
Possession of cannabis	7	3.7
Residential burglary	4	2.1
Unlawful harassment of a witness	4	2.1
Unlawful use of a weapon	3	1.6
Unlawful restraint	2	1.1
Possession of a firearm without an ID card	1	0.5
Possession of a stolen motor vehicle	1	0.5
Total	190	99.9¹

¹ Totals over or under 100.0% are due to rounding.

With one notable exception, defendants within the same case were charged with the same crimes. This was true for cases with a small number of defendants, as well as those with a large number of defendants. The one case with great variability in the charges involved 19 defendants. Although one-half were charged with criminal drug conspiracy, there were nine other crimes of which one to seven defendants were charged.

In actuality, 94 individuals from 17 cases have completed disposition, although some of their statuses were listed as pending, due to appeals or evidence being held. As illustrated below, the overwhelming majority of these individuals (n=58) pled guilty to

their charges. Seventeen defendants (18.3%) received bench trials, at which seven were acquitted. Eleven defendants (11.8%) chose jury trials; one of them was acquitted. In addition, five defendants were nolle prosequi.²⁹ Some charges were dismissed against 17 defendants; however, all but one pled guilty to remaining charges.



At the case level, all but one of the prosecutions of ISP-DCTF investigations were successful. Even in some cases in which some defendants were acquitted at trial, other defendants in the case pled guilty. Overall, prosecutions of these cases were successful.

Sentence. As a result of ISP-DCTF investigations, 80 individuals have either pled or been found guilty. As Table 4.8 shows, the majority of defendants received prison sentences; 54 (67.5%) were sentenced to the IDOC and 10 (12.5%) were placed in federal penitentiaries. The average IDOC sentence length was seven years, with a range of one to 27 years. The average federal prison sentence length was six years,

²⁹ Whether a plea or trial was held for two more defendants was unknown, but because a sentence was reported it is known that there were two other guilty dispositions.

with a range of one-half year to 12 years. Other sanctions given in conjunction with an IDOC term were fines (n=11), probation (n=5), and forfeiture (n=1). Several of the defendants sent to federal prison also were ordered deported after sentence completion; another was ordered to pay a fine.

A sentence of probation was given to 13 defendants (16.3%). Most defendants received this sanction in combination with a fine (n=9), jail term (n=6), or one or more other sanctions, including treatment (n=3). In addition, one defendant was sentenced solely to jail and two others were conditionally discharged. For those individuals sentenced to probation, the average length was 39 months, with a range of 24 to 60 months. The average jail term was six months, with a range of two to 12 months.

Payment of fines, totaling more than \$210,000, was ordered collected from 22 defendants (27.5%). Four defendants were fined \$43,000 each, the highest fine; the lowest amount was \$50. Factoring out the four largest fines, the average fine was approximately \$2,200. Two defendants' plea agreements included forfeitures. The ISP's share of one was reportedly more than \$21,000; the amount of the other forfeiture was unknown. A third individual also was ordered to forfeit nearly \$42,000 to the ISP, although no criminal charges were filed against him.

Table 4.8: ISP-DCTF – Sentence Received

Sentence Received	N
IDOC	38
IDOC and fine	11
IDOC and probation	4
IDOC, probation, and forfeiture	1
Total	54
Federal prison	3
Federal prison followed by deportation	6
Federal prison and fine followed by deportation	1
Total	10
Jail	1
Informal probation and fine	2
Probation	2
Probation and community service	1
Probation and fine	2
Jail, probation, and fine	4
Jail, probation, and treatment	1
Jail, probation, fine, and home detention	1
Total	14
Conditional discharge	1
Conditional discharge, fine, and forfeiture	1
Total	2

In summary, nearly all defendants prosecuted either pled or were found guilty. Only eight individuals were acquitted. Most individuals were sentenced to the IDOC, although several also received penalties of fines, probation, and/or jail terms.

Charges and subsequent sentence received. As shown in Table 4.9, the majority of defendants sentenced to either the IDOC or the federal prison system were convicted of delivery or possession (n=44) and/or criminal drug conspiracy (n=26). Due to multiple charges against many defendants, it is difficult to assess whether a single charge or a combination of charges led to prison sentences. Despite the seriousness of conspiracy charges, five individuals charged with criminal drug conspiracy and two charged with criminal cannabis conspiracy were sentenced to community-based

sanctions. Of those seven defendants, four were indicted on only one charge and another had the other non-conspiracy charges dismissed.

Table 4.9: ISP-DCTF – Charge and Subsequent Sanction Type

Charge	Community-Based Sanction	Prison Sentence
Criminal drug conspiracy	5	26
Criminal cannabis conspiracy	2	11
Delivery/possession of controlled substance	5	44
Other drug offenses	1	9
Non-drug offenses (i.e., residential burglary and unlawful restraint)	1	15

Days to Case Closure

The dates of four events related to ISP-DCTF investigations—the initial incident, the collection of evidence, arrest of the suspect, and case disposition or the final closing date—are recorded in case reports. Three timeframes were calculated to ascertain the amount of time consumed by these cases: number of days from initial incident to collection of evidence, from initial incident to arrest, and from initial incident to court date or final closing date.

This analysis determines the time requirements of the investigations undertaken by the ISP-DCTF. However, it would be informative to know the date the ISP-DCTF turned the case over to the prosecuting agency; this is a date not recorded by the ISP. As it is now, the recorded time the ISP-DCTF devotes to adjudicated cases is magnified, perhaps significantly, because the length of time includes the entire prosecution process, rather than just the investigation stage.

Initial incident to collection of evidence. The dates of the initial incident and the collection of evidence were reported for 55 individuals. While a median of three days

lapsed between the initial incident and evidence collection, the majority of evidence was collected the same day.

Initial incident to arrest. The dates of the initial incident and the arrest of the suspect were recorded for 115 individuals. An average of 107 days lapsed between the date of the initial incident and the arrest of a suspect. However, nearly one-half of the suspects were arrested within four days of the initial incident. The largest number of days before arrest was 597.

Initial incident to court date/final closing date. The date of the initial incident and the court date or final closing date were reported for 170 individuals. The latter date represents one of several actions: disposition and subsequent case closure, administrative closure of the case, referral of the case to another agency, or the most recent court appearance if the case is pending.

The average number of days between the initial incident and the closing date was 297, although great variation was exhibited. Seven cases were closed the same day the incident occurred, while the longest case went 918 days between the incident and the final closing.

This time-lapsed information becomes more meaningful when it is considered in terms of what became of the case (see Table 4.10 and Figure 4.9). For example, cases that were referred to other agencies (RTOA) were handled in the fewest days, an average of 34 days, although more than one-half of the RTOA cases were referred the same day as the initial incident. However, one case was investigated by the ISP-DCTF for 199 days before being RTOA. Cases that were administratively closed were investigated by the ISP-DCTF an average of 232 days. Due to a large standard

deviation, 227 days, the median (180 days) also was calculated. Finally, those cases that went to trial or led to plea agreements occupied the most ISP-DCTF time, slightly more than 1.2 years. Moreover, the time devoted to those cases range from 78 to 918 days.

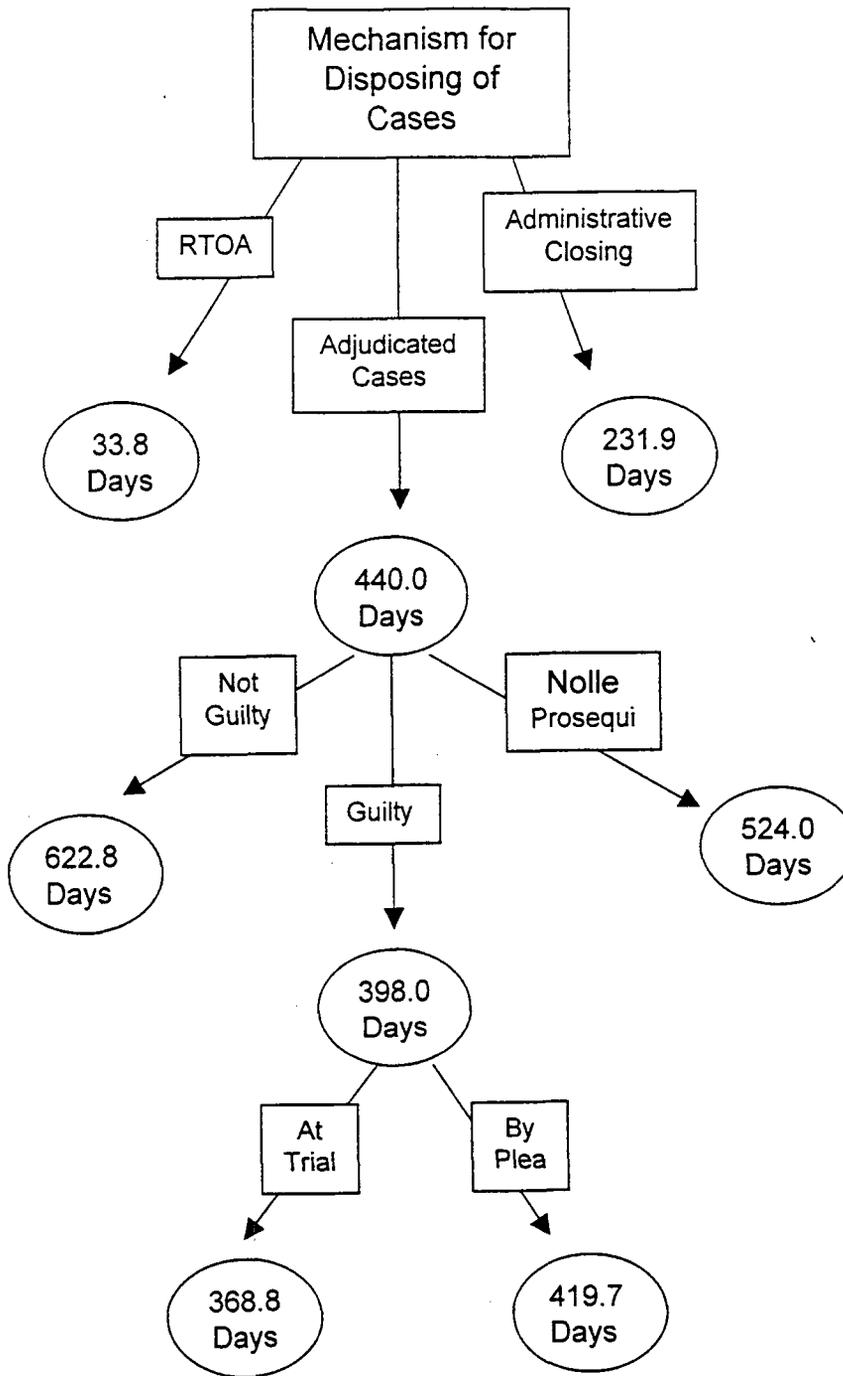
Table 4.10: ISP-DCTF – Days From Initial Incident to Case Closure

CASE	N	Mean	Med.	Min.	Max.	Std. Dev.
RTOA cases	13	33.8	0.0 ¹	0.0 ¹	199.0	61.6
Administratively closed cases	48	231.9	179.5	4.0	918.0	227.1
Adjudicated cases	70	440.4	416.0	78.0	918.0	222.4
• All guilty	61	398.0	413.0	78.0	918.0	225.3
Guilty by trial	20	368.8	416.0	93.0	918.0	206.5
Guilty by plea	37	419.7	344.0	78.0	859.0	218.8
• Not guilty	8	622.8	694.0	124.0	694.0	201.5
• Nolle prosequi	3	524.0	416.0	416.0	740.0	187.1

¹ A value of 0.0 refers to case closure on the same day as the initial incident.

For those individuals adjudicated, there are some interesting variations in the mean number of days to case closure based on case disposition (see Figure 4.9). For example, on average cases with guilty findings were disposed of in the fewest number of days (398), while those found not guilty took the longest number of days (623). Given the large number of plea agreements, this is not surprising. However, those cases disposed of by a guilty plea actually lasted more days on average (420) than cases resulting in guilty verdicts at trial (369). As also displayed in Table 4.10, individuals who were *nolle prosequi* had a lengthy 524 mean days before case closure.

Figure 4.9: ISP-DCTF – Mean Time until Closure by Type of Disposition



Final case status for all cases. Based on information provided on the 4-1s and 4-8s, the status of each case opened by the ISP-DCTF is known as of July 1997. As

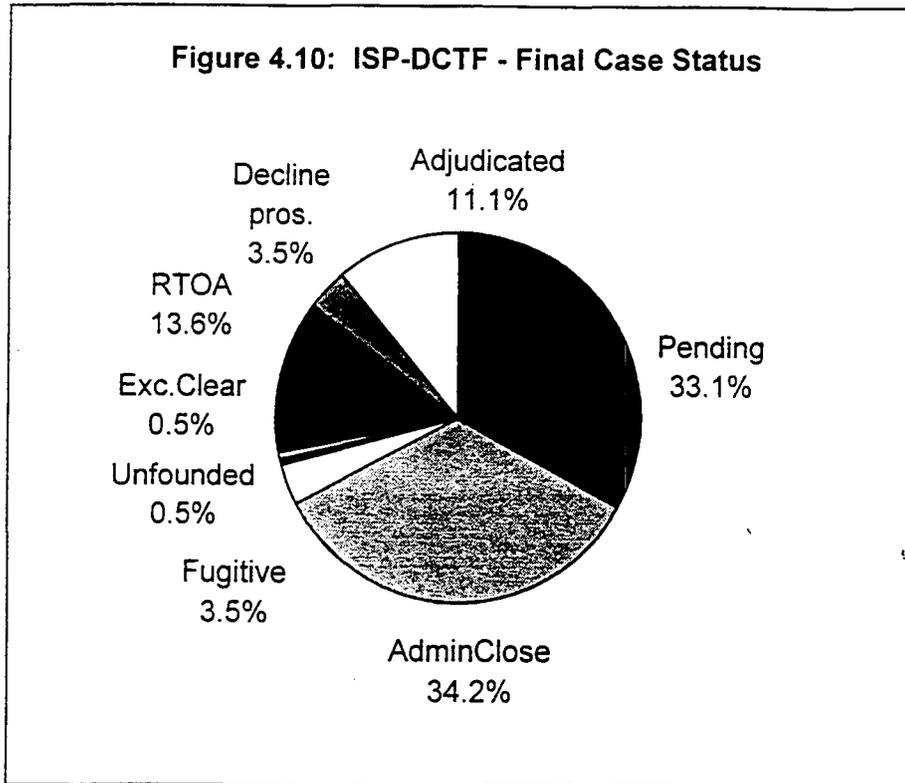


Figure 4.10 shows, the majority of cases have been closed, as a result of administrative action, adjudication, or referral to another agency. One third of the cases remained pending, although several of them had completed adjudication. A few individuals also were listed as fugitives.³⁰

Information Sharing Meetings/"Liaison Contacts"

The final activity reported monthly was the number of information sharing meetings/liaison contacts that occurred with other law enforcement agencies (n=678).

³⁰ Status information was missing on 11 individuals.

These meetings/contacts served three purposes: to receive case referrals, to exchange intelligence information, and to coordinate investigative efforts and resources. In general, these were on an informal basis and were related to casework in the agency's jurisdiction. According to an April 1996 document, the ISP-DCTF had established contact with federal (FBI, Customs, INS, and DEA), state (ISP and MEGs/TFs), and local law enforcement agencies. The monthly data reports listed specific meetings with the TFs, ISP Command Officers, and a group of Chiefs' of Police. Despite this large number of meetings/contacts with other law enforcement agencies, the communication between the ISP-DCTF and these other units was not as productive as possible.

Summary

According to ISP-DCTF case files, the ISP-DCTF handled 158 cases, nearly all involved drug-related crimes, as expected from a task force focused on drug activity. The suspects were involved in the financing, importing, manufacturing, and dealing of narcotics. In general, defendants within the same case were indicted on similar charges.

Most defendants pled guilty to their charges; if their case went to trial, most of them were found guilty. Overall, ISP-DCTF investigations led to successful prosecutions and with one exception, all defendants pled or were found guilty of at least one crime. A majority of defendants were sentenced to prison for an average of seven years. Many defendants were also ordered to pay a fine; the average was approximately \$2,200. A few other defendants were given probation with or without jail time.

As expected, cases that were adjudicated took the longest to close, as compared to cases that were administratively closed or referred to another agency. According to final case status information made available to the evaluation team, most ISP-DCTF cases have been closed, by either administrative action, adjudication, or referral to another agency.

As previously discussed, the work performed by the ISP-DCTF suffered from poor communication with other agencies, weak leadership, and unsupportive local law enforcement. These problems affected the level of drug activity investigated, resulting in few conspiracy cases referred to the IAG-DCTF for prosecution.

IAG-DCTF

Structure and Operations

The IAG-DCTF unit, located within the Criminal Division of the IAG's Office, commenced operations in February 1993. It has been funded under four contracts with the ICJIA, beginning in October 1992, and continuing to the present. Under these contracts, approximately \$1,608,444 has been committed to the unit from Anti-Drug Abuse Act Funds, matched by \$536,148 in State general revenue matching funds, and \$74,990 in IAG non-match revenue funds.

The original structure of the unit, established under the administration of the previous Attorney General, remained unchanged under the subsequent Attorney General. An attorney was named Chief of the IAG-DCTF operation, and the unit additionally was staffed with one senior attorney, two junior attorneys, a financial analyst, a clerical position, and a part-time law clerk.

The unit's personnel attended several specialized training sessions on the prosecution of financial conspiracies. Additionally, both attorneys and investigators were certified as Electronic Criminal Surveillance Officers. This enabled the attorneys to listen in on "tapped" telephone conversations in conspiracy investigations.

The unit was physically located in downtown Chicago, along with the ISP-DCTF. It is noted that the ISP component moved to an ISP satellite office further south in the city early in 1996; however the IAG-DCTF unit remained behind.

The remainder of this section presents a summary of the goals and objectives that shaped the efforts of the IAG-DCTF, and reviews the activities in which the unit engaged.

Goals and Objectives

Two initial goals provided the direction for the first two years of the IAG-DCTF operations:

Agreement #4078: October 1, 1992- March 31, 1994

Goals:

- ◆ Increase law enforcement efforts that would identify, investigate, apprehend, prosecute and ultimately, to disassemble the illicit drug operations that supply narcotics to street level and other dealers.
- ◆ Increase information-sharing and other kinds of involvement among the intelligence elements of law enforcement with the prosecutorial teams.

Objectives:

Four specific objectives were identified by the IAG-DCTF to pursue these initial goals:

1. to initiate at least five new investigations during the year—investigations from which cases to be charged would be determined;
2. to further use these five investigations to develop information which would result in the seizure and forfeiture of assets from traffickers in 80 percent of the cases;
3. to use the knowledge and expertise which the Attorney General's office had gained through preparing legislation which increases the effectiveness of drug conspiracy prosecution to develop (with assistance from the IAG's Legislative Department) new legislative initiatives, as the need arises, to deal with the increasingly sophisticated techniques used by drug traffickers in hiding or dissipating assets acquired through drug-related activities; and,
4. to meet regularly (at least once a year), at meetings of statewide law enforcement groups (State's Attorneys, Police, Sheriffs, MEGs, Task Forces, etc.) to share and exchange data and ideas, and in this manner enhance the ability of local law enforcement groups to deal with drug-related crimes.

In its second full year of operation, the IAG-DCTF unit modified its two identified general goals, and its yearly objectives slightly, but retained the general direction established by its initial goals:

Agreement #4215: April 1, 1994- October 31, 1995

Goals:

- ◆ Work with local law enforcement agencies to intensify efforts that will identify, investigate, apprehend and prosecute drug trafficking conspiracies and crimes ancillary thereto.
- ◆ Be a repository for information and intelligence to be shared with local law enforcement agencies.

Objectives:

While it again sought to initiate at least five investigations, gone was the specific reference of attempting to use the investigations to develop asset seizure and forfeiture in 80 percent of the cases. In the second contract period, the reference was simply to "seize and forfeit assets in appropriate cases." Second period objectives also seemed to place increased emphasis on its goal of increasing information-sharing and other involvement between the intelligence elements of law enforcement and the prosecutorial teams. The first-year objective of "a yearly meeting (at minimum) among law enforcement entities" was expanded into four specific aims:

- be a repository of information and intelligence in order to assist and prosecute narcotics traffickers;
- meet with other Attorney Generals who have similar DCTF units, to exchange and share information on how to build a more effective unit;

- meet with other State law enforcement agencies to share and exchange data and ideas, and in this manner enhance the ability of local law enforcement groups to deal with drug related crimes; and,
- continue to advise local prosecutors of the advantages of using the DCTF and the Statewide Grand Jury as a more effective tool in the multi-county drug cases.

Other objectives for the unit included returning at least 10 new indictments in the second year and proposing legislative changes that increase the effectiveness of the DCTF.

As 1994 ended, the mission of the DCTF grew larger as the scope of the SWGJ was expanded to include the unlawful sale and transfer of firearms and street gang related felonies.³¹ Although driven by legislation authorizing the second SWGJ, most within the DCTF seemed to agree with the increased mission as reflected in a commonly held sentiment, "Where you'll find drugs, you'll find gangs, and where you'll find gangs, you'll find guns." Thus in the third contract, the goal of the IAG-DCTF included the emphasis on gangs and firearms, as well as the earlier drug emphasis:

Agreement #4531: November 1, 1995 - October 31, 1996 (extended to #4631)

Goals:

- ◆ Continue to work with local and federal law enforcement agencies and local and federal prosecutors to intensify efforts to identify, investigate, indict and prosecute

³¹ This change was effective December 15, 1994.

◆ drug trafficking conspiracies, street gang related felonies and the unlawful sale and transfer of firearms.

Objectives:

In concert with the expanded gangs and firearms mission, specific objectives for the third contract period were:

1. to conduct four long-term narcotics investigations concerning street gangs or other drug organizations, seeking the indictment of multiple defendants;
2. to seize and forfeit assets in appropriate cases;
3. to share and exchange information pertaining to Statewide Grand Jury matters through various formal and informal organizations, such as the National Association of Attorneys General, the National College of District Attorneys, the Illinois Drug Enforcement Officers Association, and other such organizations;
4. to propose legislative changes which increase the effectiveness of the Statewide Grand Jury Bureau (another name for the IAG-DCTF);
5. to continue to make the Statewide Grand Jury available to local prosecutors throughout the State;
6. to provide timely responses to agencies seeking assistance from or referring cases to the Statewide Grand Jury; and,
7. to provide ongoing training for assistant attorneys general assigned to the Statewide Grand Jury Bureau, as well as to Illinois State Police agents assigned to the Drug Conspiracy Task Force.

The goal identified in the current contract period, starting in February of 1997, mirrors that of the previous year:

Agreement # 4631: February 14, 1997 through present

Goals:

- ◆ Continue to work with local and federal law enforcement agencies and local and federal prosecutors to intensify efforts to identify, investigate, indict and prosecute drug trafficking conspiracies, street gang related felonies and the unlawful sale and transfer of firearms.

Objectives:

The objectives for this year essentially reflect those of the previous year.

1. to conduct four long-term narcotics investigations concerning street gangs or other drug organizations seeking the indictment of approximately 50 defendants;
2. to seize and forfeit assets in appropriate cases that exceed the forfeitures ordered during the present grant period;
3. to share and exchange information pertaining to Statewide Grand Jury matters through various formal and informal organizations, such as the National Association of Attorneys General, the National College of District Attorneys, the Illinois Drug Enforcement Officers Association, and other such organizations;
4. to propose legislative changes which increase the effectiveness of the Statewide Grand Jury Bureau;
5. to provide timely declinations or responses to agencies seeking assistance from or referring cases to the Statewide Grand Jury; and,

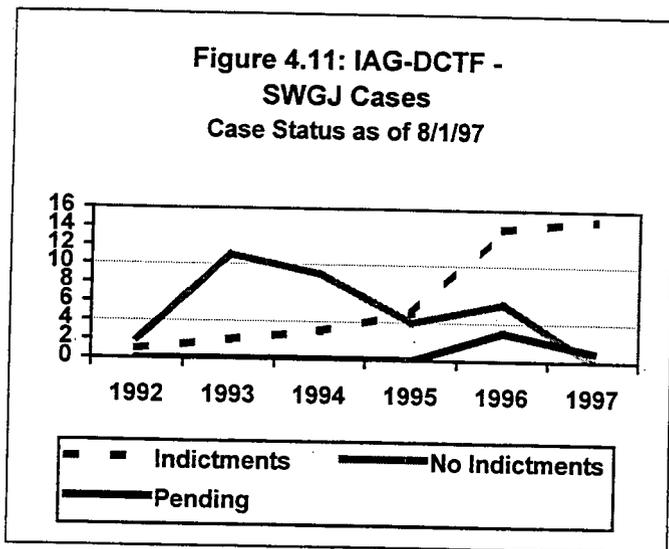
6. to provide on-going training for assistant attorneys general assigned to the Statewide Grand Jury Bureau (not less than one continuing legal education seminar per year), as well as to Illinois State Police agents assigned to the Drug Conspiracy Task Force (quarterly training sessions).

Activities

To meet its goals, the IAG-DCTF performed a variety of activities that are detailed in this section of the report. The evaluation team discovered a number of discrepancies in the IAG-DCTF monthly data reports, which self-reported activities from October 1992 through July 1997. These reports were intended to be the primary data source for the activities review. Thus, the following review was developed from individual case-level data provided to the research team by IAG-DCTF staff.

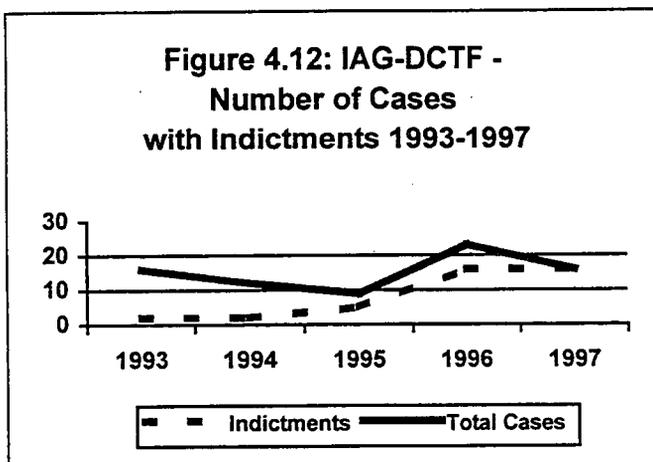
Cases investigated. The primary goal of the IAG-DCTF is to prosecute

multi-jurisdictional, drug conspiracy cases. During the first four and one-half years of IAG-DCTF operation, 77 cases were investigated and/or handled for possible presentation before the SWGJ.³² Of these cases, 32 were closed without indictments and 41 with indictments, while four others still were



³² Of these cases, 75 were investigated by the IAG-DCTF and two were IAG-CTRU investigations brought before the SWGJ by CTRU staff with assistance from IAG-DCTF staff; neither resulted in an indictment. All cases are included in Figure 4.11.

pending presentation before the Grand Jury at the time the data collection efforts ended. As illustrated in Figure 4.11, the majority of cases that closed without indictments (68.8%) occurred during the first three years of IAG-DCTF operation, while a substantial increase in the number of cases in which indictments have been handed down recently has been observed.³³ To illustrate, between January 1, 1996 and July 30, 1997, 40 cases were investigated. Of these cases, 75 percent (n=30) resulted in true bills (i.e., indictments) being obtained by the prosecution for one or more defendants. In general, this can be explained due to a change in the nature of cases handled. That is, according to IAG-DCTF personnel, more recent cases have been investigated to a greater detail prior to their involvement, and little investigative effort remains. Good firm targets have been developed, and the mid-level traffickers have been identified. At that point, the IAG-DCTF begins to prepare the case for prosecution. Thus, in review of these efforts, it seems clear that the IAG-DCTF met its goal of engaging in several narcotics investigations.



Cases with indictments. Since inception, the IAG-DCTF has received indictments from the SWGJ in a steadily increasing number of cases. (A complete listing of all SWGJ cases with indictments is included in Appendix C.)

³³ Prior to IAG-DCTF implementation, law enforcement officials investigated three cases in 1992. Each case received a 1992 investigation number. Of these cases, only one eventually received a SWGJ number. Additionally, IAG-DCTF staff did not open one case included above in 1995 until January 1996. However, in order to keep the data consistent, all cases in Figure 4.11 are presented by investigation number.

As displayed in Figure 4.12, indictments were received for two cases in 1992 and 1993 (i.e., 14 percent of the total number of cases investigated). The next year, 1995, the number of indictments more than doubled, accounting for an increased percentage of total cases, 55.6 percent. Although data were available only for the first six months of 1997, 16 true bills already had been issued suggesting the number of cases with indictments will reach a record high in 1997. Additionally, for all 1997 cases handled thus far, IAG-DCTF staff were successful in obtaining indictments for one or more of the defendants.

This increase in the percentage of cases indicted was explained, in part, by staff having gained valuable experience and knowledge regarding the prosecution of multi-county drug conspiracy cases. Moreover, as previously discussed, the nature of the cases has changed. That is, more recent cases have been investigated to a greater detail, providing the IAG-DCTF with stronger cases from the onset. A final explanation revolves around the introduction of the second grand jury, operating in downstate Illinois. According to IAG-DCTF personnel, it is easier to prove multi-county drug activity downstate. With fewer people buying drugs in a close radius, dealers are forced to cover larger geographical areas, thus crossing county lines. Conversely, it is more difficult to prove Chicago area cases because a large-scale size dealer can create a niche in just one jurisdiction (due to the size of the counties and the number of drug users concentrated in smaller areas).

Referral source and county involvement. By design, the IAG-DCTF is dependent on other agencies to refer appropriate cases for prosecution. The ISP-DCTF did provide cases to the IAG-DCTF, although there were relatively few. Thus, the

IAG-DCTF was left to solicit cases on its own. Despite this deviation from the original strategy, the IAG-DCTF appears productive and has proven itself viable apart from its counterpart, the ISP-DCTF.

Of the cases with indictments, the majority were referred to the IAG-DCTF from MEGs/TFs (n=16). Other referrals originated from the ISP (n=11), federal law enforcement departments (n=4), local state's attorney offices (n=2), or a combination of offices such as two MEGs or a local police department working in conjunction with a federal office, such as DEA (n=4). Additionally, two referrals came from other out-of-state, state-level, law enforcement or attorney general agencies. The remaining cases were referred to the IAG-DCTF by combined police assistance teams or via a local police department. Although the ISP-DCTF did refer cases, none of them resulted in the successful obtainment of true bills.

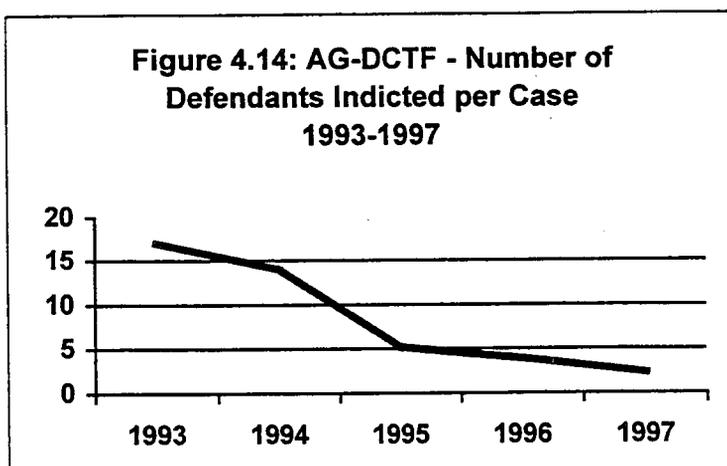
As indicated in the Legislative Overview section, a circuit judge, post indictment, determines where the trial will be held. The majority of prosecutions, as observed in Figure 4.13, have occurred in Cook County (n=9), or in a collar/nearby county, such as Lake or DuPage. Further, while prosecutions have occurred in approximately 20 percent of all Illinois counties, most downstate areas have not been involved. However, data indicate that this trend is changing. For example, during the first three years of program operation, all but one of the prosecutions occurred in Cook County, or a collar/nearby county. Conversely, of the prosecutions held during the first six months of 1997, over half (n=9, 56.3%) occurred outside the greater-Chicago area. Thus, it appears the IAG-DCTF has expanded its geographical focus during the past year,

Table 4.11: IAG-DCTF - Indictments per Case

Number of Individuals Indicted	# of Cases	%
One person	15	36.6
Two people	10	24.4
Three people	6	14.6
Four people	1	2.4
Five people	2	4.9
Six to ten people	1	2.4
More than ten people	6	14.6
Total	41	99.9

most common, followed by those cases in which two people were indicted. In six cases (14.6%), true bills were issued for more than 10 people.

Further review of this information revealed some interesting findings. Since the program began operation, fewer defendants have been indicted, per case, each year. As illustrated in Figure 4.14, the SWGJ indicted an average of 17 defendants per case in 1993, while in 1996, this number dropped substantially to 3.9 indictments per case. However, caution should be exercised when interpreting these results, due to variation in the number of cases handled per year (again refer to Figure 4.12).



IAG-DCTF personnel explained that fewer defendants are indicted per case due to the changing nature of the cases handled. IAG-DCTF personnel believe it is more appropriate for the local state's attorneys to prosecute the lower-level individuals, while the IAG-DCTF seek the mid-level trafficker/racketeer. In the past, the IAG-DCTF attempted to prosecute all individuals involved in drug distribution, which made the cases too unwieldy. Thus, the focus shifted to pursuing a few solid, mid-level cases. Despite this change in practice, the latest contract agreement still lists the indictment of 50 or more defendants resulting from four investigations as one of its objectives. That translates to about 12 defendants per case. IAG-DCTF personnel came to realize that going after that many individuals distracts them from targeting the individuals involved at the middle level of the drug organization. Therefore, the IAG-DCTF objective should be changed accordingly.

Charges. Data were available on charge information for all defendants indicted; they are presented in Table 4.12. The most common charge, of which 43 defendants were accused, was narcotics racketeering. Criminal drug conspiracy and calculated criminal drug conspiracy also each accounted for over 10 percent of most serious charges brought against these defendants. A few individuals were indicted on non-drug related charges including residential burglary, unlawful restraint, armed violence, possession of a machine gun, and possession of a weapon with no firearm owner identification (FOID) card. Due to the addition of gang and weapon cases within the

IAG-DCTF's jurisdiction, the type of charge at indictment is likely to change slightly to reflect this broadening of prosecutorial scope.

Table 4.12: IAG-DCTF - Charge at Indictment

Charge	N	%
Narcotics racketeering	43	23.0
Criminal drug conspiracy	22	11.8
Calculated criminal drug conspiracy	25	13.5
Delivery of a controlled substance	18	9.6
Possession of cannabis with intent to Deliver	15	8.0
Cannabis trafficking	15	8.0
Possession of a controlled substance with intent to deliver	13	7.0
Possession of cannabis	11	5.9
Possession of a controlled substance	7	3.7
Calculated criminal cannabis conspiracy	6	3.2
Delivery of cannabis	2	1.1
Controlled substance trafficking	2	1.1
Armed violence	1	.5
Unlawful use of weapon	1	.5
No FOID card	1	.5
Residential burglary	1	.5
Unlawful restraint	1	.5
Possession with intent to deliver	1	.5
Possession of a machine gun	1	.5
Conspiracy to commit narcotics trafficking	1	.5
Total	169	99.9%

Within specific cases, defendants generally were indicted on like charges. For example, in *White Fang*, a 1994 case prosecuted in Cook County, and in *Meeker et al.*, a pending 1997 case from Vermillion County, 11 of 14 and eight of eight defendants, respectively, were indicted on charges of narcotics racketeering. Additionally, in *Jeff Smith*, a 1993 case prosecuted in Montgomery County, and in *Southern Passage*, a

1996 case from McLean County, the largest number of defendants in each case were indicted on charges of calculated criminal drug conspiracy.

In many of the larger cases (i.e., those in which more than 10 defendants were indicted), the majority of defendants were indicted on charges related to the operation of a conspiracy or participation in racketeering efforts. Thus, from this perspective, it seems as though multi-party, conspiracy-type activities oftentimes are being identified and prosecuted by IAG-DCTF staff.

Disposition. As displayed in Table 4.13, dispositions were handed down to 133 defendants, representing 24 cases. The majority of these individuals either pled or were found guilty. Findings of not guilty resulted for 10 others, while charges were dismissed or voluntarily withdrawn from prosecution (*nolle prosequi*) for the remaining 12 defendants. Of those guilty, 91.0 percent (n=101) entered a plea, and 9.0 percent (n=10) were found guilty subsequent to trial proceedings. Individuals who went to trial, as opposed to those who entered into plea agreements, represented 16.4 percent of all cases in which formal proceedings continued (n=20). In one-half of these instances, the defendant was found guilty, either by a jury (n=9) or a judge (n=1). Interestingly in nine of 10 bench trials the defendant was found not guilty, whereas in nine of 10 jury trials a guilty finding was reached. The decision whether to use a bench or jury trial rests with the defense; therefore, it is assumed that the ideology and practice of particular judges are weighed by the defense in comparison with the anticipated jury verdict. As explained by IAG-DCTF staff, some judges presiding over courts in northern Illinois place little importance and related severity on marijuana convictions; therefore,

Table 4.13: IAG-DCTF – Case Disposition Characteristics

	N	%
Disposition		
Guilty	111	83.5
Not guilty	10	7.5
Defendant nolle prosequi	6	4.5
Charge dismissed	6	4.5
Total	133	100.0
Guilty Dispositions		
Pled guilty	101	91.0
Trial held (1 bench; 9 jury)	10	9.0
Total	111	100.0
Type of Trial		
Bench	10	50.0
Jury	10	50.0
Total	20	100.0

results as above are not surprising. However, given the introduction of the second SWGJ and the differing ideologies held by downstate judges, it is anticipated that the importance of marijuana convictions, from a SWGJ perspective, may shift.

In 18 of the 24 cases prosecuted, all associated defendants were declared guilty. For example, in Molina/Torres, a 1996 case from Lake County, each of the five defendants pled guilty. Of the remaining six cases, success rates of over 50 percent were obtained in all but two. To illustrate, in the Smith/Walker case, one individual pled guilty, while the other was found not guilty at trial (i.e., a 50 percent success rate). In the second case, Operation White Fang, four people pled guilty, while seven were found not guilty at bench trials; three others absconded and currently are fugitives (i.e., a 28.6 percent success rate). Given these success rates, it seems clear that the majority of IAG-DCTF prosecutions resulted in high rates of guilty pleas and/or findings at trial, both at the individual and case level.

Sentence. As presented in Table 4.14, of the 111 individuals who pled or were found guilty, approximately 65 percent (n=71) were committed to the IDOC as part of

Table 4.14: IAG-DCTF – Sentence Received

Sentence Type ¹	Number Sentenced
IL Department of Corrections (IDOC)	54
IDOC and fine	16
IDOC and forfeiture	1
Total	71
Probation	14
Probation and fine	9
Probation and jail term	8
Probation, fine, and home confinement	1
Probation, fine, home confinement, and jail	1
Probation, fine and jail	4
Total	37
Conditional discharge	1
Conditional discharge and forfeiture	1
Total	2

¹ Formal sentencing of one defendant was pending at the time data collection ended.

their sentence. Other sanctions associated with an IDOC sentence included the payment of fines (n=16), or a forfeiture (n=1). An average sentence of approximately eight years was ordered, with a range of one to 45 years of incarceration in the IDOC occurring.

A term of probation was received by 37 other defendants, either as the sole sanction or in conjunction with the payment of fines (n=9), a jail sentence (n=8), or a combination of two or more other sanctions (n=6), which twice included home detention. Two other defendants received a sentence of conditional discharge; one also was required to make a forfeiture. The average length of time a defendant was sentenced to a community correctional program was approximately three years, with a

range of one to five years handed down. An average 132 days of jail time also was given. The greatest number of days included in a jail sentence was 180, while the fewest was 15 days.

Of the 31 individuals fined, the average amount ordered paid was \$4,500; the highest amount was \$9.2 million, while the smallest was \$300. Of the two individuals required to make forfeitures, data involving the amount was provided for one case only and that forfeiture was \$20,000. According to IAG-DCTF staff, the unit does not pursue more forfeitures, in part, because the statute permits only forfeitures related to narcotics racketeering cases. Initially, an IAG-DCTF objective was to conduct asset seizures and forfeitures in 80 percent of the cases. After the first contract period, the objective was revised from 80 percent of the cases to any appropriate case. While there is a preference to allow the local jurisdiction to pursue the forfeitures, if the local agency does not have a solid narcotics racketeering case, the IAG-DCTF will pursue the forfeiture. In any event, the IAG-DCTF receives little, if any, profits from forfeitures. The IAG-DCTF defers the pursuit of forfeitures to the locals in an act of good will, while hoping to facilitate a long-term working relationship with local State's Attorneys. As one assistant attorney general stated during an interview, "we always have to contend with the fear that we are stealing cases from other agencies."

Although no indication of offense severity (e.g., the offense class) was included with the data provided by the IAG to research staff, the general nature of the crime can be surmised from the offense itself. For example, it was assumed that the charge of calculated criminal drug conspiracy was more serious than possession of cannabis. When the sentences were considered in light of the offense at indictment, some

interesting, albeit assumed, findings emerged (see Table 4.15). First, the majority of defendants who received sentences to the IDOC were indicted on charges of narcotics racketeering (n=13), criminal drug conspiracy (n=12), and/or delivery of a controlled substance (n=8). Second, while those receiving sentences within the community were commonly indicted on offenses perceived as less severe, such as possession of cannabis and possession of cannabis with intent to deliver, the most common conviction resulting in a community-based sanction was for narcotics racketeering. This offense also was most commonly observed among those receiving institutional sentences.

Table 4.15: IAG-DCTF – Charge Information and Related Sanction-Type

Number Sentenced by Charge Indicted	Community-Based Sanction	Illinois Department of Corrections
Delivery of a controlled substance	4	8
Narcotics racketeering	9	13
Calculated criminal drug conspiracy	0	9
Possession cannabis w/intent to deliver	8	6
Possession of cannabis	6	1
Calculated criminal cannabis conspiracy	0	4
Criminal drug conspiracy	7	12

Length of Prosecutions

In order to ascertain the amount of time consumed by these cases, three timeframes were calculated: number of days from case opening to indictment, time from indictment to disposition, and days from case opening to case disposition. Each of these calculations provides insight into the expenditure of time consumed on IAG-DCTF cases.

Days to indictment. The first measure considered is the number of days from case opening until indictment by the SWGJ. However, because IAG-DCTF staff did

not, in a routine manner, accurately record data regarding the date of initial case opening, these results must be interpreted with caution.³⁴ Accordingly, in those instances where date opening and date of SWGJ indictment were the same, the case was dropped. Thus, the following analysis includes 163 of the 187 individuals indicted, representing 36 cases.

As displayed in Table 4.16, an average of 253 days lapsed between the date of initial case opening and the date of indictment. The fewest number of days was seven, while the greatest was 640 days. Given a relatively large standard deviation, the median also was calculated; it was 189 days.

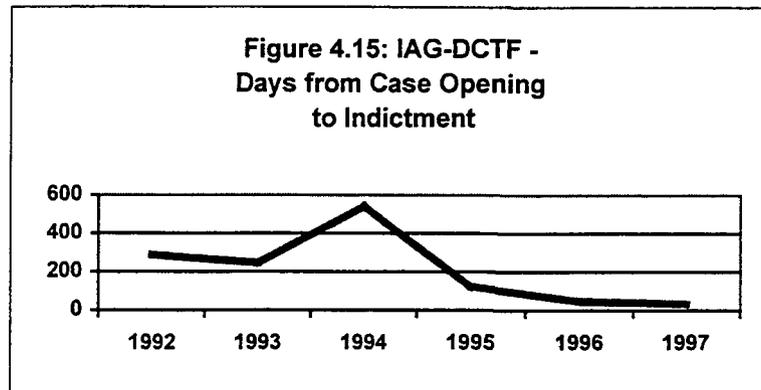
Table 4.16: IAG-DCTF – Days from Case Opening to Indictment

Timeframe	N	Mean	Med	Min	Max	SD
Opening to Indictment	163	253.0	189.0	7	640	221.8

At the case level, an average of 323 days passed between case opening and indictments for the 13 defendants involved in *Our Turn*, a 1994 case prosecuted in Kane County. Preparation for the indictment of 14 defendants included in *White Fang*, a 1994 case from Cook County, also took a considerable amount of time—329 days. The greatest amount of time, 640 days, lapsed between opening and indictment for the 31 defendants in *Operation Southern Passage*. Of the cases in which only one defendant was indicted, fewer than 50 days commonly transpired between opening and indictment. For example, in *Taylor*, a 1996 case prosecution that occurred in Kankakee County, only 20 days lapsed.

³⁴ According to AG-DCTF personnel, the volume of calls and leads they receive each day is too great for them to record each one, especially considering only a few of these develop into an investigation.

Days from case opening to indictment varied by year, with a general decrease in number of days occurring. As illustrated in Figure 4.15, cases opened in 1992 averaged 288 days prior to indictment. While a 15 percent decrease was observed the next year, cases opened in 1994 averaged 542 days from case opening to indictment.



However, upon further investigation, it was revealed that this increase was primarily due to three larger cases: Operation Southern Passage, White Fang and Our Turn. Each of these cases averaged over 300 days from opening to indictment. For example, parts of the White Fang prosecution took place in Arizona, Illinois, and South Carolina. Illinois was the last state to prosecute because it waited for the other states to finish. Therefore, the time until indictment for that case was affected by the amount of time the other states took to prosecute. Days to disposition for 1995, 1996 and 1997 all exhibited decreases in the number of days from opening until indictment.

Days to disposition. A second measure of case processing is the number of days from indictment to case disposition. As displayed in Table 4.17, 130 of the 187 defendants indicted (69.5%) have had their cases processed through closure. Of these

cases, an average of 247 days lapsed. Given the relatively large standard deviation, the median also was calculated; it was somewhat less – 221 days.

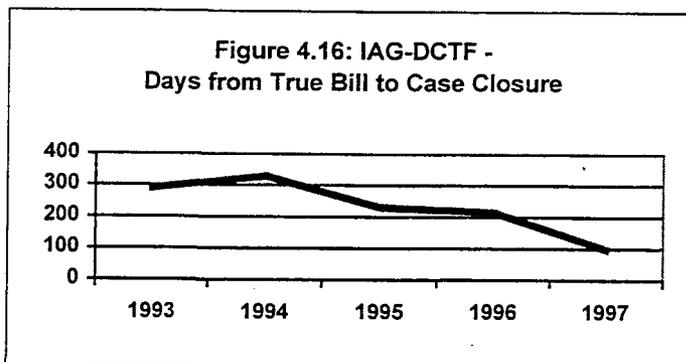
Table 4.17: IAG-DCTF – Days to Disposition from Indictment

Timeframe	N	Mean	Med	Min	Max	SD
True bill to case disposition – all	130	247.4	221.0	45	727	152.4
Just with guilty findings	111	239.3	199.0	45	727	157.8
• by plea agreement	101	228.9	179.0	45	703	154.0
• by trial	10	344.7	292.5	103	727	164.8
Just with not guilty findings	10	315.1	356.0	78	416	105.7
Just with charges nolle pros	5	267.2	259.0	137	412	114.5
Just with charges dismissed	4	277.8	251.5	157	451	126.1

There are several court actions that can delay the court process and subsequently lengthen the time from indictment to disposition. These include, for example, rulings by the judge, suppression of evidence hearings, and motions granted prior to trial. The IAG-DCTF has little control over the time involved at this stage partially because it has “no home court advantage.”

An observation of variation in the number of days from indictment to case disposition occurred which appeared dependent on how the case was disposed. For example, cases with guilty findings were disposed of in the fewest mean number of days (239), while those with not guilty results took the longest mean number of days (315). However, given the large number of plea agreements, this is not surprising. As presented above, cases pled out averaged 229 days, while those that went to trial averaged 345 days. Final action on charges that subsequently involved nolle prosequi or dismissals averaged nine months post-indictment.

Since program inception, there has been a steady decrease for time between indictment and case disposition. As illustrated in Figure 4.16, 1993 cases averaged 290 days, while 1995 cases averaged 230 days. By 1996, that number had dropped an



additional 15 days. Of the 1997 cases disposed through July 1997, an average of 99 days lapsed between issuing a true bill and disposing of the case. Again, however, due to variation in the number of cases handled per year, caution should be exercised with interpreting these results.

Days to closing. An accurate representation of the amount of time consumed by these cases should be reflected through an analysis of the number of days from case opening to case disposition. However, given the caveat mentioned above regarding questionable data involving case opening information, the following results should be considered with caution.

As displayed in Table 4.18, the cases of 130 defendants have come to closure. An average of 501 days lapsed between case opening and final disposition, with a range of 45 to 1,056 days occurring. Because of a relatively large standard deviation, 279.8 days, the median also was calculated; it was somewhat less than the average at 469 days.

Table 4.18: IAG-DCTF – Days to Disposition from Case Opening

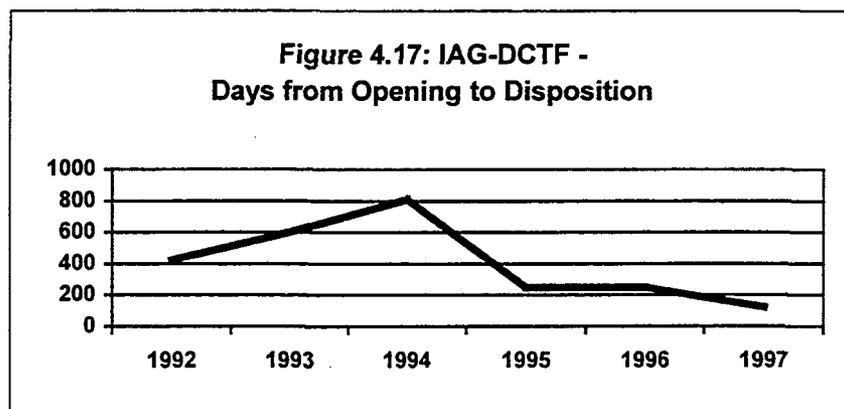
Timeframe	N	Mean	Med	Min	Max	SD
Case Opening to Case Ending-all	130	500.8	469	45	1056	279.8
Just with guilty findings	111	481.2	424	45	1019	285.0
• by plea agreement	101	483.5	424	45	1019	293.6
• by trial	10	457.2	469	213	916	185.4
Just not guilty cases	10	611.7	685	101	1056	278.0
Just nolle pros cases	5	624.2	601	349	819	187.1
Just dismissed cases	4	615.5	597	501	767	110.7

As was the case above, cases with guilty findings remained in the system the fewest mean number of days, 481 (again most likely attributable to plea agreements, although to a lesser extent). Cases with not guilty results required 131 days more on average to complete disposition than cases with guilty findings. Instances in which the defendant's case was withdrawn by prosecution or dismissed averaged the highest number of days in the system, 624 and 616, respectively. While the reasons surrounding why these cases were not prosecuted are unavailable, several hypotheses were developed. Among these explanations are a motion to exclude pertinent evidence was granted for the defense; the defendant offered testimony in exchange for his/her charges being dismissed; and vital evidence changed, such as the disappearance or death of a witness.

Several cases were further analyzed to illustrate some of the variation that was exhibited. For example, 13 defendants from the Dundee case witnessed an average of 425 days passing from case opening to closing. However, individual days to disposition ranged from a low of 355 to a high of over 600 days. Similar results were obtained from the Jeff Smith case. That is, one defendant's case was disposed of within 298 days,

while another defendant's case lasted 916 days. These reflect considerable variations in prosecution time within cases as well as between cases.

From a year-by-year perspective, days from opening to final disposition varied (see Figure 4.17). For cases opened in 1992, it took an average of 425 days to reach disposition. During the next two years, substantial increases were experienced, 602 and 811 days, respectively. By 1995, decreases were observed, which again occurred in 1996 and 1997.



Across all three timeframes, there was a downward trend in the length of time required to progress to indictment and case disposition. IAG-DCTF personnel explained that more recent cases have closed in less time because cases are more reactive now, as opposed to proactive, in nature. That is, the investigation is completed and ready for prosecution when the IAG-DCTF receives the referral. In the past, the IAG-DCTF worked early in the case initiation such as pursuing a lead resulting from a Valkyrie stop. Essentially, the point at which the IAG-DCTF enters the investigation changed.

Additional Efforts

A second goal of the IAG-DCTF is to interface with other law enforcement agencies and prosecutorial teams. Therefore, in addition to working on prosecutions, IAG-DCTF staff reported they spend approximately 50 percent of their time developing leads, soliciting new cases, and answering questions from and assisting representatives of law enforcement. Although not reflected in the above-mentioned discussions, oftentimes the unit works on a case, including the presentation of evidence before the SWGJ that subsequently is prosecuted by a local state's attorney's office and not counted in IAG-DCTF official statistics reported to the ICJIA. For example, in March 1996, the unit received a telephone call informing them that the Gangster Disciples were selling crack cocaine in LaSalle County. The LaSalle County State's Attorney's Office (SAO) reported that this case could involve four counties, and requested the SWGJ. However, after evidence, including informant testimony, was presented before the SWGJ by IAG-DCTF staff, it became evident that multi-county involvement could not be proven; the LaSalle County SAO later charged the defendants through its local grand jury.

In another example, the ISP-DCTF had evidence linking the defendant to crack sales to indigent women. Again, although evidence was presented before the SWGJ, multi-county involvement could not be proven. The case subsequently was referred to the Cook County SAO. A third example was the Ruben Hughes case. In this case, opened in June 1993, evidence indicated that the defendant, a Gangster Disciple, was selling crack cocaine in Will County. Evidence was presented to the SWGJ, but again,

multi-county involved could not be proven. Subsequently, the Will County State's Attorney prosecuted the defendant.

Regardless of whether there was SWGJ involvement, IAG-DCTF staff often expended substantial time and effort on cases, serving as an assisting agency. As such, they may be thought of as an agency that not only takes the lead in the prosecution of mid-level, multi-jurisdictional drug traffickers, but one which also assists and serves local jurisdictions in eradicating illegal drug activity.

An additional objective of the IAG-DCTF was to meet with law enforcement agencies to share data and exchange ideas. From October 1992 through July 1997, the IAG-DCTF reported that personnel participated in 327 interagency liaison meetings. The meetings were primarily informational to inform other agencies about the IAG-DCTF or to discuss current or future investigations. The two components of the DCTF, the IAG and ISP, met on a regular basis. The IAG-DCTF also met with police departments, local State's Attorneys, the ISP, the MEGs/TFs, the DEA, US Customs, the ATF, and legislative representatives regarding bills related to drug crimes. IAG-DCTF personnel participated in 32 interagency liaison meetings (9.8%) in 1993, 38 (11.6%) in 1994, 62 (19.0%) in 1995, 74 (22.6%) in 1996, and 121 (37.0%) in the first seven months of 1997. As discussed previously, the IAG-DCTF solicits its cases from a number of different agencies. Thus, many of their outside agency meetings may have occurred to satisfy this need.

IAG-DCTF staff also participated in six trainings on a variety of topics. In 1992, they participated in a CTR seminar and an IRS financial investigative techniques seminar. A Chicago Police Department Academy training on electronic criminal

surveillance was attended in 1993, as was a statewide grand jury seminar in South Carolina. In 1995, personnel participated in a training on conspiracy case law and statutory requirements and a National College of District Attorneys' seminar on prosecuting drug cases.³⁵

IAG and ISP joint efforts. Although the DCTF was intended to be a joint venture by the ISP and IAG, only four cases were identified where both units were actively involved. One of these cases did not result in the obtainment of any indictments by the IAG-DCTF, while the other three resulted in successful prosecutions. Even though this is encouraging, a larger number of cases processed from investigation to prosecution were expected. It should be noted two of these prosecutions occurred in 1996, and possibly are indicative of improved communication between the ISP and IAG offices.

Summary

The IAG-DCTF began operation in early 1993. Since that time, the unit has handled 77 cases, of which 41 (53.2%) resulted in the indictment of one or more defendants. Although, during the early years, the unit was unsuccessful in obtaining a large percentage of indictments relative to total cases investigated, since then, great strides have been made. During the first half of 1997, the unit successfully obtained true bills for one or more defendants in each investigation. However, while their percentage of indictments has increased, the number of defendants per case indicted substantially has decreased. According to IAG-DCTF staff, this change can be explained by the unit's present focus on individuals higher up in the drug organization.

³⁵ Data reporting the number of trainings attended was provided in the monthly reports submitted to the ICJIA.

The IAG-DCTF has been involved in prosecutions in approximately 20 percent of all Illinois counties, and recently has been more involved in the downstate area. With the introduction of the second SWGJ, it is anticipated that more downstate counties, areas with limited resources, will take advantage of the services provided by the IAG-DCTF.

Charges resulting in indictments were generally consistent with those expected from drug conspiracies and racketeering investigations. However, a few low-level offenses do appear. Although, in these instances, the individual may have pled guilty and/or testified against another individual in exchange for dropping the more serious charge. Another possibility may be that the non-drug related charge was more serious than the narcotic charge(s).

Since program inception, IAG-DCTF personnel have seen 133 defendants, representing 24 cases, complete the judicial process. Over 80 percent of the individuals were convicted, the majority entering into plea agreements. Sentences often included commitments to the IDOC or probation supervision, with fines commonly added to each. The average sentence to the IDOC was eight years, while the average amount of time ordered to a community correctional program was three years. Approximately one-quarter of all guilty defendants were fined, the average amount being \$4,500. In all, two sentences included forfeitures.

While the amount of time consumed by these cases was calculated, given the lack of accurate data involving case opening information, caution must be exercised in interpreting the results. Until such data are collected in a routine manner, it is impossible to accurately gauge the amount of time needed to complete prosecution of

these cases. Additionally, although decreases in the number of days needed to handle such cases have been observed, given the lower number of defendants per case, this is an expected finding.

In response to the lack of "date opened" information, it is recommended that IAG-DCTF personnel record, at the very least, the date on which any substantive legal action (e.g., issuance of a search warrant) occurs. From this, a more accurate calculation of the amount of time necessary to prosecute such cases can be gauged.

CHAPTER 5: SUMMARY AND RECOMMENDATIONS

The wisdom of Joseph de Maistre, French diplomat and philosopher, in his observation, "It is one of man's curious idiosyncrasies to create difficulties for the pleasure of resolving them" might be well applied to evaluations as well as other endeavors. That is, evaluations seem to come with a natural orientation toward identifying program problems, to which remedies are then offered. The present study likely succumbs to this weakness. However, in this section an attempt is made not only to highlight the problems identified during the course of the evaluation, but also to provide a context from which to consider those problems. Further, attention hopefully is focused on the needs of these programs if the identified problems are to be overcome. Lastly, an effort was made to identify strengths found in the program approaches as these are of particular value to those interested in developing similar initiatives in the future.

Problems

Throughout the preceding discussion of this report, a number of problems regarding the structure and operations of the four evaluated programs were presented. In the summary provided in this section, an attempt was made to draw a number of these issues together into more general contextual areas, which the research team believed provided the underpinning for many of the specific problems discussed throughout the report.

Ambiguity of Mission

Despite the best intentions of many involved in the design of the CTRU and DCTF projects, a serious problem regarding the mission of each component unit was

present from their inception. This problem resulted from separate charges, seen in the Protocols, that established a duality in their mission. On one hand, they were charged with the task of initiating cases, while on the other, they were to be a resource to other agencies. Essentially, the first mission required the units to be *proactive*, while the second required them to be *reactive*.

A good example of the resulting confusion is reflected in the activities of the ISP-CTRU over the course of its existence. As originally conceived, the unit was to analyze CTR information received from the U.S. Treasury and other existing databases, to identify individuals potentially involved in drug money laundering activities. Early on, it attempted to fulfill this mission by developing extensive reviews on 13 target individuals. These were distributed widely to ISP districts, MEGs/TFs, federal agencies, and the IAG-CTRU. The unit received very little feedback indicating agencies had utilized these target resources. At the same time, the unit aggressively advertised its services to the Illinois law enforcement community. Tactical inquiries, needing only quick review of cash transaction related databases, rapidly grew in volume. Having only limited resources, the ISP-CTRU began focusing its efforts on service roles, answering the inquiries and providing training. Its mission to initiate cash transaction investigations through database analyses became dormant.

A contrasting example of this problem is illuminated by the character of the investigations undertaken by the ISP-DCTF. Part of the design of the operations for the ISP-DCTF was to take information referrals. The program proposal suggests, for example, a logical progression of an investigation by the ISP-DCTF. The first step of this process begins with "investigatory referrals received from MEGs, task forces, local

law enforcement, sheriffs' offices, state's attorneys or other sources are screened and evaluated jointly by an Illinois State Police Investigator and a Assistant Illinois Attorney General" (p.9). However, the referral mechanisms appear never to have developed, leaving the fundamental investigatory work undone. Consequently, many of the resources of the ISP-DCTF were devoted to basic drug case investigation at the "street level." Intensified by a lack of training, its agents frequently fell into the roles of traditional multi-jurisdictional drug law enforcement. This created conflict with MEGs/TFs, which saw the DCTF as a competitor. In this case, the mission of serving as a resource to local jurisdictions was preempted by one of proactive case initiation.

Overlapping Jurisdictions

Jurisdictional disputes, long a bane to effective law enforcement, simply progress up the hierarchical ladder in multi-jurisdictional enforcement. In this study, such disputes again seem to have affected program effectiveness negatively. Despite the exacting language of the M.O.U.s and Protocols, operational conflicts over jurisdictions emerged. Here, both horizontal and vertical turf issues existed. Horizontal jurisdictional problems appeared, for example, in conflicts between the IAG and the ISP with regard to investigative functions. The ISP-DCTF unit complained that IAG analysts wanted to be "cops" by conducting surveillance and field investigations.

Similar vertical jurisdictional conflicts emerged when local authorities perceived encroachment. Particularly in the Chicago area, where large local jurisdictions frequently had resources at their disposal and a multitude of special drug initiatives already existed, involvement by the DCTF was viewed as unnecessary.

Data Reliability and Accessibility

One of the more pervasive problems encountered during the course of this evaluation involved the reliability and accessibility of program data. Monthly self-reported data sent to the ICJIA frequently did not match case-file information reviewed by project staff. Several data reporting instruments were changed, by either adding or deleting data elements, over the relatively brief periods covered by the evaluation. In several instances, file information could not be located by the unit personnel.

Structured processes for noting significant case developments was particularly absent from the IAG's documentation. To illustrate, the "case opening" date for IAG-DCTF cases was identified as the first date that information was presented to the SWGJ, yet it is very evident that a considerable amount of work was completed before the case was ever presented to the SWGJ.

Accessibility to information also proved frustrating. Again, for purposes of illustration, the case data maintained on the ISP-DCTF's cases are well organized through the ISP case progress documentation—4-1s, 4-2s, 4-8s, etc. Although this information is routinely captured on computer files, the researchers were not allowed access to this computerized data (even with the caveat that identifiers would be removed). The unit's administrator then offered to allow the research team to make photocopies of the forms, again with confidential information removed. This offer was later withdrawn after it was reviewed and denied by individuals higher in the ISP chain-of-command. Ultimately, the task of obtaining the case file information required the research team to spend a considerable amount of time on site, manually reviewing

the case files and entering the data into databases contained on portable personal computers. The review of the case files and data collected in this manner was no different than could have been provided in data files from the ISP's computer system, in a fraction of the time.

The point of this discussion is not to belabor the problems faced by evaluators reviewing programs such as these, but to highlight the more fundamental issues that arise in the operation of programs when data are not available to make informed decisions. Such decisions may be operational in nature, dealing with daily management issues, or they may be strategic, with a significant impact on the direction and/or success of the program.

If the research team, who could devote a significant amount of time and resources to identifying and obtaining vital program information, encountered such problems as were discussed above, it is logical to assume that program staff and administrators involved with these initiatives face even greater informational barriers. Much of the fragmentation that occurred between these four intertwined programs appears to have developed from a lack of formal and informal processes to insure the exchange of pertinent information.

Resource Issues

While it is a commonly stated axiom that programs could be more effective if they had more resources, it is also a truism that frequently what is really needed is a better allocation of existing resources. Two major resource concerns were identified in the evaluation that might lend support to the latter position. Within the CTRU/DCTF framework, two units existed under the aegis of one agency and two under another.

Consequently, no centerpoint existed for the control of the activities of the four units to ensure the maximum use of existing resources. In this void, communication and information exchange, or more precisely, a lack thereof, resulted in each unit pursuing its own vision of a mission and its corresponding functions. The resulting “slippage” created duplication of effort both within and outside the CTRU/DCTF framework. Leads were not sequentially pursued, and potential cases floundered because fundamental information was missing. The low creation of self-initiated conspiracy cases, therefore, was not due to a lack of resources but the application of resources. As can be seen in the California model, discussed later in this section, a more unified structure exists when these functions are located within a single agency, promoting congruent operations among cash transaction analyses and drug conspiracy investigation.

The second resource issue is more mundane, but equally important. One of the observations made by the research team was that the level of specialized knowledge needed to pursue mid-level drug conspiracy investigations using financial transaction data was significant. Interviews suggest, for example, that while the ISP-DCTF had adequate staff assigned, the agents frequently lacked training in the techniques needed to pursue substantial multi-jurisdictional drug conspiracies. Therefore, the investigations they pursued frequently resembled traditional “buy and bust” street-level drug enforcement operations, rather than those capable of reaching up into the drug distribution networks. Similarly, the IAG-CTRU made fervent requests to gain access to FinCEN’s Gateway network access to CTR information when it became available. Yet, after obtaining the requested access, FinCEN noted a marked lack of use of Gateway. The apparent reason for the lack of Gateway activity was that only one

analyst/investigator had been trained on its use, and this individual actually was assigned to the IAG-DCTF unit.

In a parallel vein, one of the overarching goals of the CTRU and DCTF was to provide training to MEGs/TFs and local agencies regarding the use of financial transaction data and related drug conspiracy investigations. The rationale behind this idea was to increase the level of sophistication of anti-drug enforcement throughout the State and to forge linkages with the CTRU/DCTF programs. Yet, with the exception of the efforts of the ISP-CTRU, little was provided by the units in terms of training.

Strengths

Conceptual Design

With the exception of the ambiguity of missions discussed above, the CTRU/DCTF initiatives appear conceptually well founded. Almost without exception, those interviewed both within the units and those outside indicated that the idea of a mid-level drug conspiracy enforcement effort was needed. Further, there was consensus that units having statewide jurisdiction and access to the SWGJ had a powerful tool to pursue cases beyond the street-level. The majority of operational problems discovered did not appear endemic to the design of the CTRU/DCTF; rather they were artifacts of their implementation. If this is the case, then the potential exists for the units to change in a positive fashion, and in fact, the research team believes this is occurring.

Evidence of Positive Change

Despite the obvious weaknesses in the programs and their lack of production of anticipated conspiracy cases, the team was impressed by the efforts of current staff in

the units to make their operations viable. When the ISP-CTRU found itself engaged in producing targets that were essentially being ignored by the field, it turned to answering field inquiries for information as a way to utilize its resources. While not fulfilling part of the ISP-CTRU's original mandate, this activity appeared beneficial to other agencies as reflected in their overwhelmingly positive comments about the services they received. The unit's success in this area was so noticeable that FinCEN cited the unit as a model and called on its supervisor to visit other states to promote the development of similar operations elsewhere.

Similarly, the IAG-DCTF, finding itself unable to link with its counterparts as originally envisioned, put forth great effort to reach out to local state's attorneys, MEGs/TFs and other local enforcement agencies to assist in cases and to make the SWGJ accessible to these agencies. Although modest in number, it also has continued to improve its prosecution success rate.

Significant improvement also has been achieved because of the effort put forth by the remaining ISP-DCTF, IAG-DCTF and ISP-CTRU units to work more closely together. Individuals within these units recognize the problems and conflicts that have characterized much of their working relationship and appear to be making a concerted effort to overcome them. For example, the two DCTF units now meet regularly and an Assistant Attorney General visits the ISP-DCTF office weekly to assist with the prosecutorial elements of case development and investigation.

Development of a "Downstate" Initiative

One of the issues confronting all of the units since their inception has been the environment in which their efforts were focused. As evidenced by the location of the

majority of tactical inquiries received by the ISP-CTRU and of cases pursued by the ISP-DCTF and IAG-DCTF, the geographic locus of activity for the units has been the Chicago area and surrounding collar counties. While this area undoubtedly had the greatest volume of drug (and gang/firearms) related crime, its need for assistance was somewhat counterbalanced by an array of investigatory and prosecutorial resources not found in the resource-poor southern part of Illinois. As a result, the CTRU/DCTF units found themselves frequently viewed as intruders and their services considered duplicative. The establishment of the second SWGJ and the creation of both an ISP-DCTF and IAG-DCTF presence in Springfield should open substantial opportunities for the units to serve as resources to local jurisdictions in southern and central Illinois. Additionally, the Springfield location should permit greater interaction with the ISP-CTRU, the only one of the four original units not located in the Chicago area.

Recommendations

- ◆ **The remaining three units, ISP-DCTF, IAG-DCTF and ISP-CTRU, should maintain a clear focus on higher level drug-conspiracies, particularly with regard to case identification and development.**

One of the potential major benefits of the DCTF/CTRU initiative is to put needed resources into the development of longer-term, complex investigations to pursue higher level multi-jurisdictional drug (gang/firearm) conspiracies. Three events occurring near the closure of this evaluation should promote this end. First, the response to tactical inquiries on CTR databases has been relocated from the central ISP-CTRU to ISP regional resource centers. This should free the ISP-CTRU to return to a major focus on developing cash transaction analyses, i.e., targets. Second, apparently the development of such target cases has been restructured so that the unit will use field

referrals as the starting point for target development. Third, a concerted focus on “downstate” conspiracies is now possible with the establishment of a second SWGJ and the creation of a Springfield presence for both the ISP-DCTF and IAG-DCTF. The availability of these resources offers considerable potential benefits to central and southern Illinois jurisdictions with limited resources.

Recent developments in analytic tools such as mapping technology are particularly well suited to the identification of geographically distributed conspiracies that are the primary focus of these units. Such tools should be employed to the greatest extent possible. An illustrative example of this approach is provided below.

Mapping and Suspicious Cash Transactions

In this section, we present a recommendation for a tool that may be helpful for those utilizing cash transaction data to identify potential drug/gang/firearms related conspiracies. Although the team had initially hoped that more data would be available to demonstrate the power of this technique to identify conspiracy linkages, the material will provide an example of how this technique can be applied to data. An essential consideration is, of course, collecting the necessary information to provide a geographic location to connect with the target activity.

Investigating suspicious cash transactions involves the acquisition and analysis of a variety of information. An important attribute of much of this information that is often overlooked for analysis is its geographic properties. That is to say, the suspects are located in and their behaviors occur in particular places (see Eck and Weisburd, 1995). Therefore, mapping the locations of the activities associated with suspicious cash transactions can produce new insights and questions for evaluation.

The map of Cook County and Chicago, Illinois (see Figure 5.1) depicts the spatial distribution of suspicious cash transactions between January and September 1995. Specifically, this is a graduated or proportional circle map, whereby, the size of each circle corresponds to the number of transactions made at an address (see Dent, 1996). Furthermore, the circles depicted on the map are grouped into five levels or quantiles representing the first 20 percent of the distribution (1 transaction) through the fifth or last 20 percent of the distribution (59-71 transactions).

The locations of the circles are the addresses of the banks reporting the suspicious transactions. The circles were placed on the map by matching their addresses with the Census TIGER Files for Cook County. TIGER (topologically integrated geographic encoding and referencing) files are the street level address files used by the Census Bureau. These files use the block face or street segment as the basic building blocks for other geographic features (i.e., areas, census tracts, blocks; Clarke, 1997). Finally, the address matching and the final map were made with geographic information system software.

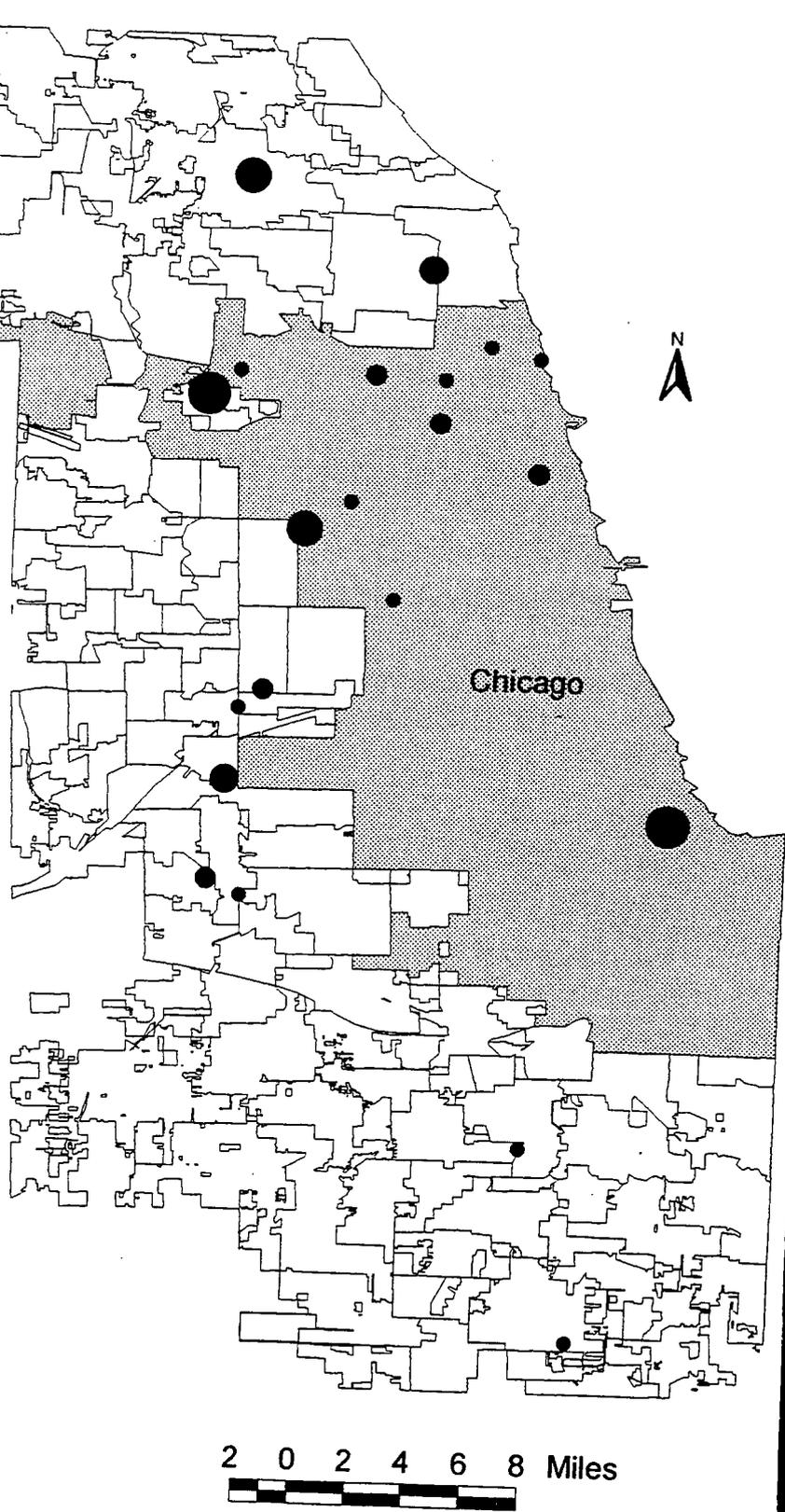
Suspicious Currency Transactions
 Cook County and Chicago, Illinois:
 January to September 1995

247 Transactions
 &
 28 Different Suspects

Number of Transactions

- 1
- 2 - 3
- 7 - 9
- 18 - 21
- 59 - 71

□ Cook County



Source: Illinois State Police

JLL 1997

The map reveals three interesting properties about the geography of suspicious cash transactions. First, the majority of all the banks and transactions occur in Chicago. Second, within Chicago, except for the high frequency transaction bank in the south, the majority of banks lie in the northern portion of the city. Third, the majority of the Cook County banks are situated close to the Chicago city limits.

The most obvious question emanating from an examination of this map is—Why are there not more suspicious cash transactions around the Loop and in the central part of Chicago? There are several possible explanations for this pattern, among them are the data are incomplete; the map shows only the banks that report suspicious cash transactions—a compliance bias; suspects making deposits simply prefer to use a specific bank because its location is convenient (near home or work); a specific bank is used because its reporting procedures are considered lax; or a specific bank is intentionally used as a decoy. In other words, the notification of the suspicious transactions attracts attention to the vicinity around the bank and away from other places used to launder money.

Other phenomena associated with suspicious cash transactions are needed in order to complement this map. The addresses of the suspects' homes and work places would help answer the question if particular banks are used because they are convenient. Furthermore, mapping the locations of suspected drug market places would help provided a clear picture of a criminal network. Nevertheless, mapping phenomena associated with suspicious cash transactions can reveal important relationships and patterns that are not apparent from examining a table of data.

- ◆ **The units should reassess their operations on three process dimensions: communication, roles, and internal/external relationships.**

The natural evolution of these operations, coupled with organizational changes such as the elimination of the IAG-CTRU and the redefining of the ISP-CTRU's function, provides a prime opportunity for the units to jointly examine these process issues. Such discussion should focus on maximizing operational effectiveness and could be facilitated by an outside party to provide objectivity.

- ◆ **Information management needs to be examined in terms of data collection/retention, quality, and accessibility.**

Numerous data quality and accessibility issues were identified during the course of the evaluation. Information plays a key role in shaping the daily activities of staff (e.g., maximizing resources), in permitting evaluation of investigative approaches and prosecution to increase effectiveness, and in documenting the needs of the unit.

A possible starting point for such a review would be to have the units identify their information (data) needs, the information they receive or generate that is of little benefit (unnecessary) and the information they do not receive or generate that would be useful. A comparison of these three areas could then serve as a base to consider the issues above, and to promote information exchange among the three components, and between the component and the wider enforcement community.

- ◆ **The IAG and ISP should explore mechanisms to enhance the integration of the operations of the CTRU/DCTF units.**

A primary question to be addressed by the respective agencies is how best to tie parts of the structure together. The formalized Protocol and M.O.U. developed at the beginning of this initiative, although well intended, appears not to have had the desired impact. The desire to maintain well-integrated units must originate at the highest levels

of these agencies if such integration is to be operationally achieved. Ideally, a central administrative structure could be developed to which all three units would report. A description of this model, which exists in California, is provided below. An alternative model, with a more centralized administrative control and information processes applied to the Illinois programs, concludes this section.

The California Experience—Another Model

In reviewing the issues and recommendations produced in this evaluation, it was believed that a comparative point-of-reference from which to consider them might be helpful. On January 16, 1997 a site visit and staff interviews were conducted at the California Financial Investigations Program (CFIP). California is a recognized leader in the utilization of cash transaction information, and served as one of the models upon which Illinois' CTRU program was built. The visit also was feasible because one of the evaluation consultants is a California resident and was able to undertake a cost-effective site visit to the unit. It was believed that information from this site visit could provide a comparative perspective for considering Illinois' effort and assist the research team in the development of recommendations for the Illinois program.

During the site visit, face-to-face interviews were held with the CFIP Program Manager and a Criminal Intelligence Specialist. The interviews followed a semi-structured protocol designed by the research staff, and gathered information about the history, organization, implementation and performance of the program. Advice and recommendations for successful program implementation in other jurisdictions were solicited as well.

Background of the CFIP

The CFIP was established 11 years ago on January 1, 1987 as a result of enactment of California's currency transaction reporting statutes which mandated that the California Department of Justice (DOJ) collect currency transaction information, analyze it and refer possible money laundering violations to the appropriate criminal justice authorities. California was one of the first states to pass such legislation.

Since its inception the CFIP has been funded through the California DOJ, Bureau of Narcotic Enforcement (BNE) asset forfeiture funds as specified in the original legislation authorizing the program. Funding for the program increased steadily between 1987 and 1993, from \$240,000 to \$728,000. In recent years, fewer forfeiture funds have been available and during the recent fiscal year the CFIP budget was reduced for the first time by \$114,000. Approximately 10 persons currently are associated with the California CFIP in Sacramento (see Appendix D).

Issues and Concerns that Prompted Development of the CFIP

The California currency transaction reporting legislation was passed and the CFIP was established in response to concerns about the growth of drug trafficking and money laundering in California. Around the time of the enactment of the California currency transaction reporting statute (1986), criminal justice authorities began to notice the increased movement of criminal cocaine activity from Florida to California. This was thought to be occurring, in part, because of crackdowns on trafficking in Florida and on the East Coast in general.

At this time, there were no federal or state laws that made money laundering a violation, although Arizona did have a RICO-type statute. Traffickers were simply

depositing large amounts of cash into banks. In response to this situation, in 1986, the California Attorney General's Office proposed and passed two laws: one made cash transaction reporting a requirement (similar to the 1970 federal Bank Secrecy Act), and the other made money laundering a criminal offense. At the same time, the federal government also was proposing money laundering legislation, which ultimately, passed as well. (The California statutes pertaining to currency transaction reporting and money laundering became effective January 1, 1987.)

The CFIP is the organizational mechanism established under the California statutes to collect currency transaction information, analyze it, and refer possible money laundering cases of to the appropriate criminal justice authorities throughout the state.

Organization of the CFIP

The CFIP is located in the BNE, which is in the Division of Law Enforcement of the California DOJ. The DOJ is headed by the State's Attorney General. Originally, the CFIP was established in the Bureau of Organized Crime and Criminal Intelligence, also in the California DOJ, but was transferred to the BNE in March 1989. The CFIP is a centralized unit, without counterpart organizations as in the Illinois CTR program.

The CFIP provides a variety of services to departmental and other state and local law enforcement agencies involved in money laundering and financial investigations and asset forfeiture activities. In the course of its development and operations, the CFIP has had dealings with departmental units of the California DOJ, including the BNE regional offices and the Bureau of Investigation regional offices; other California state agencies including the Franchise Tax Board; local law enforcement agencies; other

states, mainly through the CFIP's role as FinCEN coordinator; federal agencies including the IRS and the U.S. Department of the Treasury; and California banks.

The relationships between the CFIP and the agencies it typically works with are described below in the context of the three functions served by the CFIP:

1. Carrying out responsibilities with respect to California's money laundering and currency transaction reporting statutes.

Referring money laundering investigative packages: The CFIP collects and analyzes CTRs exceeding \$10,000 and STRs submitted by California financial institutions. When possible money laundering violations are detected, the CFIP develops money laundering investigative packages which are then referred to DOJ investigative agencies (in the early years primarily to the nine BNE regional offices) or to local California law enforcement agencies. The CFIP began referring money laundering investigative packages to DOJ investigative units in May 1989 and to local law enforcement agencies in September 1990. The total number of referrals made between May 1989 and March 1994 was 342. Most of these referrals (263) were to DOJ investigative units. In the early years of the program, the referrals resulted in a considerable backlog for the nine BNE regional offices. Consequently, referrals are now sent to other DOJ agencies such as the Bureau of Investigation. The agencies to which referrals are made are responsible for opening and working the investigation.

Responding to Requests for CTR/STR Information: The CFIP also responds to requests for CTR/STR information from state and local law enforcement agencies involved in their own money laundering, narcotic, and financial investigations. Between January 1990 and March 1994 the CFIP responded to 3,596 requests.

2. Coordinating and supporting asset seizure operations.

The CFIP also coordinates BNE asset forfeiture activities including the processing of asset forfeiture forms, tracking and reconciling departmental asset forfeiture accounts, and operating a real estate and financial data access program that provides current information on suspects and property. The CFIP makes the program data available to DOJ investigative units and BNE regional task forces. In addition, the CFIP is responsible for preparing an annual report on asset forfeiture activities that is published by the State's Attorney General in accordance with asset forfeiture legislation passed in 1994.

3. Serving as the State/Local Coordinator for FinCEN.

The Program Manager of the California CFIP serves as the State/Local Coordinator for FinCEN for California. FinCEN is a national organization established by the U.S. Treasury Department to collect, analyze and disseminate intelligence and information useful in the investigation of money laundering and financial crimes. It has access to commercial, financial and law enforcement databases. FinCEN requires that requests for information from state and local law enforcement agencies be channeled through a state/local coordinator.

CFIP Operations

Much of CFIP operations involve responding to requests from DOJ departmental units and local law enforcement agencies for financial information used in investigations of money laundering and financial crimes. CFIP personnel conduct searches of numerous databases and systems including CTRs, STRs, criminal history, FinCEN, TRW Credit Bureau, LEXIS, and Department of Motor Vehicle databases and

systems. They also conduct their own analyses and prepare money laundering investigative packages for referral. Whereas in earlier years more time was spent on preparing and referring investigative packages, more time is now spent responding to requests for information.

Interviewees indicated that they did not think any significant changes had occurred in the CFIP structure or operations. Nonetheless, they did point to areas where notable changes had taken place. These included:

1. A new program manager was hired in 1990 who wanted to do more with the financial information than what had been done previously;
2. When it began, the CFIP had been solely an in-house CTR analytic program; it now refers information out to DOJ departments and regional offices and local law enforcement agencies that conduct the investigations;
3. The CFIP assumed new roles and responsibilities, particularly with regard to maintaining information on asset seizures/forfeitures, preparing a report on forfeitures on behalf of the Attorney General for the state legislature, and becoming a State/Local Coordinator for FinCEN; and,
4. With increased requests from state and local law enforcement agencies the CFIP has found itself responding more often to requests for information than initiating cases through referrals of investigative packages. In this sense, the CFIP is now more reactive than it used to be.

Funding for the CFIP has become more of an issue in recent years because of a decline in the amount of asset forfeiture money coming into the BNE, and subsequently, the need for BNE budget personnel to exercise greater restraint. The CFIP budget was reduced \$114,000 in the most recent fiscal year.

The state asset forfeiture statute that had been in effect expired in January 1994 due to a sunset provision. This resulted in some confusion as to the statutes governing seizure/forfeiture until new legislation was passed the following August. Under the new state statute it is now more difficult to forfeit assets without having a criminal conviction.

Because of the expiration of the earlier statute, ambiguity surrounding what law was in place between January and August, and the more restrictive features of the new law, forfeitures declined.

Both federal and state forfeitures coming to the BNE have declined in recent years. No specific steps have been taken in response to this problem. CFIP personnel indicated that the CFIP had not spent its entire budget in recent years anyway, and that, should it become necessary, the BNE would probably support the unit with general funds to make up a relatively small deficit.

CFIP Performance

Objectives were never formally set down in writing for the CFIP; however, interviewees believe the CFIP has surpassed the expectations envisioned at the-time of program initiation in 1987. Among other things, few thought that the volume of work would be as great as it now is. Generally, interviewees felt that the CFIP continues to do a good job of fulfilling its mandate.

No formal evaluation of the CFIP has ever been conducted. However, the Program Manager has occasionally been called upon to provide information about program activities and operations, for example, to the state. Among the program data that have been collected and presented are the following:

- As of March 1994, the CTR database contained over 6 million CTRs, and was growing at a rate of about 100,000 per month;
- As of March 1994, CTR database inquiries by CFIP personnel and DOJ staff (with limited access) totaled 66,050;
- As of March 1994, the STR database contained STRs on over 15,000 individuals and was growing at about 300 STRs per month;

- Between January 1990 and March 1994 the CFIP responded to 3,596 requests for CTR/STR information; and,
- From May 1989 to March 1994 the CFIP referred 342 cases to law enforcement agencies. Most of these (263) were sent to California DOJ agencies. The remaining cases were sent to local law enforcement agencies.

Between January 1994 and June 1995, it is estimated that the CFIP provided information or assistance in cases that resulted in approximately 100 arrests. As a result of CFIP referrals made prior to March 1994, 48 cases produced arrests, seizures, and prosecutions involving money laundering or related crimes. Examples of these results include:

- State grand theft charges, involving a \$200,000 check kiting scheme;
- Federal money laundering, conspiracy and bankruptcy fraud charges involving the laundering of \$400,000;
- Federal money laundering, structuring and wire fraud charges where a \$25,000 Lincoln Towncar and \$489,383 in stolen cash were seized as well. The subjects defrauded investors in California and Canada out of as much as \$6 million;
- Federal conspiracy to import narcotics charges where the subject was sentenced to 10 years;
- The conviction of a subject (10 year sentence) and \$500,000 in assets forfeited; and,
- A narcotics embezzlement case in San Luis Obispo County that began with an STR investigative referral. The subject pled guilty to one narcotic charge and three counts of embezzlement and was sentenced to four years, four months in prison. Assets of \$350,000 were to be used for victim restitution.

Interviewees went on to say that they did not think the CFIP had strayed from its original goals and mission of fulfilling the mandate of the reporting law, that is, collecting and reporting information to the appropriate criminal justice agencies to combat the money laundering problem in California. However, they did feel the goals had been

expanded over time to include additional duties related to asset forfeiture coordination/reporting and FinCEN coordination. They no longer saw the CFIP as simply a CTR program.

Apart from the rather impressive list of case results mentioned above, respondents indicated there were several areas where they felt much had been accomplished with respect to the CFIP including:

1. The program is much more structured now than when it originally began. It is now a comprehensive unit, akin to a mini-FinCEN;
2. Procedures were developed that made better use of available information and the CFIP was doing a better job of getting investigative leads out to the appropriate law enforcement agencies;
3. The CFIP had become a valuable tool for law enforcement for financial investigations, where little support was available before;
4. The selection of the Program Manager as the State/Local Coordinator for FinCEN was at least partially due to the success of the CFIP and its prominence among the states; and,
5. CFIP efforts to develop new databases that could support money laundering and financial crimes investigations were successful. Along these lines, interviewees described recent efforts to develop a "high roller" database using registration information from the Department of Motor Vehicles to identify owners of expensive vehicles and vessels with no liens on them.

CFIP's Future

Interviewees were optimistic about the future of the CFIP and saw it as an on-going, viable program that would continue to develop and improve as a useful tool for state and local law enforcement agencies in California. They mentioned the following developments/improvements in particular:

1. Accessing more and better information through the FinCEN, IRS and U.S. Department of the Treasury and enhancing targeting criteria, especially with the addition of new Suspicious Activity Report (SAR) information;
2. Developing the "high roller" database;
3. Becoming more proactive (as opposed to reactive) with respect to money laundering and financial crime analysis and referrals, particularly as more resources become available to the CFIP;
4. Developing capability to do net-mapping in order to chart out relationships between suspects and transactions. The Western States Information Network and the Texas Office of the Attorney General presently have this capability; and,
5. Enhancing CFIP computer resources in the near future. Interviewees noted they are sorely in need of state-of-the-art computer equipment. For example, few personal computers in the CFIP operate in the PC Windows environment.

Recommendations for Illinois

Interviewees offered three suggestions for programs being developed in other jurisdictions:

1. Financial investigation programs should be linked to an investigative unit. While programs like the California CFIP do a good job of gathering, organizing and referring information pertaining to money laundering and financial crime, it is important to have investigative agencies that will work the cases identified. A team approach to conducting the CTR analysis, initiating the investigation and conducting the investigation is needed;
2. Programs should not be grant supported, but have a stable source of funding, preferably general fund revenues; and,
3. Programs should maintain statistics on program operations that can be used to help assess program performance and provide feedback to the legislature.

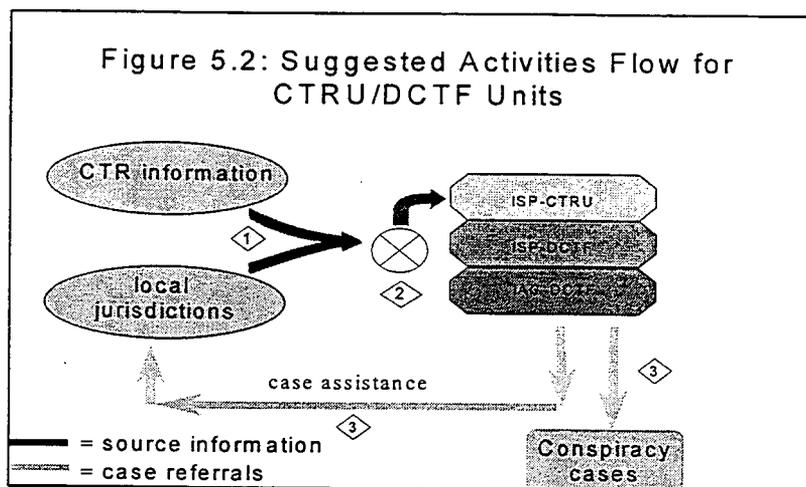
An Alternative Model for Illinois

Based upon a review of the originally conceptualized process for the operations of the CTRU and DCTF, and consideration of the problems that appeared in the actual operations of the units, a suggested activity flow was developed (see Figure 5.2). This suggested process model reflects a stronger linear emphasis to provide a more structured operation for the information exchange and case referral processes. The model also promotes the notion of the ISP-CTRU, ISP-DCTF, and IAG-DCTF as a single entity (under a single administrator) by directing the flow of information and sequencing of activities among the units.

In this model, referral sources would include both the CTR information generated by the U.S. Treasury Department *and* by local jurisdictions. In the diagram, the first diamond represents this dual referral source. Unlike the present approach, however, a process to cross-reference potential cases would be developed prior to further investigation. This cross-reference process is depicted by the summing junction highlighted by the second decision diamond. While responsibility for this cross-referencing function could be located in any of the three component units, the ISP-CTRU would be a logical location for the function because the unit currently accesses the CTR data regularly and also responds to local inquiries by searching its databases. Data enrichment would occur as the information identified by the ISP-CTRU was reviewed and elaborated on by the ISP-DCTF, thus adding new information. In turn, the information would be passed to the IAG-DCTF and the process would be repeated. This process is illustrated in the diagram by the graduated darkening of the units in the process. This differs from current practice in that a database of inquiries/referrals from local jurisdictions would need to be maintained. So as not to overburden ISP-CTRU staff, the information captured in this database should be restricted to essential tracking elements: name of inquiry target, reason for inquiry, date of inquiry, contact agency and staff member, and results. This type of database could be maintained in a spreadsheet format on a personal computer. Cross referencing cases in this way would permit work coordination and focus on cases, presently not possible. The database would be used as an initiation point to advise both the ISP-DCTF and the IAG-DCTF of potential cases. Case referrals would go the

ISP-DCTF to determine whether they were under active investigation by the unit, and to the IAG-DCTF for investigation/prosecution assistance.

Referral or further investigation decisions, represented by the third diamond, would then occur. Cases not pursued by local jurisdictions, or beyond the resources of a local jurisdiction, would be pursued by the DCTF. For those cases being developed in local jurisdictions, the CTRU/DCTF units would provide assistance as needed.



A necessary part of this unified model is a central administrator having the authority and responsibility for the operations of the three units. As this activity represents two statutory agencies, the IAG's Office and the ISP, the M.O.U. between these agencies would have to be expanded to identify where such control would rest. In order not to compromise the statutory authority of either of these agencies, a governing board representing the interests and authority of the IAG and the ISP would oversee the operational control placed in a director. The use of such boards are common when multiple entities entrust daily operational control to an individual; however, major policy decision authority remains with the

sponsoring agencies. In essence, the combining of the three remaining units under a central administration could eliminate the operational fragmentation that was so counterproductive in these units as they existed during the evaluation period.

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APPENDICES

Appendix A: Consent Form and Interview Protocols

Appendix B: Memorandum of Understanding

Appendix C: Statewide Grand Jury Statistics

Appendix D: California Financial Investment Program Personnel



Appendix A





University of Illinois at Springfield

Center for Legal Studies
Springfield, IL 62794-9243
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Evaluation of Illinois' Cash Transaction Reporting and Drug Conspiracy Task Force Units

INFORMATION AND CONSENT FORM

The Center for Legal Studies of the University of Illinois at Springfield is conducting a study sponsored by the Illinois Criminal Justice Information Authority (ICJIA). ICJIA is interested in evaluating the CTRU/DCTF units of Illinois Attorney General's Office and the Illinois State Police to review their implementation and to discover the impact of these joint programs on drug enforcement in the state and their ability to target criminal drug conspiracies through improved money laundering investigation and prosecution. It is hoped that this evaluation will provide information to state policy makers, program administrators and staff that will help improve the programs and allow them to work more effectively. Additionally, such information may be of considerable benefit to those in other jurisdictions considering the development of similar program.

As part of the information gathering process for this study, we are interviewing many individuals such as yourself who are involved with these programs. Our purpose is to gather impressions of the programs from a variety of people involved with different aspects of the programs to help us better understand how they work. If you are willing to participate, we would like to ask questions were designed to gather this information. The interview will take approximately 30 to 40 minutes. All information that you provide will be *strictly confidential*. All findings summarized for report purposes will be written so that no one's answers or name can be identified. The information you provide will be used for research purposes only and no one other than the research team will have access to the specific information that you are providing. If you have questions concerning this research, you may contact Dr. Ernest Cowles of the Center for Legal Studies, University of Illinois at Springfield: 217-786-6343.

You should understand that taking part in this interview is purely voluntary. There will be no consequences if you decide you do not want to participate. Similarly, we can offer no benefits for consenting to participate other than our sincerest thanks, and the knowledge that you will have contributed to a better understanding of these programs and their impacts. This project will be under the review of the Human Subjects Committee at the University of Illinois at Springfield.

My signature below shows that I have read (or had read to me) the above, that any questions I have regarding the study have been answered to my satisfaction, and that I consent to take part in this study under the conditions presented. If you have questions regarding the procedures discussed above, or your protections under Human Subjects' protocols, please feel free to contact Dr. Harry Berman, Associate Vice Chancellor for Academic Affairs and Human Subjects Review Officer for the University of Illinois at Springfield, PAC 521, University of Illinois at Springfield, Springfield, Illinois 62794-9243, phone: 217-786-7411.

Signature

Date

Witness

Date



Pretest V 1.0

1/3/97

ISP-CTRU

**Cash Transaction Reporting Unit
and
Drug Conspiracy Task Force
Evaluation
at the
Center for Legal Studies
University of Illinois at Springfield**

Interviewer _____

Date _____

Control Number _____

Name of Person Interviewed: _____

Position: _____

Length of time in present position: _____

Length of time with agency: _____

Office: _____

Program Affiliation: _____

How long has this program been operational? _____ Mos. (since date) _____

1. Could you briefly describe how your unit works?

1a. What is your unit's role in drug (and now firearms and gang) enforcement and related money laundering in Illinois?

2. Could you please identify the five most common activities you do routinely in your job?

_____	%*
_____	%*
_____	%*
_____	%*
_____	%*

*% of time spent on this activity

Planning and Development

3. Were you involved in the planning of the unit? _____

3a. If yes, please describe the nature of your involvement:

4. Were you involved in the *initial* implementation of the unit? _____

4a. If yes, please describe the nature of your involvement:

5. In your opinion what system needs or problems led to the creation of this program? (Note to interviewers: rank responses from most to least important)

Goals and Objectives

I have a listing of the goals and program objectives since 1992 for the ISP's Cash Transaction Reporting Unit operation that we have collected from official documents. Please take a moment to review these before I ask you the next set of questions.

6. In your opinion, were the appropriate goals established for this program? Please explain.

7. In your opinion, have the goals been achieved? (*Note to interviewers: Ask about each specific goal*). If the goals have not been achieved, why do you think they have not? Could anything now be done to achieve them? If the goals have been achieved, please identify the critical factors that have enabled them to be accomplished.

7a.(1) _____ (yes or no)

7b.(2) _____ (yes or no)

7c.(3) _____ (yes or no)

8. In your opinion, are there other goals for the ISP's Cash Transaction Reporting Unit that should be added to these identified goals? Are there other goals that should have been used in place of the present goals? Please explain.

9. Are the *objectives* identified for the ISP's Cash Transaction Reporting Unit during the years it has been operational appropriate? Please explain.

Resources

10. Are you aware of the initial staffing levels that were *planned* for the Cash Transaction Reporting Unit? If so, could you please identify the number and levels of the planned positions.

10a. Are you aware of the initial staff assigned to the Cash Transaction Reporting Unit? If so, could you please identify the number and levels of the positions.

11. During the length of the program have positions been added/deleted to the Cash Transaction Reporting Unit?

_____ (yes or no)

11a. If yes, please identify the position(s)

11b. If yes, are these positions funded by the grant?

_____ (yes or no)

12. Have any additional resources been received by the ISP's Cash Transaction Reporting Unit as a result of this grant program?

_____ (yes or no)

12a. If yes, please describe these resources.

12b. If yes, are these additional resources supported by the grant or other funding sources?

13. In your opinion, would this program have been set up had grant funding not been available? _____ Please explain.

14. Will this unit continue/change as a result of the expiration of grant funding? _____ (yes or no) Please explain.

15. In your view, are the resources available to this program adequate to allow it to achieve its goals? Please explain.

15a. Does your unit receive any benefit from asset seizure/forfeiture provisions of the drug laws?

15b. If additional resources are needed, could you please describe these needs.

Communication and Cooperation

16. Could you please identify the agencies/offices with which you have routine communication and describe the nature, type (phone, e-mail, formal memorandum), and frequency of the communication?

17.. What issues do you discuss most frequently with other members of your unit?

18. What issues do you discuss most frequently with members of the AG's CTRU unit?

18a. How frequently do you have contact with members of the AG's CTRU unit?

(Interviewer: Circle appropriate response)

daily weekly bi-monthly (2 or 3/mo.) monthly (at least 1/mo.)
quarterly (at least 1/3mos.) semi-annually (at least 1/6 mos.) annually never

19. What issues do you discuss most frequently with members of the ISP's DCTF unit?

19a. How frequently do you have contact with members of the ISP's DCTF unit?

(Interviewer: Circle appropriate response)

daily weekly bi-monthly (2 or 3/mo.) monthly (at least 1/mo.)
quarterly (at least 1/3mos.) semi-annually (at least 1/6 mos.) annually never

20. What issues do you discuss most frequently with individuals in local (including MEGs/TFs) agencies?

20a. How frequently do you have contact with individuals in local (including MEGs/TFs) agencies.

(Interviewer: Circle appropriate response)

daily weekly bi-monthly (2 or 3/mo.) monthly (at least 1/mo.)
quarterly (at least 1/3mos.) semi-annually (at least 1/6 mos.) annually never

21. Would you describe the amount of communication among the offices and staff involved in this program as: very good, good, satisfactory, poor or very poor? _____

21a. Could you explain your answer?

22. Could you describe the kinds of information you need to complete daily work assignments?

22a. Do you routinely have access to this information? Please explain your answer.

(Interviewer: circle the appropriate response on the questions below)

22b. How would you rate the completeness of information you receive?

very good good satisfactory poor very poor

22c. How would you rate the accuracy of the information you receive?

very good good satisfactory poor very poor

22d. How would you rate the timeliness of the information you receive?

very good good satisfactory poor very poor

(elaboration of any of the above)

23. Do you receive computerized information that you use to make decisions for this program?

_____ (yes or no)

23a. If yes, could you briefly describe what it is?

23b. If yes, are there any major problems with this information -- please describe.

24. Has communication between the ISP and the AG's office improved, remained the same, or gotten worse as a result the CTRU project ? _____

24a. Could you explain your answer?

25. Has communication between your unit and local law enforcement agencies (local police departments, drug task forces, sheriff's office) gotten better, remained the same, or gotten worse as a result of the CTRU? _____

25a. Could you explain your answer?

Training

26. What do you see as the basic training needs for someone working in this unit?

27. What training regarding your work in this unit have you received?

28. In your opinion, have the staff involved in this program received adequate training?

_____ (yes or no)

28a. Are there areas in which the staff needs additional training? Could you please identify these areas?

Activities

29. In your opinion, are the appropriate offenders/cases being targeted for this program?

_____ (yes or no)

29a. Could you explain your answer?

30. How is a case initiated in this unit?

31. Could you please describe how "leads" are generated?

32. How is the decision made that a case will be actively pursued by the CTRU?

32a. Are there specific criteria used to select cases for this unit? _____ (yes or no)

Please explain:

32b. Are the criteria used to select cases appropriate? _____ (yes or no)

Please explain:

33. Would you please describe the case management and tracking system used within this unit?

34. Are there any specific operational issues or problems that you believe are hampering this unit's effectiveness (please elaborate). Are there any specific operational aspects that make this program effective?

hampering

making effective

35. If you were involved in setting up to a program similar to this one in another jurisdiction, what elements would you keep/change to make the program more effective?

THANK YOU!!

Pretest V 1.0

1/3/97

ISP-DCTF

**Cash Transaction Reporting Unit
and
Drug Conspiracy Task Force
Evaluation
at the
Center for Legal Studies
University of Illinois at Springfield**

Interviewer _____

Date _____

Control Number _____

Name of Person Interviewed: _____

Position: _____

Length of time in present position: _____

Length of time with agency: _____

Office: _____

Program Affiliation: _____

How long has this program been operational? _____ Mos. (since date) _____

1. Could you briefly describe how your unit works?

1a. What is your unit's role in drug (and now firearms and gang) enforcement in Illinois?

2. Could you please identify the five most common activities you do routinely in your job?

_____%*
_____%*
_____%*
_____%*
_____%*

*% of time spent on this activity

Planning and Development

3. Were you involved in the planning of the unit? _____

3a. If yes, please describe the nature of your involvement:

4. Were you involved in the *initial* implementation of the unit? _____

4a. If yes, please describe the nature of your involvement:

5. In your opinion what system needs or problems led to the creation of this program? (Note to interviewers: rank responses from most to least important)

Goals and Objectives

I have a listing of the goals and program objectives since 1992 for the ISP Drug Conspiracy Task Force operation that we have collected from official documents. Please take a moment to review these before I ask you the next set of questions.

6. In your opinion, were the appropriate goals established for this program? Please explain.

7. In your opinion, have the goals been achieved? (*Note to interviewers: Ask about each specific goal*). If the goals have not been achieved, why do you think they have not? Could anything now be done to achieve them? If the goals have been achieved, please identify the critical factors that have enabled them to be accomplished.

7a.(1) _____ (yes or no)

7b.(2) _____ (yes or no)

7c.(3) _____ (yes or no)

8. In your opinion, are there other goals for the ISP Drug Conspiracy Task Force unit that should be added to these identified goals? Are there other goals that should have been used in place of the present goals? Please explain.

9. Are the *objectives* identified for the ISP Drug Conspiracy Task Force unit during the years it has been operational appropriate? Please explain.

Resources

10. Are you aware of the initial staffing levels that were *planned* for the Drug Conspiracy Task Force Unit? If so, could you please identify the number and levels of the planned positions.

10a. Are you aware of the initial staff assigned to the Drug Conspiracy Task Force Unit? If so, could you please identify the number and levels of the positions.

11. During the length of the program have positions been added/deleted to the Drug Conspiracy Task Force?

_____ (yes or no)

11a. If yes, please identify the position(s)

11b. If yes, are these positions funded by the grant?

_____ (yes or no)

12. Have any additional resources been received by the ISP Drug Conspiracy Task Force as a result of this grant program?

_____ (yes or no)

12a. If yes, please describe these resources.

12b. If yes, are these additional resources supported by the grant or other funding sources?

13. In your opinion, would this program have been set up had grant funding not been available? _____ Please explain.

14. Will this unit continue/change as a result of the expiration of grant funding? _____ (yes or no) Please explain.

15. In your view, are the resources available to this program adequate to allow it to achieve its goals? Please explain.

15a. Does your unit receive any benefit from asset seizure/forfeiture provisions of the drug laws?

15b. If additional resources are needed, could you please describe these needs.

Communication and Cooperation

16. Could you please identify the agencies/offices with which you have routine communication and describe the nature, type (phone, e-mail, formal memorandum), and frequency of the communication?

17. What issues do you discuss most frequently with other members of your unit?

18. What issues do you discuss most frequently with members of the AG's DCTF unit?

18a. How frequently do you have contact with members of the AG's DCTF unit?

(Interviewer: Circle appropriate response)

daily weekly bi-monthly (2 or 3/mo.) monthly (at least 1/mo.)
 quarterly (at least 1/3mos.) semi-annually (at least 1/6 mos.) annually never

19. What issues do you discuss most frequently with members of the ISP's CTRU unit?

19a. How frequently do you have contact with members of the ISP's CTRU unit?

(Interviewer: Circle appropriate response)

daily weekly bi-monthly (2 or 3/mo.) monthly (at least 1/mo.)
 quarterly (at least 1/3mos.) semi-annually (at least 1/6 mos.) annually never.

20. What issues do you discuss most frequently with individuals in local (including MEGs/TFs) agencies?

20a. How frequently do you have contact with individuals in local (including MEGs/TFs) agencies?

(Interviewer: Circle appropriate response)

daily weekly bi-monthly (2 or 3/mo.) monthly (at least 1/mo.)
 quarterly (at least 1/3mos.) semi-annually (at least 1/6 mos.) annually never

21. Would you describe the amount of communication among the offices and staff involved in this program as: very good, good, satisfactory, poor or very poor? _____

21a. Could you explain your answer?

22. Could you describe the kinds of information you need to complete daily work assignments?

22a. Do you routinely have access to this information? Please explain your answer.

(Interviewer: circle the appropriate response on the questions below)

22b. How would you rate the completeness of information you receive?

very good good satisfactory poor very poor

22c. How would you rate the accuracy of the information you receive?

very good good satisfactory poor very poor

22d. How would you rate the timeliness of the information you receive?

very good good satisfactory poor very poor

(elaboration of any of the above)

23. Do you receive computerized information that you use to make decisions for this program?

_____ (yes or no)

23a. If yes, could you briefly describe what it is?

23b. If yes, are there any major problems with this information -- please describe.

24. Has communication between the ISP and the AG's office improved, remained the same, or gotten worse as a result the DCTF project ? _____

24a. Could you explain your answer?

25. Has communication between your unit and local law enforcement agencies (local police departments, drug task forces, sheriff's office) gotten better, remained the same, or gotten worse as a result of the DCTF? _____

25a. Could you explain your answer?

Training

26. What do you see as the basic training needs for someone working in this unit?

27. What training regarding your work in this unit have you received?

28. In your opinion, have the staff involved in this program received adequate training?

_____ (yes or no)

28a. Are there areas in which the staff needs additional training? Could you please identify these areas?

Activities

29. In your opinion, are the appropriate offenders/cases being targeted for this program?

_____ (yes or no)

29a. Could you explain your answer?

30. How is a case initiated in this unit?

31. Could you please describe how "leads" are generated?

32. How is the decision made that a case will be actively pursued by the DCTF?

32a. Are there specific criteria used to select cases for this unit? _____ (yes or no)

Please explain:

32b. Are the criteria used to select cases appropriate? _____ (yes or no)

Please explain:

33. Would you please describe the case management and tracking system used within this unit?

34. Are there any specific operational issues or problems that you believe are hampering this unit's effectiveness (please elaborate). Are there any specific operational aspects that make this program effective?

hampering _____

making effective _____

35. If you were involved in setting up to a program similar to this one in another jurisdiction, what elements would you keep/change to make the program more effective?

THANK YOU!!



Pretest V 1.0

1/3/97

AG-DCTF

**Cash Transaction Reporting Unit
and
Drug Conspiracy Task Force
Evaluation
at the
Center for Legal Studies
University of Illinois at Springfield**

Interviewer _____

Date _____

Control Number _____

Name of Person Interviewed: _____

Position: _____

Length of time in present position: _____

Length of time with agency: _____

Office: _____

Program Affiliation: _____

How long has this program been operational? _____ Mos. (since date) _____

1. Could you briefly describe how your unit works?

1a. What is your unit's role in drug (and now firearms and gang) enforcement in Illinois?

2. Could you please identify the five most common activities you do routinely in your job?

_____	%*	_____
_____	%*	_____
_____	%*	_____
_____	%*	_____
_____	%*	_____

*% of time spent on this activity

Planning and Development

3. Were you involved in the planning of the unit? _____

3a. If yes, please describe the nature of your involvement:

4. Were you involved in the *initial* implementation of the unit? _____

4a. If yes, please describe the nature of your involvement:

5. In your opinion what system needs or problems led to the creation of this program? (Note to interviewers: rank responses from most to least important)

Goals and Objectives

I have a listing of the goals and program objectives since 1992 for the AG's Drug Conspiracy Task Force operation that we have collected from official documents. Please take a moment to review these before I ask you the next set of questions.

6. In your opinion, were the appropriate goals established for this program? Please explain.

7. In your opinion, have the goals been achieved? *(Note to interviewers: Ask about each specific goal)*. If the goals have not been achieved, why do you think they have not? Could anything now be done to achieve them? If the goals have been achieved, please identify the critical factors that have enabled them to be accomplished.

7a.(1) _____ (yes or no)

7b.(2) _____ (yes or no)

7c.(3) _____ (yes or no)

8. In your opinion, are there other goals for the AG's Drug Conspiracy Task Force unit that should be added to these identified goals? Are there other goals that should have been used in place of the present goals? Please explain.

9. Are the *objectives* identified for the AG's Drug Conspiracy Task Force unit during the years it has been operational appropriate? Please explain.

Resources

10. Are you aware of the initial staffing levels that were *planned* for the Drug Conspiracy Task Force Unit? If so, could you please identify the number and levels of the planned positions.

10a. Are you aware of the initial staff assigned to the Drug Conspiracy Task Force Unit? If so, could you please identify the number and levels of the positions.

11. During the length of the program have positions been added/deleted to the Drug Conspiracy Task Force?

_____ (yes or no)

11a. If yes, please identify the position(s)

11b. If yes, are these positions funded by the grant?

_____ (yes or no)

12. Have any additional resources been received by the AG's Drug Conspiracy Task Force as a result of this grant program?

_____ (yes or no)

12a. If yes, please describe these resources.

12b. If yes, are these additional resources supported by the grant or other funding sources?

13. In your opinion, would this program have been set up had grant funding not been available? _____ Please explain.

14. Will this unit continue/change as a result of the expiration of grant funding? _____ (yes or no) Please explain.

15. In your view, are the resources available to this program adequate to allow it to achieve its goals? Please explain.

15a. Does your unit receive any benefit from asset seizure/forfeiture provisions of the drug laws?

15b. If additional resources are needed, could you please describe these needs.

Communication and Cooperation

16. Could you please identify the agencies/offices with which you have routine communication and describe the nature, type (phone, e-mail, formal memorandum), and frequency of the communication?

17. What issues do you discuss most frequently with other members of your unit?

18. What issues do you discuss most frequently with members of the ISP's DCTF unit?

18a. How frequently do you have contact with members of the ISP's DCTF unit?

(Interviewer: Circle appropriate response)

daily weekly bi-monthly (2 or 3/mo.) monthly (at least 1/mo.)
quarterly (at least 1/3mos.) semi-annually (at least 1/6 mos.) annually never

19. What issues do you discuss most frequently with member of the ISP's CTRU unit?

19a. How frequently do you have contact with members of the ISP's CTRU unit?

(Interviewer: Circle appropriate response)

daily weekly bi-monthly (2 or 3/mo.) monthly (at least 1/mo.)
quarterly (at least 1/3mos.) semi-annually (at least 1/6 mos.) annually never

20. What issues do you discuss most frequently with individuals in local agencies (including MEGs/TFs)?

20a. How frequently do you have contact with members of the local agencies (including MEGs/TFs)?

(Interviewer: Circle appropriate response)

daily weekly bi-monthly (2 or 3/mo.) monthly (at least 1/mo.)
quarterly (at least 1/3mos.) semi-annually (at least 1/6 mos.) annually never

21. Would you describe the amount of communication among the offices and staff involved in this program as: very good, good, satisfactory, poor or very poor? _____

21a. Could you explain your answer?

22. Could you describe the kinds of information you need to complete daily work assignments?

22a. Do you routinely have access to this information? Please explain your answer.

(Interviewer: circle the appropriate response on the questions below)

22b. How would you rate the completeness of information you receive?

very good good satisfactory poor very poor

22c. How would you rate the accuracy of the information you receive?

very good good satisfactory poor very poor

22d. How would you rate the timeliness of the information you receive?

very good good satisfactory poor very poor

(elaboration of any of the above)

23. Do you receive computerized information that you use to make decisions for this program?

_____ (yes or no)

23a. If yes, could you briefly describe what it is?

23b. If yes, are there any major problems with this information -- please describe.

24 . Has communication between the AG and the ISP's office improved, remained the same, or gotten worse as a result the DCTF project ? _____

24a. Could you explain your answer?

25. Has communication between your unit and local agencies (local police departments, drug task forces, sheriff's office, state attorney's office) gotten better, remained the same, or gotten worse as a result of the DCTF? _____

25a. Could you explain your answer?

Training

26. What do you see as the basic training needs for someone working in this unit?

27. What training regarding your work in this unit have you received?

28. In your opinion, have the staff involved in this program received adequate training?
_____ (yes or no)

28a. Are there areas in which the staff needs additional training? Could you please identify these areas?

Activities

29. In your opinion, are the appropriate offenders/cases being targeted for this program?
_____ (yes or no)

29a. Could you explain your answer?

30. How is a case initiated in this unit?

31. Could you please describe how "leads" are generated?

32. How is the decision made that a case will be actively pursued by the DCTF?

32a. Are there specific criteria used to select cases for this unit? _____ (yes or no)

Please explain:

32b. Are the criteria used to select cases appropriate? _____ (yes or no)

Please explain:

33. Would you please describe the case management and tracking system used within this unit?

34. Are there any specific operational issues or problems that you believe are hampering this unit's effectiveness (please elaborate). Are there any specific operational aspects that make this program effective?

hampering

making effective

35. If you were involved in setting up to a program similar to this one in another jurisdiction, what elements would you keep/change to make the program more effective?

THANK YOU!!

Pretest V 1.0

1/3/97

AG-CTRU

**Cash Transaction Reporting Unit
and
Drug Conspiracy Task Force
Evaluation
at the
Center for Legal Studies
University of Illinois at Springfield**

Interviewer _____

Date _____

Control Number _____

Name of Person Interviewed: _____

Position: _____

Length of time in present position: _____

Length of time with agency: _____

Office: _____

Program Affiliation: _____

How long has this program been operational? _____ Mos. (since date) _____

1. Could you briefly describe how your unit works?

1a. What is your unit's role in drug (and now firearms and gang) enforcement and related money laundering in Illinois?

2. Could you please identify the five most common activities you do routinely in your job?

%* _____
%* _____
%* _____
%* _____
%* _____

*% of time spent on this activity

Planning and Development

3. Were you involved in the planning of the unit? _____

3a. If yes, please describe the nature of your involvement:

4. Were you involved in the *initial* implementation of the unit? _____

4a. If yes, please describe the nature of your involvement:

5. In your opinion what system needs or problems led to the creation of this program? (Note to interviewers: rank responses from most to least important)

Goals and Objectives

I have a listing of the goals and program objectives since 1992 for the AG's Cash Transaction Reporting Unit operation that we have collected from official documents. Please take a moment to review these before I ask you the next set of questions.

6. In your opinion, were the appropriate goals established for this program? Please explain.

7. In your opinion, have the goals been achieved? (*Note to interviewers: Ask about each specific goal*). If the goals have not been achieved, why do you think they have not? Could anything now be done to achieve them? If the goals have been achieved, please identify the critical factors that have enabled them to be accomplished.

7a.(1) _____ (yes or no)

7b.(2) _____ (yes or no)

7c.(3) _____ (yes or no)

8. In your opinion, are there other goals for the AG's Cash Transaction Reporting Unit that should be added to these identified goals? Are there other goals that should have been used in place of the present goals? Please explain.

9. Are the *objectives* identified for the AG's Cash Transaction Reporting Unit during the years it has been operational appropriate? Please explain.

Resources

10. Are you aware of the initial staffing levels that were *planned* for the Cash Transaction Reporting Unit? If so, could you please identify the number and levels of the planned positions.

10a. Are you aware of the initial staff assigned to the Cash Transaction Reporting Unit? If so, could you please identify the number and levels of the positions.

11. During the length of the program have positions been added/deleted to the Cash Transaction Reporting Unit?

_____ (yes or no)

11a. If yes, please identify the position(s)

11b. If yes, are these positions funded by the grant?

_____ (yes or no)

12. Have any additional resources been received by the AG's Cash Transaction Reporting Unit as a result of this grant program?

_____ (yes or no)

12a. If yes, please describe these resources.

12b. If yes, are these additional resources supported by the grant or other funding sources?

13. In your opinion, would this program have been set up had grant funding not been available? _____ Please explain.

14. Will this unit continue/change as a result of the expiration of grant funding? _____ (yes or no) Please explain.

15. In your view, are the resources available to this program adequate to allow it to achieve its goals? Please explain.

15a. Does your unit receive any benefit from asset seizure/forfeiture provisions of the drug laws?

15b. If additional resources are needed, could you please describe these needs.

Communication and Cooperation

16. Could you please identify the agencies/offices with which you have routine communication and describe the nature, type (phone, e-mail, formal memorandum), and frequency of the communication?

17. What issues do you discuss most frequently with other members of your unit?

18. What issues do you discuss most frequently with members of the ISP's CTRU unit?

18a. How frequently do you have contact with members of the ISP's CTRU unit?

(Interviewer: Circle appropriate response)

- daily weekly bi-monthly (2 or 3/mo.) monthly (at least 1/mo.)
- quarterly (at least 1/3mos.) semi-annually (at least 1/6 mos.) annually never

19. What issues do you discuss most frequently with members of the ISP's DCTF unit?

19a. How frequently do you have contact with members of the ISP's DCTF unit?

(Interviewer: Circle appropriate response)

- daily weekly bi-monthly (2 or 3/mo.) monthly (at least 1/mo.)
- quarterly (at least 1/3mos.) semi-annually (at least 1/6 mos.) annually never.

20. What issues do you discuss most frequently with individuals in local (including MEGs/TFs) agencies?

20a. How frequently do you have contact with individuals in local (including MEGs/TFs) agencies.

(Interviewer: Circle appropriate response)

- daily weekly bi-monthly (2 or 3/mo.) monthly (at least 1/mo.)
- quarterly (at least 1/3mos.) semi-annually (at least 1/6 mos.) annually never

21 Would you describe the amount of communication among the offices and staff involved in this program as: very good, good, satisfactory, poor or very poor? _____

21a. Could you explain your answer?

22 Could you describe the kinds of information you need to complete daily work assignments?

22a Do you routinely have access to this information? Please explain your answer.

(Interviewer: circle the appropriate response on the questions below)

22b. How would you rate the completeness of information you receive?

very good good satisfactory poor very poor

22c. How would you rate the accuracy of the information you receive?

very good good satisfactory poor very poor

22d. How would you rate the timeliness of the information you receive?

very good good satisfactory poor very poor

(elaboration of any of the above)

23. Do you receive computerized information that you use to make decisions for this program?

_____ (yes or no)

23a. If yes, could you briefly describe what it is?

23b. If yes, are there any major problems with this information -- please describe.

24. Has communication between the AG and the ISP's office improved, remained the same, or gotten worse as a result the CTRU project ? _____

24a. Could you explain your answer?

25. Has communication between your unit and local agencies (local police departments, drug task forces, sheriff's office, state attorney's office) gotten better, remained the same, or gotten worse as a result of the CTRU? _____

25a. Could you explain your answer?

Training

26. What do you see as the basic training needs for someone working in this unit?

27. What training regarding your work in this unit have you received?

28. In your opinion, have the staff involved in this program received adequate training?
_____ (yes or no)

28a. Are there areas in which the staff needs additional training? Could you please identify these areas?

Activities

29. In your opinion, are the appropriate offenders/cases being targeted for this program?

_____ (yes or no)

29a. Could you explain your answer?

30. How is a case initiated in this unit?

31. Could you please describe how "leads" are generated?

32. How is the decision made that a case will be actively pursued by the CTRU?

32a. Are there specific criteria used to select cases for this unit? _____ (yes or no)

Please explain:

32b. Are the criteria used to select cases appropriate? _____ (yes or no)

Please explain:

33. Would you please describe the case management and tracking system used within this unit?

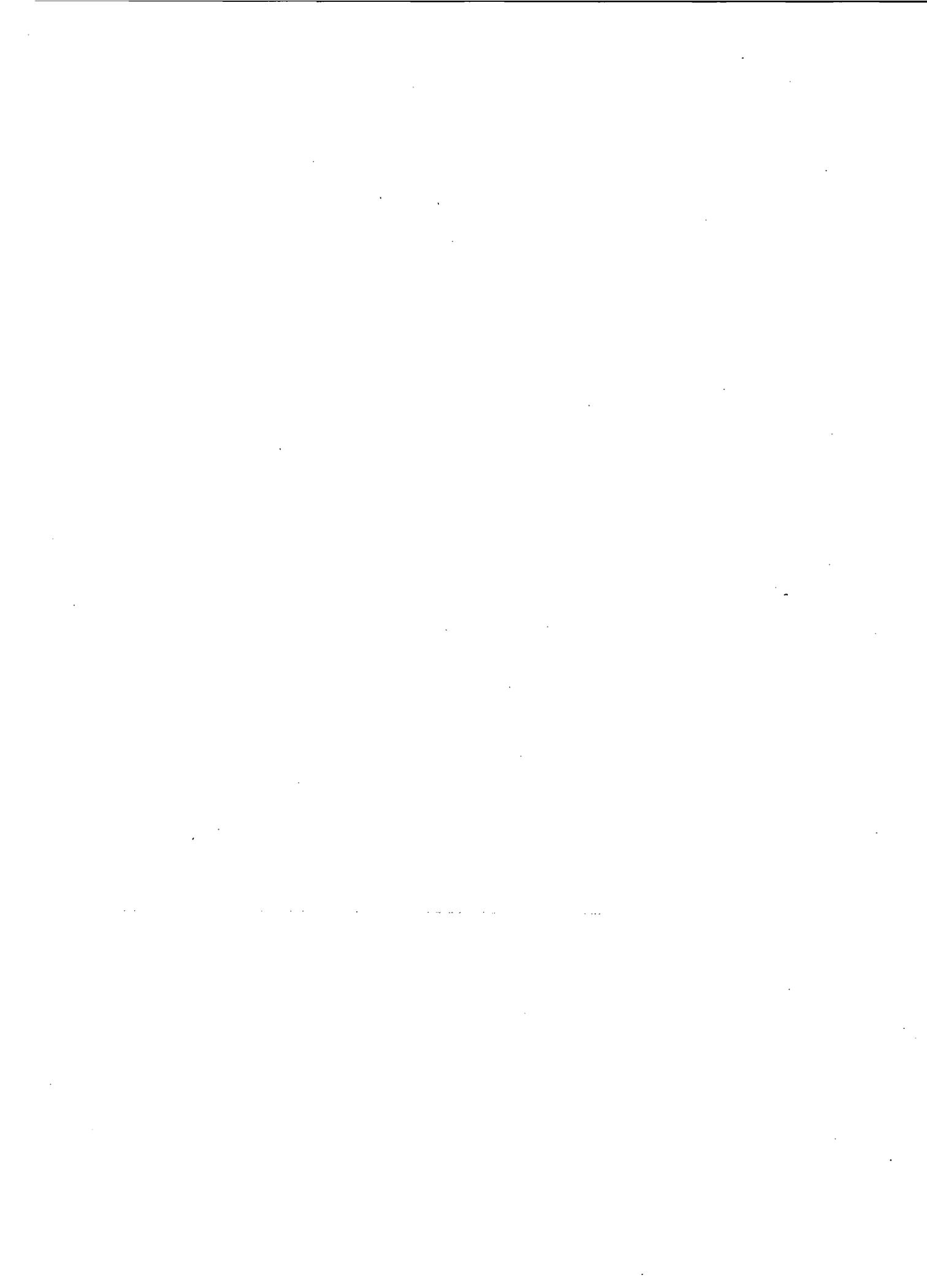
34. Are there any specific operational issues or problems that you believe are hampering this unit's effectiveness (please elaborate). Are there any specific operational aspects that make this program effective?

hampering _____

making effective _____

35. If you were involved in setting up to a program similar to this one in another jurisdiction, what elements would you keep/change to make the program more effective?

THANK YOU!!



Form #3

**Cash Transaction Reporting Unit
and
Drug Conspiracy Task Force
Evaluation
at the
Center for Legal Studies
University of Illinois at Springfield**

To help us understand the organizational structure of this program could you please identify the agencies that you work with in this program and can you give us the name of a contact person with that agency?

Agency name	Contact Person	Phone #
a. _____	_____	_____
b. _____	_____	_____
c. _____	_____	_____
d. _____	_____	_____
e. _____	_____	_____
f. _____	_____	_____
g. _____	_____	_____
h. _____	_____	_____

Could you please identify the staff within your office involved in this program?

Name	Position	Location
a. _____	_____	_____
b. _____	_____	_____
c. _____	_____	_____
d. _____	_____	_____
e. _____	_____	_____
f. _____	_____	_____
g. _____	_____	_____
h. _____	_____	_____
i. _____	_____	_____
j. _____	_____	_____



Appendix B

MEMORANDUM OF UNDERSTANDING
BETWEEN
THE DEPARTMENT OF THE TREASURY
AND
THE STATE OF ILLINOIS

This Memorandum of Understanding ("MOU") constitutes an agreement between the United States Department of the Treasury ("Treasury"), acting through the Assistant Secretary of the Treasury for Enforcement (the "Assistant Secretary"), and the State of Illinois, acting through both the Attorney General of the State of Illinois ("Illinois Attorney General") and the Illinois State Police ("State Police"), collectively referred to herein as "Illinois," for Treasury to provide Bank Secrecy Act Currency Transaction Report ("CTR"), Report of International Transportation of Currency or Monetary Instruments ("CMIR"), and Report of Foreign Bank and Financial Accounts ("FBAR") information to the State Police.

Section I. Purpose

The Treasury and Illinois have entered into this MOU in order to assist Illinois in its efficient and effective participation in current joint operations with the Internal Revenue Service and the U.S. Customs Service for the purpose of disrupting the financial superstructure of smuggling groups in Illinois (the "joint operations"); to reduce the costs of enforcement for both

Illinois and Illinois financial institutions; to assist in the enforcement of the money laundering, currency transaction reporting and asset forfeiture statutes of Illinois; to militate against the potential problems which might arise through uncoordinated state and federal efforts; to further the purpose of Federal/State cooperation in the fight against money laundering and the criminal enterprises it supports; and to expand the utility of CTR, CMIR and FBAR information.

This MOU does not confer any rights on any third party, including any defendant or any other party in litigation with Treasury, Illinois, or any other party. This MOU in no way restricts or otherwise affects Treasury's enforcement of the Bank Secrecy Act, 31 U.S.C. §5311, et seq., and the regulations promulgated thereunder, 31 CFR Part 103.

Section II. Definitions

1. "Agency" means any federal, state, or local agency, department, bureau or office.
2. "Illinois financial institutions" means financial institutions, as defined in 31 C.F.R. §103(i), which

indicate in Part V of Currency Transaction Reports an address located in Illinois.

3. "Currency Transaction Reports" or "CTRs" means reports filed by financial institutions on Internal Revenue Service Form 4789, or the equivalent information filed by magnetic media, or otherwise, as required by the Bank Secrecy Act, 31 U.S.C. §5313, and the regulation promulgated thereunder, 31 C.F.R. §103.22(a).
4. "Reports of International Transportation of Currency or Monetary Instruments" or "CMIRs" means reports filed on Customs Form 4790, as required by the Bank Secrecy Act, 31 U.S.C. 5316, and the regulation promulgated thereunder, 31 C.F.R. 103.23.
5. "Reports of Foreign Bank and Financial Accounts" or "FBARs" means reports filed on Treasury Form 90-22.1, as required by the Bank Secrecy Act, 31 U.S.C. 5314, and the regulation promulgated thereunder, 31 C.F.R. 103.24.
6. "Investigation" means any matter that causes an agency to make any inquiry about any subject(s) outside the investigating agency. An "investigation" need not be

designated as a formal investigation by the investigating agency.

Section III. Providing CTR, CMIR and FBAR Information

Treasury, through the Internal Revenue Service Computing Center in Detroit, Michigan (the Computing Center), shall periodically provide the State Police with magnetic media containing all CTR information filed by Illinois financial institutions, and FBAR information filed by persons residing in Illinois.

Treasury, through the U.S. Customs Service, Office of Enforcement Systems, Enforcement Support Division, shall periodically provide the State Police with magnetic media containing all CMIR information filed by persons transporting currency or other monetary instruments into or out of Illinois, by persons reporting a permanent or temporary address in Illinois, by persons reporting the importing or exporting of currency or other monetary instruments to or from any location in Illinois, by persons reporting shipment of currency or other monetary instruments to a person in Illinois, or by a person reporting that they acted as

agent, attorney, or in any similar capacity for any person in Illinois.

As soon as practicable, after the effective date of the MOU, Treasury shall provide the State Police with appropriate CTR, CMIR and FBAR information filed since January 1, 1991.

Section IV. Notice and Coordination of Investigations

In order to protect both the safety and effectiveness of federal and state undercover operations, informants, and confidential sources, and to maximize the use of federal and state investigatory resources, it is imperative that, except for investigations directly involving the joint operations of Illinois and the United States, Illinois give timely notice to Treasury of investigations that might affect ongoing Federal investigations and coordinate closely with Treasury during the course of such investigations.

Accordingly, Illinois shall notify Treasury in writing within five business days from the time that Illinois initiates an investigation, other than one directly involving joint Illinois and Federal operations, based on CTR, CMIR or FBAR information, or from

the time information relevant to an ongoing investigation is discovered from the CTR, CMIR or FBAR data, where the investigation involves a violation of state law that is also a violation of Federal law. Such notice shall be made to the appropriate Internal Revenue Service (IRS) or U.S. Customs Service (USCS) District Office and shall include a description of the nature of the suspected criminal conduct, identifying information about the subjects of the investigation and the basis for initiating the investigation. Illinois will advise the IRS or USCS of any new subjects of the investigation as the case develops.

Following such notice, Illinois shall conduct such investigations, at the IRS or USCS request, in coordination with other appropriate Federal agencies. Coordination will be required only if no joint Illinois and Federal operations are involved, and:

- A. there is an ongoing Federal case involving the same subject(s) or related subjects(s);
- B. a case involves a significant Federal interest, e.g., international terrorism or national security; or
- C. there is an indication that the investigation is related to significant interstate illegal activity.

Coordination shall require cooperation between Illinois and the IRS, USCS, or other Federal agency, and continuing communication as the state and Federal cases develop. No coordination is required in sensitive cases involving primarily state interest, such as investigations of misconduct by public officials or other cases not specifically covered by subparagraphs (A) and (B), above.

Section V. Restrictions

The State Police shall have the authority to disseminate CTR, CMIR and FBAR information provided to Illinois pursuant to this MOU to federal, state, and local law enforcement and prosecutorial agencies within Illinois only to the extent authorized by this MOU and pursuant to the Illinois Currency Reporting Act, Chapter 17, §7356. The State Police are further authorized to disseminate CTR data to federal and state regulatory agencies with jurisdiction over depository and non-depository financial institutions within Illinois, and to others within the state, pursuant to the Illinois Currency Reporting Act.

The State Police shall provide the Illinois Attorney General, for his own use, and in furtherance of the Illinois Attorney General's investigations and prosecutions, direct access to CTR, CMIR and FBAR information provided to Illinois by Treasury, by means of a

direct computer hookup, on lines and equipment provided and owned by the State Police. The Illinois Attorney General recognizes that the right to further disseminate such information, in a manner consistent with this agreement, is reserved to the Illinois State Police, and the Illinois Attorney General shall not further disseminate such information to any agency, person or organization.

Prior to disseminating any information obtained pursuant to this MOU, the State Police shall provide the Assistant Secretary with a list of dissemination partners and shall update that list on a timely basis.

The State Police shall ensure that the information described in Section III of this MOU is not further disseminated to any party without the prior written authorization of the Assistant Secretary.

Section VI. Reimbursement and Indemnification

Illinois shall reimburse the Internal Revenue Service and Customs Service for all costs incurred in connection with providing CTR, CMIR and FBAR information to Illinois. Such costs shall include the cost of computer programming to separate CTR, CMIR and FBAR information for Illinois from other BSA information, the periodic costs involved in preparing and transmitting magnetic tapes or

other magnetic media containing CTR, CMIR and FBAR information and the costs of providing any paper copies of CTRs, CMIRs and FBARs to Illinois. Illinois shall reimburse the Internal Revenue Service and Customs Service for the cost of any training on the use of CTR, CMIR and FBAR information provided by Treasury to Illinois.

Illinois agrees to indemnify and hold Treasury harmless for any and all costs incidental to any litigation or proceeding in which Treasury is a party or in which any Treasury personnel must serve as a witness by virtue of Treasury's providing CTR, CMIR and FBAR information under this MOU, unless such litigation arises as the result of the negligence or other wrongdoing of the Department of Treasury, its officers or employees. Such costs include reimbursement for salaries and expenses of Treasury legal personnel in support of litigation.

Illinois agrees to pay promptly all costs imposed under this agreement. In the event any question or dispute arises concerning any costs to be paid by Illinois, Illinois shall promptly submit such question or dispute in writing to the Assistant Secretary.

Section VII. Reports to Treasury

The State Police shall submit written quarterly reports to the

Assistant Secretary, or his designee, regarding Illinois' use of the CTR, CMIR and FBAR information. The reports shall include the number and type of cases in which CTR, CMIR and FBAR information was used, the number of investigations initiated, the number of prosecution referrals made, and the number of successful prosecutions. The State Police shall also furnish to the Assistant Secretary, on a timely basis, copies of reported and unreported Illinois court opinions involving investigations initiated or substantially enhanced as a result of reports and information received or obtained under this MOU.

Section VIII. Notice to Treasury Regarding Potential Litigation

The State Police shall advise the Assistant Secretary, or his designee, of litigation in which Treasury has been or may be named as a party by virtue of Treasury providing CTR, CMIR and FBAR information to Illinois under this MOU, within three business days of receiving notice of such litigation.

Section IX. Contacts with Treasury

The State Police shall direct all questions or problems regarding the transmission of CTR and FBAR information in writing to the

Director of the IRS Detroit Computing Center. Questions or problems regarding the transmission of CMIR information shall be forwarded to the Director, Enforcement Support Division, U.S. Customs Service. If questions or problems are submitted orally, Illinois shall within ten days submit to the appropriate Director written confirmation of all such communications. Copies of all correspondence with the IRS Detroit Computing Center or U.S. Customs Service Enforcement Support Division shall be sent to the Director of the Office of Financial Enforcement, Office of the Assistant Secretary for Enforcement.

The State Police shall direct all other questions or problems arising under this MOU to the Director of the Office of Financial Enforcement, Office of the Assistant Secretary for Enforcement.

Treasury shall direct all questions or problems arising under this MOU to A.G. Lindsey, Assistant Deputy Director, Illinois State Police, Division of Criminal Investigation, or his designee.

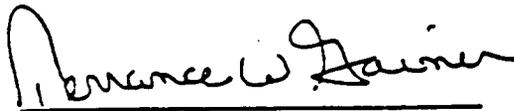
Section X. Amendments

This MOU may be amended only with the written concurrence of the Treasury and Illinois.

Section XI. Termination

This MOU shall remain in effect indefinitely but may be terminated at any time by the Treasury and/or Illinois. The terminating party shall make every effort to give the other party reasonable notice of termination.

FOR THE STATE OF ILLINOIS:



TERRANCE W. GAINER
Director
Illinois State Police

Date: 18 Mar 92

FOR THE UNITED STATES
DEPARTMENT OF THE TREASURY:

PETER K. NUNEZ
Assistant Secretary
(Enforcement)

Date: _____



ROLAND W. BURRIS
Attorney General
State of Illinois

Date: MARCH 23, 1992

IX PROTOCOL

To initiate this project the Illinois State Police shall, from existing funds, acquire from the U.S. Treasury and Internal Revenue Service the magnetic tapes containing the CTR, CMIR and FBAR data pertinent to the State of Illinois filed since January 1, 1991.

Once the data is secured, the Illinois State Police will serve as the repository for the magnetic tapes containing the federally and state mandated financial reports. Only the Illinois State Police and the Attorney General's Office, as parties to the M.O.U., will have direct access to this computer data base to maintain security and prevent unauthorized disclosure of the data to agencies not party to the M.O.U. and preclude fractionalization of the program amongst a multitude of agencies. Within the Illinois State Police and Attorney General's Office only those persons possessing the proper user identification and matching confidential password will be able to access the computer data base.

The Illinois State Police and the Attorney General's Office will establish separate, but cooperative, Cash Transaction Reporting Units. The units will work in concert with each other to provide and share information in an expeditious manner so that independent investigations can proceed efficiently and effectively. The units will maintain open lines of communications with other state and local law enforcement and prosecutors offices. Upon request of another agency for information the units will respond in an expeditious manner to provide financial evaluations of the person or organization upon whom the query is based. After reviewing the financial data and comparing it with information available from investigative or intelligence files, or by cross referencing the data with existing intelligence programs, the units may upon their own initiative, identify, develop and refer potential subjects for investigative or prosecutive action. Requests for information from an agency external to the Illinois State Police or the Attorney General's Office will be referred to the Illinois State Police for reply. Information which is developed that indicates that possibly two or more local agencies may be inquiring on the same subject will be coordinated by the Illinois State Police in a manner to resolve the matter to the satisfaction of both parties.

The Illinois State Police will review the electronic material provided under the M.O.U., routinely or upon special request, to identify apparent violations of the currency reporting act or indications of numerous small, single transactions frequently used to avoid reporting of the transactions. The violations will be detected through manipulation of the data via an existing computer program which has search, sort and frequency capabilities. Persons or agencies so identified will be subjected to an intelligence collection effort to amass all information available on them. These incidents will be coordinated by telephone, or most expeditious procedure, with the Attorney General's Office to insure there is no duplication of effort. If the subject is not already a target of an investigation, the matter will be expeditiously referred to the Operations Command, Division of Criminal Investigation, for initiation of a preliminary or criminal investigation. All investigations initiated will be coordinated, by telephone and written report, with the Attorney General's Office and the U.S. Treasury or other concerned federal agency.

MEMORANDUM OF UNDERSTANDING

Pursuant to an agreement between the Currency Transaction Reporting Unit of the Illinois State Police (ISPCTR) and the Currency Transaction Reporting Unit of the Illinois Attorney General (AGOCTR), with the approval of the Illinois Criminal Justice Information Authority, the units will function under the terms and conditions set forth below:

The ISPCTR will assume a pro-active investigative role by analyzing all tapes received from the United States Treasury Department looking for suspicious transactions. They are to act as the primary and lead investigative body in this respect. Once such transactions are determined to be suspicious, ISPCTR shall disseminate such information to whichever unit of law enforcement they deem appropriate. This may include, but is not limited to, Illinois State Police Districts, Metropolitan Enforcement Groups, any task force, or any unit of local law enforcement such as a local county sheriff, municipal police department or a local state's attorney. Concurrently, with such dissemination, the ISPCTR shall inform the AGOCTR of the circumstances and the details of where the information was sent and provide the AGOCTR with a copy of the information forwarded. At this point, the ISPCTR shall act in a supportive role to whichever agency now has the information.

The AGOCTR, upon receiving such information, will contact the relevant local state's attorney and request a role in the investigation. This request will be in a manner consistent with the traditional role of the Attorney General in its capacity of assisting the various state's attorneys. They will offer to handle the matter in lieu of the state's attorney's involvement, jointly investigate and prosecute with the state's attorney or defer to the request of the state's attorney that they not get involved. The incentive for the local state's attorney will be that the AGOCTR will have an expertise in the areas of money laundering and currency violations not usually acquired at the local level.

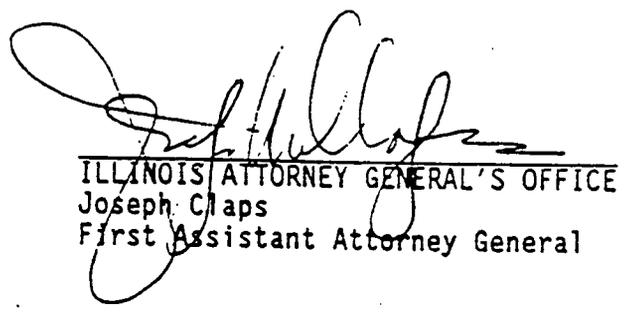
Once involved, the AGOCTR team will also make available its financial analysts to aid either the ISPCTR or whatever unit of law enforcement working the case.

The AGOCTR will continue in its role of support to the Statewide Drug Conspiracy Task Force which is located in the same suite of offices in Chicago. This support will involve the use of CTR tapes and its related information to assist in the seizure and forfeiture of assets obtained through the drug trade.

Recognizing the need to avoid duplicity, it is agreed that the ISPCTR will handle all direct inquires from local law enforcement and if the AGOCTR receives direct inquires they will be forwarded to the ISPCTR. Further, the AGOCTR will keep the ISPCTR apprised of its investigations and workings with the Drug Conspiracy Task Force and both units will communicate in such a manner that all targets are being examined by only one of the units. Monthly meetings are recommended to insure the avoidance of duplicity.



ILLINOIS STATE POLICE
Thomas Shumpp
Deputy Director



ILLINOIS ATTORNEY GENERAL'S OFFICE
Joseph Claps
First Assistant Attorney General

At its meeting of June 7th, 1991, the Illinois Criminal Justice Information Authority awarded funding to the Attorney General and the State Police for the implementation of a drug conspiracy initiative. At that meeting and in a subsequent letter Director Coldren stated that as a condition of the award the Authority required a protocol to be developed and approved by the Attorney General, the State Police and the State's Attorneys Appellate Prosecutor. According to Director Coldren the protocol should 1) define and describe the roles of the various agencies with respect to the investigation, apprehension and prosecution of drug offenders and 2) describe how the agencies will work together.

The following document is submitted in compliance with the Authority's requirement.

PROTOCOL

- I. This will be a joint venture of the Attorney General's Office and the Illinois State Police. Its title: Drug Conspiracy Task Force.
- II. The Attorney General, working with the State's Attorney in accordance with paragraph VI of this Protocol, will be the agency principally responsible for prosecution; the State Police will be the agency principally responsible for investigation and apprehension. The two agencies will solicit referrals from other law enforcement and legal agencies, such as local police departments, sheriff's departments, MEG's, Task Forces, State's Attorney's offices and State's Attorneys Appellate Prosecutors. In addition, these law enforcement and legal agencies will be able to refer cases to the Drug Conspiracy Task Force, which will work with them cooperatively.
- III. The Illinois State Police will also initiate investigations when appropriate, and work with local agencies as needed.
- IV. The State Police will develop cases through investigative procedures; the Attorney General will provide felony review. The prosecution of the cases will proceed in accordance with paragraph VI.
- V. The Attorney General will provide legal support for State Police investigative procedures, dealing with such matters as wiretaps, consensual

PAGE TWO
PROTOCOL

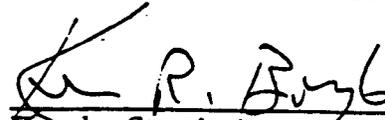
overhear, search warrants and use of a grand jury. The Attorney General will also provide staff financial-analysts to support the "money laundering" and asset-forfeiture aspects of a case. ^{PROSECUT UNDER THE} ^{NARCOTICS AND FORFEITURE} The analysts will not be street investigators, but they could be sworn as inspectors with the approval of the State Police. These analysts will work with agencies that can assist them, including the State's Attorneys Appellate Prosecutor in accordance with paragraph VII.

- VI. In all prosecutions the Attorney General will cooperate with the State's Attorney who, on a case-by-case basis, will determine the State's Attorney involvement in the case.
- VII. In cases involving the 1505 forfeiture statute the State's Attorneys Appellate Prosecutor will assist in the forfeiture with the advise and consent of the State's Attorney involved.
- VIII. The decision as to whether to seek federal assistance for the Drug Conspiracy Task Force will be made jointly by the Attorney General and State Police in consultation with the State's Attorney involved.

APPROVED

 Date: 9 Sept 91
For the Attorney General

 Date: 6 Sept 91
For the Illinois State Police

 Date: 6 Sept 91
For the State's Attorneys Appellate Prosecutor



Appendix C



Statewide Grand Jury Statistics – Cases with Indictments

Year	Case Name	County	Number Indicted
1993	Dundeal	Lake	15 defendants
	Jeff Smith et al	Montgomery	19 defendants
1994	Our Turn	Kane	14 defendants
	White Fang	Cook	14 defendants
1995	Zappa/Hale	DuPage	2 defendants
	Miller et al	Will	19 defendants
	Flores/Ponce	DuPage	2 defendants
	Langone	DuPage	1 defendant
	Manley/Sanchez	Grundy	2 defendants
1996	McCutcheon/Shimanek	McHenry	2 defendants
	Infante/Rodriguez	Lake	2 defendants
	Lucio	Kane	1 defendant
	Lucio	Kane	1 defendant
	Sanchez/Martinez	Cook	2 defendants
	Molina/Tores	Lake	5 defendants
	Southern Passage	McLean	31 defendants
	Garriott	DeKalb	1 defendant
	Weytkow	Christian	1 defendant
	Rivera/Casa/Astorga	DuPage	3 defendants
	Median/Saucedo	Will	2 defendants
	Hicks/Yeackly/Roman	Cook	3 defendants
	Zepeda/Estrada/Reyes	Madison	3 defendants
	Quiroz/Alcaraz/Uglade	Kane	3 defendants
	Taylor	Kankakee	1 defendant
	Gottlieb	Cook	1 defendant
	1997	Stewart	Macon
Alderson		Macoupin	1 defendant
Olah		Macoupin	1 defendant
Smith/Walker		Cook	2 defendants
Smith		Cook	1 defendant
Gomez/Hernandez		Cook	2 defendants
Hernandez/Parra/Burford		Kane	3 defendants
Esponsia et al		Vermillion	4 defendants
Ibarra/Ramos/Casteneda		Vermillion	3 defendants
Sanchez et al		Madison	5 defendants
Cores		Cook	1 defendant
Meeker et al		Vermillion	8 defendants
Melendez		Sangamon	1 defendant
Webb		Cook	1 defendant
Alvarez		Whiteside	1 defendant
Hayes/Lopez	Lake	2 defendants	

Appendix D

California Financial Investigations Program Personnel and Duties

- One CFIP Program Manager
 1. Manages and supervises the unit.
 2. Serves as FinCEN state/local coordinator.

- Three analysts (Criminal Intelligence Specialist, Associate Government Program Analyst, Investigative Auditor)
 1. Analyze Cash Transaction Reports and Suspicious Transaction Reports (CTRs/STRs).
 2. Develop investigative referrals.
 3. Perform other duties as assigned.

- Two Program Technicians and two part-time secretaries
 1. Process CTR tapes.
 2. Search public records.
 3. Data entry, and some initial analysis.

- One Auditor
 1. Coordinates asset forfeiture in the BNE.
 2. Does not perform CTR/STR analysis.

- One Associate Governmental Program Analyst
 1. Assists development of the card room reporting program.
 2. Analyzes card room transactions greater than \$10,000.

- One Programmer Analyst, one Investigative Auditor, and two Special Agents are assigned to other BNE offices.

PROPERTY OF
National Criminal Justice Reference Service (NCJRS)
Box 6000
Rockville, MD 20849-6000



**ILLINOIS
CRIMINAL JUSTICE
INFORMATION AUTHORITY**

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Chicago, Illinois 60606-3997
312-793-8550

Jim Edgar, Governor
Peter B. Bensinger, Chairman