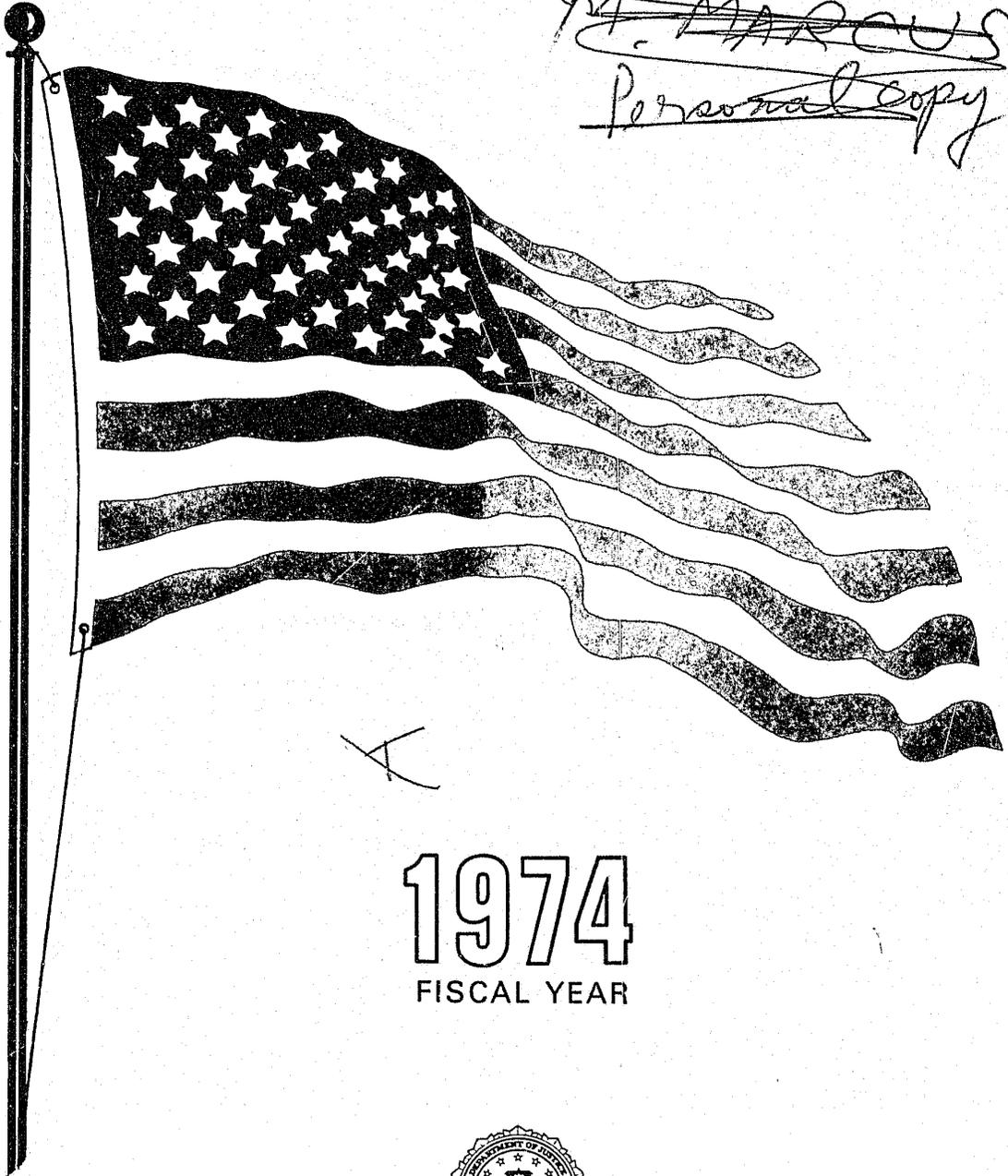


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1974
FISCAL YEAR



FBI *Annual Report*

FEDERAL BUREAU OF INVESTIGATION
UNITED STATES DEPARTMENT OF JUSTICE

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INTRODUCTION

Herein we present significant highlights of the FBI's performance during fiscal year 1974, my first full year as Director. We hope this wide-ranging information will help broaden public understanding of the FBI's operations, accomplishments and goals.

But by no means is this report all-inclusive.

For these printed pages cannot adequately convey those elusive factors we feel enable the FBI to excel in the investigative field. No compendium of facts can portray that extra effort expended each day by thousands of career FBI employees. No table of statistics can communicate the feeling of pride and tradition that helps sustain the FBI's high level of efficiency.

But these intangibles, I believe, are manifested in the FBI's performance, its achievements and progressive activities, which is what this report is all about.

The FBI is charged with a broad range of investigative responsibilities; it is our basic goal to serve the people of this nation by discharging these responsibilities lawfully, honorably and with increasing efficiency.

C. Kelley

Director

Criminal Investigations

Organized Crime

The FBI continued to stress major organized crime cases during Fiscal 1974 with investigations resulting in more than 1,360 convictions. These included national Syndicate functionaries in New York City, Philadelphia, Cleveland, and also in New England. Five other ranking Syndicate officials were among the nearly 2,600 organized crime subjects in various stages of prosecution as the fiscal year ended. Recoveries and confiscations in FBI organized crime cases exceeded \$3,400,000.

These are some of the major prosecutive actions against the organized underworld during Fiscal 1974:

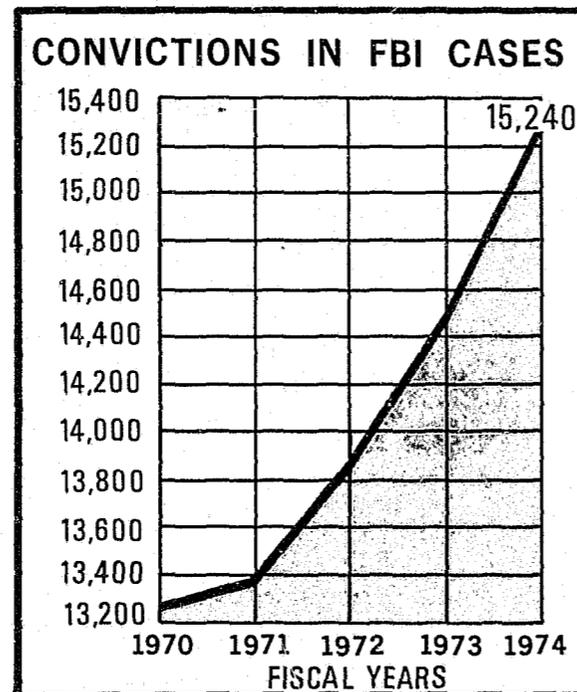
-Convictions on July 9, 1973, of 18 persons accused of having operated a decades-old lottery operation preying on ghetto residents in the Mobile, Alabama, area.

-Indictment of 16 persons on July 11, 1973, in New York City for conspiring to dispose of \$18.2 million worth of stolen and counterfeit securities in the United States and Europe. As the fiscal year ended, six of those accused had been convicted on a variety of Federal charges, including at least two with strong Syndicate ties.

-Indictment on July 25, 1973, of Frank Tieri, a top Syndicate leader in New York City, for allegedly violating the Extortionate Credit Transactions Statute, his second such indictment in five months. Tieri is currently awaiting trial.

-Conviction of Frank Brancato and two associates in Cleveland, Ohio, on Federal gambling charges August 3, 1973. Brancato, described in the press as the third-ranking racketeer in the Cleveland area, since has died of natural causes.

-Conviction of Philip Testa, a longtime Syndicate functionary in the Philadelphia area, on September 12, 1973, for civil contempt after he refused to testify under immunity before a Federal grand jury probing organized crime. Testa was ordered incarcerated immediately.



-Also convicted: national Syndicate chief-tain Carmine Tramunti on October 25, 1973, in New York City on six counts of perjury, later sentenced to five years in prison; ranking Massachusetts mob figure Gennaro Angiulo on December 19, 1973, for assaulting a Federal officer; two New York City rackets bosses, Vincent Aloï and John Dioguardi, on December 22, 1973, for conspiracy to defraud in a major stock-swindle case. Aloï received a nine-year prison term, and Dioguardi was sentenced to ten years; Alderman Frank Bruno on June 25, 1974, in Pittsburgh, Pennsylvania, for obstruction of justice. Sentenced to two years, Bruno was the fourth public official to be indicted or convicted in Federal court as a result of extensive FBI investigation leading to conviction of Pittsburgh gambling czar Anthony M. Grosso.

Criminal Intelligence Dissemination

In its drive against racketeers, the FBI cooperates closely with other Federal, state and local agencies, particularly those responsible for investigating gambling and narcotics violations, two major sources of illicit revenue for the underworld.

In Fiscal 1974, information developed by the FBI and disseminated to other agencies resulted in nearly 3,300 organized crime arrests; confiscation of some \$35 million worth of narcotics, about \$2 million worth of cash, property, weapons and wagering paraphernalia and more than \$3 million worth of counterfeit bills; confiscation or assessment of tax liens against \$15,461,000 worth of property arising out of gambling cases in Connecticut, Florida, Georgia, Illinois, Massachusetts, Michigan and Washington.

Here are some of the highlights of the Bureau's sustained drive in this vital field during Fiscal 1974:

-Intelligence data disseminated by the FBI assisted local authorities in Orlando, Florida, in arresting three individuals debarking from an airplane while in possession of \$200,000 worth of

heroin on July 19, 1973.

-Santa Ana, California, police arrested two persons and seized a ton of marijuana valued at \$2 million on August 15, 1973.

-Drug Enforcement Administration (DEA) agents in Las Vegas on September 14, 1973, confiscated \$5 million worth of hashish in what was described as the largest seizure of hashish ever made in the United States.

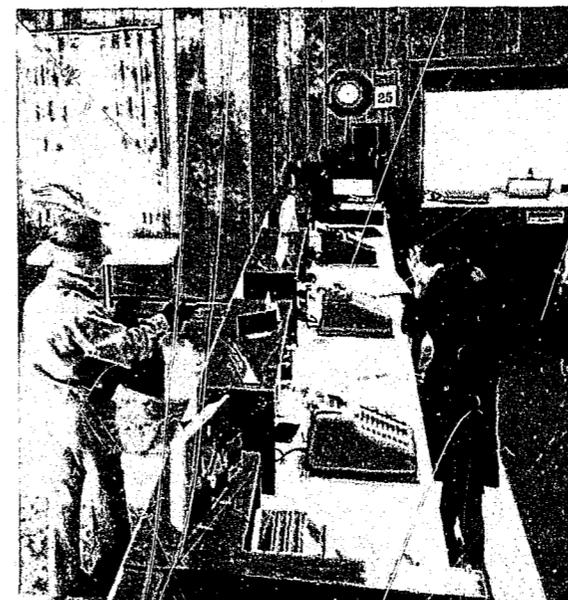
-DEA and Mexican narcotics investigators, acting upon information obtained from the FBI, on September 28, 1973, arrested two individuals and recovered a cache of heroin valued at \$5.5 million.

-On the same day, an FBI source in New York City led investigators to the arrest of a fugitive wanted for the slaying of one Federal narcotics agent and the wounding of another.

Bank Robberies, Burglaries and Larcenies

Violations of the Federal Bank Robbery and Incidental Crimes Statute soared to a record high of 3,485 during Fiscal 1974, in contrast to declines in fiscal years 1972 and 1973.

Convictions in cases investigated by the



Bank robbery and incidental crimes violations soared to record high...and bank surveillance cameras often caught the action. Verona, Kentucky



In New York City bank robbery, as two security guards pursued subject in foreground, second subject in background opens fire on guard on stairs who hunches shoulders as he is struck by two bullets. The wounded guard survived.



Camera-shy gunman shoots bank surveillance camera in Houston, Texas.



FBI in this category also jumped to a record high of 1,871. Many of those convicted were responsible for more than one offense.

The total violations consisted of 2,817 robberies, 359 burglaries and 309 larcenies.

There appeared to be an increase in violence in these bank robberies. Recidivism was clearly evident.

When three males robbed an Alexandria, Virginia, bank March 1, 1974, one of them claimed a teller had "hit the alarm," whereupon a second robber shot and killed a woman teller. She was the wife of a Fairfax County, Virginia, police officer. Investigation is continuing.

The senseless violence included instances in which robbers committed suicide when they were about to be apprehended.

The record 1,871 convictions resulted in actual, suspended and probationary sentences totaling 18,643 years and seven months. Fines imposed exceeded \$150,000 and recoveries of loot totaled more than \$6.3 million. Some 984 fugitives were located during these investigations.

Kidnaping

There was a dramatic resurgence of kidnap-

ing offenses during Fiscal 1974, particularly during the period January through June, 1974, when 40 major investigations of hostage kidnapings and related-type cases were instituted. There were numerous other investigations in which the hostage was freed or escaped without a ransom demand being made.

The most publicized kidnaping was that of Patricia Hearst in Berkeley, California, on February 4, 1974. This case represents the first political-style kidnaping to occur in the United States.

The objectives of the FBI in kidnap cases are safe return of the victim first and foremost, then identification, arrest and prosecution of persons responsible and the recovery of the ransom. These objectives have been realized in most cases, and kidnapers have found their enterprise involved much more risk than profit.

A typical case was the kidnaping in Tulsa, Oklahoma, of oil company executive Walter H. Helmerich III, who was abducted at gunpoint June 3, 1974, while driving to work, by a person posing as a utility company employee. Before his release some eight hours later, a ransom of \$700,000 had been paid. Within five hours, Freddie Delbert Smith was identified as the kidnaper

and arrested. All but \$500 of the ransom money was recovered. On June 26, 1974, Smith pleaded guilty in U. S. District Court and was sentenced to 20 years' imprisonment.

In several cases the FBI has been successful in thwarting kidnaping plots before the actual abduction. Notable among these is the case involving convicted aircraft hijacker Garrett Brock Trapnell. Information was developed in February, 1974, that Trapnell, then being temporarily held in the Los Angeles, California, County Jail, a fellow inmate and a third person were plotting the kidnaping of a foreign dignitary in Los Angeles to be held for release of Trapnell and the other inmate, political asylum in Sweden and \$250,000. As a result of FBI investigation, the plotter not in jail was arrested and all three were charged with conspiracy to violate the section of the Federal Kidnaping Statute pertaining to foreign officials. Trapnell was convicted in Federal court on May 16, 1974, and has received a 15-year sentence. One accomplice received a five-year sentence and the other a sentence of six months in jail and five years' probation.

During Fiscal 1974, FBI investigations resulted in 96 convictions for violations of the Kidnaping Statute — an increase of 35 percent over Fiscal 1973. Actual, suspended and probationary sentences totaled 928 years, seven months and ten days. Nineteen life sentences



"Tania" (Patricia Hearst)



Extortion subject (left) grabs payoff package from female FBI agent of the Cincinnati Office who was standing in for victim. Subject was apprehended shortly thereafter.

were imposed, more than \$789,000 was recovered and 68 fugitives were located.

Extortion

Many investigations conducted under the Federal Extortion Statute involve threats made against public officials. However, some result from opportunists seeking to capitalize on highly publicized kidnapings, though they have no connection with the abduction. Such was the case in San Diego, California, on March 1, 1974, when the FBI office there received a telephone call to go to a particular telephone booth and pick up a letter from the "kidnapers" of Patricia Hearst. The letter was located. It contained instructions for \$10,000 to be placed in a trash container, warning that "Patricia is gone" if the instructions were not followed. The instructions also were communicated to the Hearst family in a series of telephone calls. FBI coverage of the payoff and subsequent investigation resulted in the arrest of Samuel Lee McGraw. McGraw had no involvement in the Hearst case and had no knowledge of Patricia Hearst's whereabouts.

The extortion letter had not gone through the mail and the telephone calls had not been interstate, so McGraw was prosecuted in a state court on a charge of posing as a kidnaper. On June 4,

1974, he was sentenced to serve five years to life.

In Fiscal 1974, FBI investigations under the Extortion Statute resulted in 68 convictions in which sentences totaled 262 years, two months and 15 days in actual, suspended and probationary terms. (There were 62 convictions in Fiscal 1973.) Fines of \$2,750 were imposed and recoveries amounted to \$2,600. Some 61 fugitives charged with extortion were located, including one who shot and wounded an arresting Agent in Roanoke, Virginia, on January 28, 1974.

Civil Rights Violations

During the highly publicized trucker's strike and blockade in early February, 1974, the FBI conducted more than 100 investigations of possible civil rights violations.

In one of these cases, a trucker was killed by a rock dropped on the cab of his truck. Five individuals have pleaded guilty (and are awaiting sentencing). Civil rights violations are both criminal and civil in nature and FBI investigations in this area are closely coordinated with the Civil Rights Division of the Department of Justice.

Following extensive FBI investigation, five persons were convicted in Detroit, Michigan, May 21, 1973, in connection with the burning of ten school buses used for busing of students pursuant to a court order for school desegregation. Then new information developed, and six additional indictments were obtained on May 22, 1974. Prosecution was pending as of June 30, 1974.

Fugitive Investigations

An all-time high of 37,891 FBI fugitives were located during Fiscal 1974. Those apprehended included bank robbers, kidnapers and deserters, as well as felons wanted by local authorities. Some 3,478 were sought at the specific request of state and local authorities for violations of the Fugitive Felon Act.

Ten Most Wanted fugitives Twymon Ford Myers and Herman Bell were targets of extensive FBI investigations. Both were allegedly members of a group involved in a series of violent crimes. FBI Agents arrested Bell in New Orleans on September 9, 1973. When Myers resisted arrest with automatic weapon fire on November

14, 1973, he was shot and killed by FBI Agents and New York City police officers.

Interstate Crimes

Interstate automobile theft rings operated by professional thieves continued to be a challenging problem for the FBI in Fiscal 1974. As of June 30, 1974, approximately 230 active automobile theft ring cases were under investigation.

FBI investigations resulted in 1,871 convictions of persons for violations of the *Interstate Transportation of Stolen Motor Vehicle (ITSMV) Statute* during the fiscal year. Fines in the amount of \$278,422 were levied on convicted offenders.

A New York City bank in November, 1973, discovered that \$15,350,000 in U. S. Treasury bills was missing. As a result of FBI investigation, \$13,610,000 worth of stolen Treasury bills was recovered and 14 subjects arrested.

This was a violation of the *Interstate Transportation of Stolen Property (ITSP) Statute*, which falls within FBI jurisdiction.

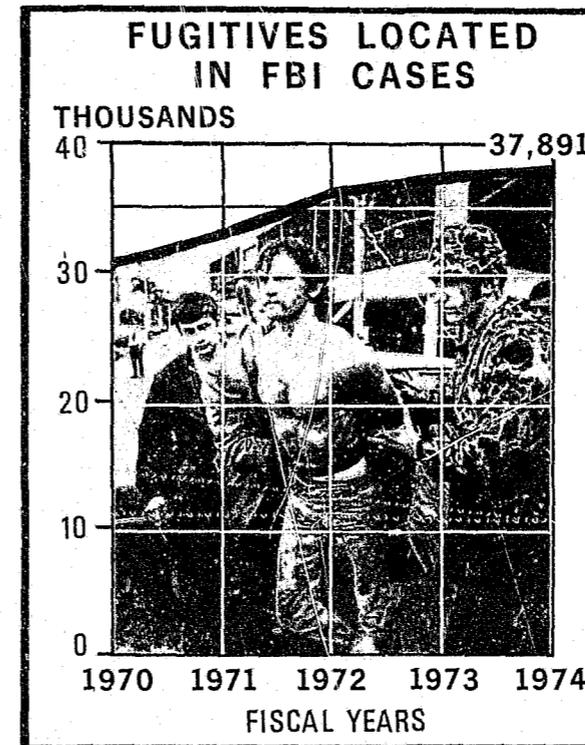
During Fiscal 1974, 1,381 convictions were obtained under this statute following FBI investigations. Stolen property valued at over \$63 million was recovered. Actual, suspended and probationary sentences imposed totaled 5,914 years, 11 months and 29 days. Fines levied amounted to \$333,812. Some 1,233 fugitives were located.

One of the major violations of the *Theft From Interstate Shipment (TFIS) Statute* investigated by the FBI in Fiscal 1974, involved the theft of more than 7,000 airline tickets, valued at more than \$2 million, which were part of an interstate shipment.

The tickets were used for travel throughout the United States, Europe and the Far East. But travels were interrupted for the 21 subjects who had been arrested by the FBI at the close of the fiscal year.

Two major factors contributed to a 206 percent increase in convictions resulting from FBI investigations under the *Interstate Transportation of Obscene Matter (ITOM) Statute* in Fiscal 1974.

One was the June, 1973, Supreme Court decisions which enunciated new criteria for determining whether material was obscene. The other



factor was intensified investigative effort by the FBI in this area.

Some 55 convictions were recorded during the fiscal year. Sentences totaled more than 66 years and fines exceeded \$150,000. Forty-three fugitives were located.

Crime on Government and Indian Reservations

The 71-day takeover of Wounded Knee, South Dakota, by the American Indian Movement (AIM) and sympathizers has resulted in one of the most expensive investigations in FBI history.

The investigation, continuing as the 1974 fiscal year ended, required in excess of 150 Special Agents a day at its height. It deals with Federal crimes committed on the Pine Ridge Reservation of the Oglala Sioux Tribe.

The operational phase of the FBI's work at Wounded Knee ended when the leaders of AIM ended the siege of the village May 8, 1973.

Thereafter, the FBI concentrated its forces to investigate Federal violations arising from the siege and to prepare for trials.

More than 240 alleged violations related to the Wounded Knee takeover, not involving leader-

ship, remained to be disposed of as of June 30, 1974.

The FBI investigates major crimes in areas where the Federal Government has exclusive or concurrent jurisdiction, and on Indian reservations where this jurisdiction has not been granted to the states.

During Fiscal 1974, some 1,876 convictions resulted from FBI investigations in these categories (1,732 convictions in fiscal year 1973). Fines totaling \$92,853 and savings amounting to \$236,477 were reported.

Theft of Government Property

Recoveries of stolen government property totaled \$4,085,192 in FBI investigations during Fiscal 1974. Convictions resulting from these investigations reached 926 - 134 more than the previous fiscal year.

The FBI's Albany Office arrested three persons (two of them former university students) in a burglary of the Reserve Officers Training Corps arms room at Cornell University, Ithaca, New York. Some \$9,732 worth of military equipment, including M-14 automatic rifles, was recovered.

The three subjects have been convicted and sentenced.

Assaulting or Killing Federal Officers and Other Government Officials

Some 145 FBI Agents were assaulted during Fiscal 1974.

Investigations of these offenses, and assaults on, or killing of, certain other Federal employees performing their duties, or resulting from such performance, come within FBI jurisdiction. Also investigated are assaults, killings or kidnappings of members or members-elect of Congress.

In these categories during Fiscal 1974, convictions totaled 124. Actual, suspended and probationary sentences totaled 472 years, 11 months and 23 days. Fines amounted to \$24,990. Some 43 fugitives were arrested.

Police Killings

During Fiscal 1974, 120 local and state police officers were slain while performing their duties in the United States and Puerto Rico-

Text continued on page 10

Summary of Statistics for the 1974 Fiscal Year

CLASSIFICATION TITLE	CONVIC-TIONS	ACTUAL, SUSPENDED AND PROBATIONARY SENTENCES *			FINES IMPOSED	SAVINGS	RECOVERIES	FUGITIVES LOCATED
		Years	Months	Days				
TOTALS	15,240	56,735	3	12	\$6,095,310	\$208,510,323	\$274,618,385	37,891
ADMIRALTY MATTERS					500	9,556,639	194,000	
ANTIRACKETEERING	119	592	5	11	117,500		2,327,401	64
ANTIriot LAWS							263,369	11
ANTITRUST	128	51	5		1,706,200		88,566,000	
ASCERTAINING FINANCIAL ABILITY							1,516,111	
ASSAULTING OR KILLING A FEDERAL OFFICER	124 *	472	11	23	24,990		2,540	43
BANK FRAUD AND EMBEZZLEMENT - BANKS	1,066	3,329	11	9	269,666	71,359	44,650,213	428
BANK FRAUD AND EMBEZZLEMENT - FEDERAL CREDIT UNION	67	208	8	23	5,550		299,905	31
BANK FRAUD AND EMBEZZLEMENT - SAVINGS AND LOAN ASSOCIATION	67	221	1	15	14,975		525,913	23
BANK ROBBERY, BURGLARY AND LARCENY	1,871 *	18,643	7	24	151,535		6,348,388	984
BILLS OF LADING ACT								1
BOMBING MATTERS	11	48	5	18				3
BOND DEFAULT	251	701	1	9	21,480	78,960	153,696	477
BRIBERY AND CONFLICT OF INTEREST	63	192		1	255,850		80,000	10
CIVIL RIGHTS	28	87	3		4,800			7
CIVIL RIGHTS ACT OF 1964	1	8					7,502,323	
CONTEMPT OF COURT	61	74	10	10	7,825			2
COPYRIGHTS	80	50	4	21	48,000		8,437,160	11
COURT OF CLAIMS						14,748,550		
CRIME ABOARD AIRCRAFT	131 *	262	4	27	15,570		303,424	30
CRIMES ON THE HIGH SEAS	19	33	5	10	1,300		330,600	3
CUSTOMS LAWS AND SMUGGLING								1
DESERTION, HARBORING DESERTERS, ENTICING TO DESERT	2	5	1				2,868	22,224
DESTRUCTION OF AIRCRAFT	61	11	6	10	14,269		500	4
DESTRUCTION OF INTERSTATE PROPERTY	3	3						3
DISCRIMINATION IN HOUSING							6,500	1
ELECTION LAWS	28	63	7		55,000			3
ESCAPED FEDERAL PRISONERS, PAROLE, PROBATION, AND CONDITIONAL RELEASE VIOLATORS	783	1,555	4	2	3,075	6,240	58,816	2,465
ESPIONAGE							13,750	
EXTORTION	68	262	2	15	2,750	650	2,600	61
EXTORTIONATE CREDIT TRANSACTIONS	39	213			70,250		698,588	39
FALSELY CLAIMING CITIZENSHIP	2	5			750			
FEDERAL FIREARMS ACTS	72	299	4		8,200		2,191	13
FEDERAL HOUSING ADMINISTRATION MATTERS	110	220	10	2	289,550	775,325	37,618	59
FEDERAL LENDING AND INSURANCE AGENCIES	40	106	9		27,500		304,352	10
FEDERAL TORT CLAIMS ACT						144,312,729	952,588	
FEDERAL TRAIN WRECK STATUTE	3	21	8				208	3
FRAUD AGAINST THE GOVERNMENT	171	481	5	28	118,964	494,245	1,823,574	69
GOVERNMENT AND INDIAN RESERVATION MATTERS	1,876 *	3,317	10	28	92,853		236,477	757
HARBORING FUGITIVES	8	28	3					11
ILLEGAL GAMBLING BUSINESS	775	2,164	6	4	1,011,345		2,538,494	447
ILLEGAL WEARING OF UNIFORM AND RELATED STATUTES	74	46	7	16	3,695		352	10
IMPERSONATION	43	111	7	17	2,525	15,000	15,386	67
INTERCEPTION OF COMMUNICATIONS	18	70	6		14,550			10
INTERSTATE OBSCENE OR HARASSING TELEPHONE CALLS	8	12	2		850			3
INTERSTATE TRANSMISSION OF WAGERING INFORMATION	53	73	3	1	116,900		28,162	30
INTERSTATE TRANSPORTATION IN AID OF RACKETEERING	139	373	6	2	202,600	200,000	145,147	171

Summary of Statistics for the 1974 Fiscal Year

CLASSIFICATION TITLE	CONVIC-TIONS	ACTUAL, SUSPENDED AND PROBATIONARY SENTENCES *			FINES IMPOSED	SAVINGS	RECOVERIES	FUGITIVES LOCATED
		Years	Months	Days				
INTERSTATE TRANSPORTATION OF FIREWORKS	1	2					6,200	
INTERSTATE TRANSPORTATION OF GAMBLING DEVICES	5	6	3		1,550		2,114	1
INTERSTATE TRANSPORTATION OF LOTTERY TICKETS	1	1	1				422	
INTERSTATE TRANSPORTATION OF OBSCENE MATTER	55	66	5	13	150,800		15,825	43
INTERSTATE TRANSPORTATION OF STOLEN CATTLE	19	62	7	17	2,100		91,102	10
INTERSTATE TRANSPORTATION OF STOLEN MOTOR VEHICLES OR AIRCRAFT	1,871	6,378	4	5	278,422	103,000	12,548,195	1,045
INTERSTATE TRANSPORTATION OF STOLEN PROPERTY	1,381	5,914	11	29	333,812	7,988,151	63,836,692	1,233
INTERSTATE TRANSPORTATION OF WAGERING PARAPHERNALIA	3	6			750			14
INVOLUNTARY SERVITUDE AND SLAVERY	5	21						
IRREGULARITIES IN FEDERAL PENAL INSTITUTIONS	33	92	4	1			1,280	4
KIDNAPING	96 *	928	7	10	750		789,486	68
LABOR MANAGEMENT RELATIONS ACT	3	10	2		14,000			1
LABOR-MANAGEMENT REPORTING AND DISCLOSURE ACT OF 1959	20	66			1,500		16,840	3
MAIL FRAUDS	33	123	9		10,000		301,164	10
MIGRATORY BIRD ACT	2				345			
MISCELLANEOUS	202 *	432	2	23	37,450	22,173,807	1,608,124	12
NATIONAL BANKRUPTCY ACT	27	91	7	1	18,600		690,084	18
NEUTRALITY ACT AND RELATED STATUTES	3	16	6					
OBSTRUCTION OF JUSTICE	67	233	4	23	79,100		500	20
PASSPORTS AND VISAS								4
PERJURY	60	175	1	3	19,200			17
POLICE KILLINGS							2,755	3
PROTECTION OF FOREIGN NATIONALS	2	3	6		500			
RACKETEER INFLUENCED AND CORRUPT ORGANIZATIONS						4,977	13,500	4
RENEGOTIATION ACT						7,892,000		
SABOTAGE	1	10						1
SELECTIVE SERVICE ACT	882	2,655	2	25	125,732			2,260
SPORTS BRIBERY	2	4			1,000			29
SWITCHBLADE KNIFE ACT	1	1						
THEFT FROM INTERSTATE SHIPMENT	1,005	3,111	2	9	222,328	78,691	21,960,147	619
THEFT, EMBEZZLEMENT, OR ILLEGAL POSSESSION OF GOVERNMENT PROPERTY	926	1,703	2		106,304		4,085,192	316
UNLAWFUL FLIGHT TO AVOID PROSECUTION, CONFINEMENT OR THE GIVING OF TESTIMONY	2	11					229,555	3,478
VETERANS ADMINISTRATION MATTERS	13	38		1	6,500		13,351	15
WELFARE AND PENSION PLANS								
DISCLOSURE ACT	8	16	6		200		35,343	2
WHITE SLAVE TRAFFIC ACT	48	188	4		3,000		1,300	72

* LIFE SENTENCES - 42 (KIDNAPING - 19; MISCELLANEOUS - 5; GOVERNMENT & INDIAN MATTERS - 6; ASSAULTING OR KILLING A FEDERAL OFFICER - 2; BANK ROBBERY - 8; CRIME ABOARD AIRCRAFT - 2)
 DEATH SENTENCES - NONE
 GAMBLING DEVICES CONFISCATED - 279 (INTERSTATE TRANSPORTATION OF GAMBLING DEVICES - 208; ILLEGAL GAMBLING BUSINESS - 71)

eight less than the previous fiscal year.

However, during the 1973 calendar year, 131 police officers were killed in the United States and Puerto Rico, establishing a record.

Pursuant to a 1971 Presidential Directive, the FBI participates in investigations of such killings upon written request of the head of a local law enforcement agency, in addition to making available the services of the FBI Laboratory, Identification Division, National Crime Information Center and handling out-of-state leads.

Crime Aboard Aircraft

Aircraft hijackings and related crimes aboard aircraft took a nosedive during Fiscal 1974, largely as a result of increased security precautions at airports throughout the nation.

During the fiscal year, eight persons hijacked or tried to hijack six aircraft in the United States, a marked reduction from fiscal year 1973, when 28 persons were involved in 14 such incidents.

The identities of the eight hijackers were

determined. Seven had been sentenced or were awaiting court action as the fiscal year ended June 30. One hijacker, Samuel Byck, committed suicide after being shot in the chest by a security guard.

Byck had shot and killed a security guard at Baltimore-Washington International Airport while forcing his way aboard an aircraft bound for Atlanta, Georgia. When the pilot said he could not take off, Byck shot him and killed the copilot.

FBI investigative jurisdiction also extends to willful destruction or damage to civil aircraft or passenger-carrying motor vehicles engaged in interstate, overseas or foreign commerce. False reports and attempts to destroy or damage are included.

Some 61 convictions arose from FBI investigations in this category during Fiscal 1974, resulting in 11 years, 6 months and 10 days in actual, suspended and probationary sentences. Fines exceeded \$14,000 and four fugitives were located.



Tense drama unfolds as three subjects (wearing hats, sunglasses) emerge from Memphis, Tennessee, bank they robbed, with three employees as hostages—two women and man in white dress shirt. They ran down a police officer with their car and shot another police officer before their car was rammed by a television reporter and a police car. Two of the subjects were taken into custody by Memphis police after being ordered out of car by SAC Theodore L. Gunderson, Memphis FBI Office. Third subject committed suicide. (Photo courtesy Memphis Press-Scimitar, and Staff Photographer, James R. Reid)

Accounting and Fraud Matters

"White Collar" Crimes and Computer Frauds

A dramatic rise in financial manipulations, computer frauds, and "White Collar" crimes in general has placed increased responsibilities on the FBI.

These criminal offenses usually are committed by persons in responsible positions in Government, private business and labor, and occasionally involve a great deal of finesse. Frequently, large contingents of expert FBI accountants are required to conduct detailed analyses of both conventional and automated record keeping systems including computers to unravel complex financial machinations.

The FBI is coping with these modern-day crimes by familiarizing our Special Agent Accountants with the latest accounting systems in Government and private business. Seminars have been held at Quantico, Virginia, for our Field and Headquarters supervisory staff and investigative Agents as well as members of the United States Attorneys' Offices and Department of Justice Attorneys who are responsible for prosecuting "White Collar" criminals.

Prominent guest speakers who are experts in their fields lectured at these seminars on a wide variety of topics dealing directly with "White Collar" crimes and computer frauds. These speakers included professors from two leading universities, officials from the Department of Justice and other Government agencies, a bank security officer, a representative for a nationally known CPA firm and a representative from the National District Attorneys Association. The FBI will continue to hold similar seminars during fiscal year 1975 for its personnel, as well as members of the United States Attorneys' Offices throughout the country, and possibly local law enforcement people.

As a result of increased emphasis in com-

bating "White Collar" crime during Fiscal 1974, convictions totaling 3,091 were recorded—1,585 more than the previous fiscal year. These offenses include fraud, embezzlement, bribery and conflict of interest.

Bank Fraud and Embezzlement Matters

There has been an extraordinary upward spiral in the number of cases and total shortages in Bank Fraud and Embezzlement matters handled by the FBI during the last decade. And the cases have become increasingly complex.

Cases from Fiscal 1964 through Fiscal 1974 rose from 2,728 to 7,820, representing a sharp upsurge in losses to our nation's banking institutions — \$19.4 million in Fiscal 1964 to \$151.1 million in Fiscal 1974. The 1974 losses do not include two cases still under investigation as of June 30 in which potential losses were in excess of \$300 million. There were 30 cases under investigation in which the amount of shortages exceeded \$1 million and 213 cases where the shortages ranged from \$100,000 to \$1 million, as the fiscal year ended.

A substantial portion of the losses was embezzled by highly trusted bank officers and directors who used sophisticated and complex schemes involving computers, multinational-channeling of funds and conspiracy with non-bankers to carry out their crimes.

Bankruptcy and Antitrust Matters

FBI investigations under the National Bankruptcy Act, based on alleged concealment of assets from the Bankruptcy Court and related offenses, include planned bankruptcies engineered by the criminal underworld and unscrupulous businessmen who make large purchases on credit and thereafter sell at prices below cost,

leaving legitimate creditors with nothing.

During Fiscal 1974, FBI investigations in these matters resulted in 27 convictions and fines and recoveries totaling \$708,684.

The FBI, at the request of the Department of Justice, investigates alleged violations of Antitrust Laws. These investigations relate to monopolies and restraints of trade in interstate commerce, which threaten the economic structure of our free enterprise system. The Department of Justice may bring either criminal or civil proceedings against the person or corporation responsible for such violations.

During Fiscal 1974, FBI investigations in these matters resulted in 128 convictions and the imposition of fines and recoveries totaling \$90,272,200.

Fraud Against the Government; Bribery

A special project in which the FBI has a major investigative role has been underway since August, 1972, to combat fraud in programs administered by the Federal Housing Administration (FHA). To date, 23 of the larger cities in the country have been designated as "task force" cities where extensive investigations are underway to ferret out corrupt real estate dealers, salesmen and mortgage lending institutions who prey on the unsuspecting home purchaser.

During Fiscal 1974, 110 persons were convicted of violations growing out of fraudulent practices in various Federal housing programs. In addition to convictions for violations of FHA laws, indictments have been returned which charge Bribery, Fraud Against the Government, Conspiracy and Obstruction of Justice violations.

The following tabulation shows the results of increased fraud- and bribery-type investigations:

	Convictions	Fines, Savings & Recoveries
FY 1972	292	\$11,216,402
FY 1973	320	19,931,471
FY 1974	399	4,227,579

Labor-Management Crimes and Commercial Extortions

FBI investigation of the brutal murders of

United Mine Workers (UMW) leader Joseph Albert Yablonski, his wife and daughter, has resulted in the convictions of nine persons on either Federal charges of interference with a union member's right or State of Pennsylvania murder charges. Those convicted included William Anthony Boyle, former president of UMW.

Other FBI investigations resulted in prosecutions of persons who committed "white-collar" crimes concerning union activities.

The 1974 fiscal year saw an upward trend in the number and complexity of commercial extortion cases investigated by the FBI. These cases involved violations of the Hobbs Act wherein persons attempted to obtain payoffs of millions of dollars from banks and other businesses by holding hostages, making threats of bombing, or other violence. Hobbs Act convictions during Fiscal 1974 jumped 57 percent over those of Fiscal 1973. Fines, savings and recoveries were up 76 percent over those of the previous fiscal year.

Watergate

About 150 cases involving possible violations of Federal laws have been investigated by the FBI at the request of the Watergate Special Prosecution Force and the Criminal Division of the Department of Justice. These included violations involving Interception of Communications, Election Laws, Bribery, Perjury, Obstruction of Justice, Fraud Against the Government and Conspiracy.

The FBI has been the principal investigative arm of the Special Prosecutor's Office. Some 58 of the FBI's 59 Field Offices have been involved in the Watergate-related investigations. To date, prosecutive action has been taken against 45 persons and/or corporations. Of this number, 29 have been sentenced and additional court proceedings are pending with respect to the others. Requests by the Watergate Special Prosecution Force for additional investigations continued to be received by the FBI as the fiscal year ended.

Other Investigative Matters

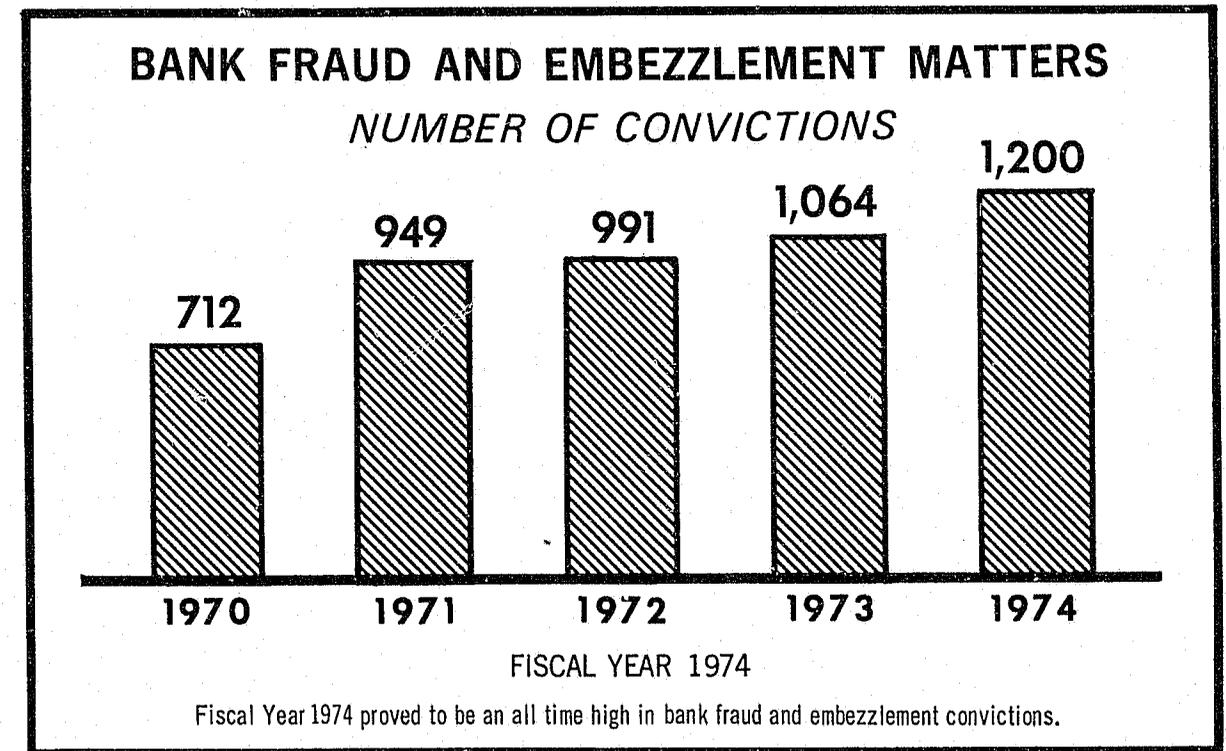
The FBI and Department of Justice have intensified enforcement efforts in combating

copyright violations commonly referred to as "tape piracy." Public Law 92-140 protects copyrighted sound recordings made on or after February 15, 1972. During Fiscal 1974, FBI investigations resulted in 80 convictions, and recovery of more than \$8.4 million in illegal tapes and duplicating equipment.

Interception of Communications matters involve the illegal use or possession of surreptitious listening devices commonly known as "bugs." These violations often involve domestic and marital discord situations in which private

detective agencies use "bugs" to intercept conversations. On occasion, industrial espionage is involved. During Fiscal 1974, cases investigated by the FBI resulted in 18 convictions with fines and recoveries totaling \$14,550.

Federal Statutes relating to Contempt of Court, Obstruction of Justice and Perjury were enacted by Congress to uphold the dignity and sanctity of the Federal judiciary system and to insure the proper administration of justice. During Fiscal 1974, FBI investigations under these statutes resulted in 188 convictions.



Internal Security

Counterespionage

The arrest of James David Wood in an espionage meeting with First Secretary Viktor A. Chernyshev of the Soviet Embassy, Washington, D. C., on July 21, 1973, evidenced continued Soviet efforts to penetrate the United States intelligence community.

When arrested, Wood, a Special Agent in the U. S. Air Force Office of Special Investigations (OSI), had numerous classified documents which he intended to deliver to Chernyshev.

Wood entered a plea of guilty before a Court-Martial Board to espionage charges on December 6, 1973. Chernyshev, who had diplomatic immunity, departed the United States on August 15, 1973.

Soviet-bloc personnel in the United States--assigned to United Nations Missions, the United Nations Secretariat and official diplomatic establishments, as well as Soviet-bloc visitors under the East-West Exchange Program and commercial agreements--always have included elements of foreign intelligence services, as illustrated by the Wood case.

In July, 1960, there were 557 Soviet-bloc officials in the United States. By July, 1974, the official Soviet-bloc presence had increased to 1,492 with a commensurate increase in personnel involved in intelligence activities.

The People's Republic of China (PRC) Mission to the United Nations, established in New York City in November, 1971, with a staff of 52 people, had increased to 86 as of July 1, 1974.

The Liaison Office, PRC, opened in Washington, D. C., in April, 1973, with 10 representatives. That staff has grown to 68. The Liaison Office, as well as the PRC Mission to the United Nations, represents a potential base for intelligence operations in this country. This, coupled

with the inordinate increase of Soviet-bloc officials and the entry of thousands of East-West visitors and commercial representatives, has required the FBI to assign additional personnel to maintain the constant vigilance necessary to detect and deal with foreign-inspired threats to the security of the United States.

Communist Party, USA

The Communist Party, USA (CPUSA), continues to be an arm of the international communist movement dominated by the Soviet Union (SU), and as such constitutes a threat to the security of the United States.

The combined membership of the CPUSA and its youth arm, the Young Workers Liberation League (YWLL), is approximately 4,200.

The YWLL has established chapters throughout the United States for the purpose of educating youth in Marxist-Leninist doctrine, hopefully to develop them for membership in the CPUSA. Most of the YWLL cadre enjoy dual membership in the YWLL and the CPUSA.

The CPUSA is presently concentrating its efforts in the areas of so-called "political repression" and the trade union movement. Its front, the National Alliance Against Racist and Political Repression (NAARPR), is targeted against the American penal system in connection with the Party's concentration on alleged political repression. The NAARPR is an outgrowth of the National United Committee to Free Angela Davis, which was established by the CPUSA to set up a legal defense for Angela Yvonne Davis, a Party functionary who had been imprisoned in California on kidnaping, murder and conspiracy charges, and was subsequently acquitted. The NAARPR has held a number of demonstrations around the country, ostensibly to assist "political" prisoners and those in "death row." Relative to its targeting of the trade

union movement, the Party is working toward building communist shop clubs in basic industry and reviving communist shop papers. This is in line with the CPUSA's present industrial concentration policy.

Progressive Labor Party

The Progressive Labor Party (PLP), a communist organization which advocates the overthrow of the U. S. Government, continues to exert the controlling influence in the Worker Student Alliance faction of the Students for a Democratic Society (SDS/WSA) in the latter's programs aimed at influencing students to adopt revolutionary behavior through campus chapters throughout the United States. Its major activity, however, involves its complete domination and control of its front group, the Workers Action Movement (WAM), which has as its goal the building of a rank-and-file base within labor unions. Through its slogan "30 hours' work for 40 hours' pay" the WAM has attracted numerous new members who were subsequently influenced to join the PLP. Although it only has a present membership of approximately 500, the PLP was able to attract nearly 1,000 participants from throughout the country to a mass demonstration in Washington, D. C., in May, 1974, to protest against racism, unemployment, high prices, union contracts and wages. There is a strong possibility it may achieve its announced goal of 1,000 members before the end of 1974.

National Caucus of Labor Committees

The National Caucus of Labor Committees (NCLC), a violence-oriented organization which has described itself as an "organization of revolutionary socialists," originated as the Students for a Democratic Society Labor Committee and is continuing its efforts to become the dominant Left group in the United States. It now has chapters in more than 40 cities in this country and affiliated chapters in Italy, Sweden, France, West Germany and Canada. While the efforts of the organization to weaken other communist, Trotskyist and socialist groups through physical attacks

on their members at gatherings have all but failed, the impact of these attacks has bolstered its contention that it is necessary to use violence to achieve socialism.

Lyn Marcus, National Chairman, has predicted that his organization will have gained state power in the United States by 1979 and world power by the year 2000. At its National Conference in May, 1974, Marcus described the NCLC as a third major political force in the world.

Domestic Terrorist Matters

Developments in the field of domestic terrorism continued to receive the close attention of the FBI during Fiscal 1974. These developments included:

Urban guerrilla activity including such crimes as political-style kidnapings.

An increase in the foreign influence on domestic groups.

The targeting of correctional systems by revolutionary and domestic terrorist elements.

Aiming to demonstrate the "establishment" is vulnerable to overthrow, urban guerrillas continued to commit violent acts against society, with the main target being the police. Three police officers were killed and 16 wounded in urban guerrilla-related attacks during Fiscal 1974.

There were 77 reported incidents of possible urban guerrilla-type activities against society.

A prime example of an urban guerrilla group is the Black Liberation Army, which has netted close to a half-million dollars in "expropriations" --robberies to gain funds for revolutionary activity.

Fiscal 1974 saw the advent of such crimes as political-style kidnaping by an urban guerrilla group, tactics heretofore confined to discussion and study in manuals and "communiques" on urban guerrilla warfare.

There has been continued anti-United States influence from abroad on domestic terrorist groups including influence from the Caribbean (particularly Cuba), Africa and the Middle East.

Our correctional systems have become targets of revolutionary-type groups from within and without.

The Symbionese Liberation Army (SLA),

a multiracial revolutionary group, claimed responsibility for the ambush slaying of the Oakland, California, Superintendent of Schools in November, 1973, and for the kidnaping of the daughter of Randolph Hearst, prominent publisher. The SLA was formed by white revolutionaries and black prison inmates as a result of visits to prisons. In its "declaration of war," the SLA called for the destruction of the capitalistic state, the control of industry, the destruction of the prison system and the seizure of state- and capitalist-owned land to be given to the "people."

Hate Groups

Hate groups, which advocate white supremacy, are primarily antiblack, anti-Semitic, and, in some cases, anticommunist. Prominent among these organizations which seek to deny others their constitutional rights are the National States Rights Party (NSRP), the National Socialist White People's Party (NSWPP), the Minutemen (MM), and the Klan.

The Klan is the largest of these groups, with the United Klans of America, Inc. (UKA), Knights of the Ku Klux Klan being the most dominant Klan group. Although total Klan membership has declined considerably during the past two years, Klansmen have continued to be involved in violent crimes such as bombings, assault and murder.

Weatherman

The revolutionary Weatherman group continued its terrorist activities against the Government and private enterprise during Fiscal 1974.

Advocating Marxist-Leninist ideology, Weatherman boasted they were responsible for explosions at the International Telephone and Telegraph Building in New York City on September 28, 1973, the office of California State Attorney General in Los Angeles on May 31, 1974, and the 29th floor of the Gulf Oil Corporation Building in Pittsburgh on June 13, 1974. Communications from this group, which now refers to itself as the Weather Underground, expressed support for the Symbionese Liberation Army's acts of terrorism.

At the end of Fiscal 1974, there were 24 Weatherman members wanted by the FBI for vio-

lations of Federal laws, as well as local laws in which the assistance of the FBI had been requested. Because of their clandestine manner of operation, their use of numerous false identities, and help from above-ground support individuals, they had managed to avoid apprehension at the close of the fiscal year.

Bombing Matters

One of the most significant recent bombing cases involved a group of individuals self-described as the "Northwest Liberation Front." FBI investigation was instituted when two military recruiting offices in Portland, Oregon, were bombed. Extensive FBI work disclosed a series of crimes, Federal and local, perpetrated by members of the group. Thus far the continuing investigation has resulted in sentences totaling 62 years, given to six individuals who pleaded guilty to charges of violations of Federal bombing, bank robbery and gun control statutes. Another individual was placed in the custody of the Attorney General as a young adult offender following his trial and conviction.

The FBI has investigative jurisdiction regarding some of the violations established by Title 18, Section 844, U. S. Code, the Federal bombing statute, based on the provisions of the statute and Department of Justice guidelines.

Recent incidents indicate the continuing unlawful use of explosives by radical groups such as the Weather Underground.

There were 1,912 actual and attempted bombings reported to the FBI in Fiscal 1974.

International Terrorist Matters

Several recent incidents involving foreign-inspired terrorism were attributable to the Arab terrorist movement. While the current U. S. peace offensive in the Middle East continued, some Palestinian groups rejected any negotiated settlement of the Middle East question and continued to call for violence directed against United States interests. The FBI, in cooperation with other U. S. Government agencies and friendly foreign intelligence services, continues to be alert for individuals entering or attempting to enter the United States to carry out terrorist

acts in order that action may be taken to insure they will be unsuccessful.

Puerto Rican Independence Movement

The Castro Government of Cuba continues to champion the cause of complete independence of Puerto Rico from the United States. In June, 1974, Juan Mari Bras, Secretary General of the home-based Marxist-Leninist Partido Socialista Puertorriqueno (Socialist Party of Puerto Rico), (PSP) visited Cuban Government officials to help marshal world unity in supporting Puerto Rican independence. In furtherance of its stated aspirations and in sympathy with the revolutionary government of Cuba, the PSP also maintains a permanent representative in Cuba.

The Nationalist Party of Puerto Rico (NPPR) another domestic revolutionary organization which has as its avowed goal Puerto Rico's complete independence from the United States, on June 12, 1974, commemorated the birth of the Puerto Rican flag and publicly reaffirmed its objectives of total separation from the United States.

Protection of Foreign Officials and Official Guests of the United States

Since the enactment of the Act for the

Protection of Foreign Officials and Official Guests of the United States, in October, 1972, the FBI has investigated more than 300 possible violations.

Eight recent arrests resulted from FBI investigations under this Act.

On August 27, 1973, a letter bomb exploded at the British Embassy at Washington, D. C., injuring Mrs. Nora Murray, personal secretary to the Commander, British Army Staff, British Embassy. Representatives of the FBI Laboratory went to the crime scene and reconstructed the evidence. British officials, utilizing the envelope reconstructed by the FBI Laboratory, developed two suspects. Both suspects are known Irish terrorists and they have been charged in connection with other bombings in the British Isles.

Atomic Energy Act

Publicity concerning the possibility of nuclear blackmail by terrorists has made available to the public detailed information relative to nuclear energy, radioactive material and the storage and transportation of nuclear weapons. This has resulted in an increase in the number of investigations involving possible violations of the Atomic Energy Act. This trend is expected to continue.



Literature pictured, as well as newspaper clippings concerning Patricia Hearst and the sniper attack by Mark Essex in New Orleans, Louisiana, was found in the apartment of subject who shot a police officer from ambush in Detroit, Michigan, and died in an exchange of gunfire.

Cooperative Services

FBI LABORATORY

Now into its fifth decade of operations, the FBI Laboratory reached record levels of achievements in Fiscal 1974. Assuming a leading role in the field of forensic science, the Laboratory conducted an all-time high of 557,454 examinations — a 4.9 percent increase over the previous fiscal year's total.

A total of 43,965 requests were received by the FBI Laboratory for the examination of 336,834 specimens during the fiscal year. The 557,454 examinations conducted on these specimens consisted of:

- 261,012 dealing with document matters.
- 155,102 encompassing gambling, translation and cryptanalytic matters.
- 132,182 involving the physical, biological and chemical sciences.
- 9,158 pertaining to electronics and acoustics.

The FBI Laboratory also:

- Initiated a new program of assistance to state and local forensic science laboratories.
- Provided expert witnesses to testify in 849 cases in courts throughout the nation.
- Assisted the FBI and other law enforcement agencies in the solution and successful prosecution of many criminal cases, several of which gained national prominence.
- Participated in many technical conferences, seminars and specialized training programs.
- Assisted significantly in the training of law enforcement personnel at all governmental levels.
- Contributed to certain areas of forensic science through presentation of technical papers.

- Continued an active and productive research and development program to insure quality and up-to-date service to law enforcement agencies.

Of the more than half-million examinations conducted by the FBI Laboratory, 25 percent were for agencies other than the FBI. These examinations are performed on a cost-free basis.

During December, 1973, the FBI Laboratory sponsored the first national symposium for directors of crime laboratories. The purpose of this symposium, which was held at the FBI Academy at Quantico, Virginia, was to determine how the FBI Laboratory might better assist other laboratories in their functions. As a result of this symposium several new training programs, designed to provide specialized training in some areas of forensic science, have been instituted at the FBI Academy. Also, the FBI Laboratory has begun publication of the "Crime Laboratory Digest." This publication, which deals with all areas of forensic science, is distributed to every crime laboratory in the United States and some laboratories in Canada. At the close of the fiscal year, four issues of the digest had been published.

The FBI Laboratory consists of four sections — Cryptanalysis — Gambling — Translation, Document, Physics and Chemistry, and Radio Engineering.

Interesting Case

A 16-year-old girl and her stepsister, 11, while on their way to a store, were abducted in a Western state by two males. The older girl was raped repeatedly by both men. The younger girl was severely beaten.

The girls' abductors attempted to dispose of their victims by throwing them off a bridge 150 feet above a river. The younger girl was killed instantly when she fell on rocks at the edge of the river. The older girl landed in the water and

survived, although she suffered a broken leg and hip, and other injuries. She swam to the shore and though suffering intense pain she pulled herself up the shale side of the riverbank to a road where she was found by a passing motorist.

Two suspects were arrested and brought to trial. In addition to the 16-year-old victim's testimony, FBI Laboratory experts testified that hairs and blood found in the suspects' vehicle were like that of the surviving victim. Both suspects were found guilty of the charges against them and were sentenced to death.

Research

The new Research Group was launched in April, 1974.

One of the aims of the Biological Science Research Unit is to evaluate and study grouping

systems of bloodstains in addition to the ABO, MN and Rh systems the Laboratory is currently using. The Scanning Electron Microscope is being used in these studies.

A planned area of research in the Chemical Research Science Unit is the individualization of petroleum products, materials ranging from crude oil to refined products such as gasoline and other similar commercial products.

Another program initiated by this Unit is the characterization of writing ink components with a view toward determining whether or not the writing inks recovered from a document can be positively identified by chemical means independently, without relying solely upon comparison methods.

The Physical Science Research Unit is involved with determinations as to whether or not a particular individual has recently fired a weapon.



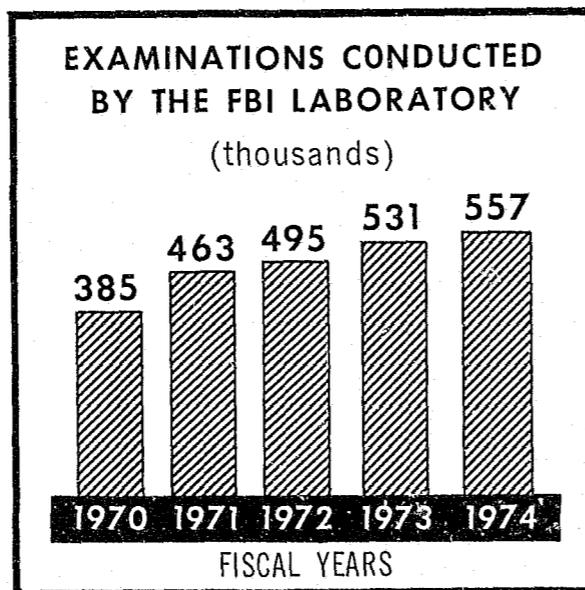
Efforts are also being made by this Unit to associate bullets from the scene of a shooting with bullets taken from a suspect by compositional analysis when the conventional firearm identification methods cannot be used because of the fragmentary and mutilated condition of the bullets. The Spark Source Mass Spectrograph and a new instrument to the Laboratory, the Wave Length Dispersion X-ray Fluorescence Unit, are being used in this Unit.

New Developments

Requests for case examinations in acoustic analysis and speaker identification continue to increase.

During Fiscal 1974, the Laboratory's capability for detailed acoustical analysis has been significantly increased with the installation of a real-time spectrum analyzer. The real-time analyzer permits on-line analysis and comparison of complex acoustical signals and is currently being used both in magnetic tape examinations and for speaker identification research.

Tape examinations concerning violations of the Copyright Law in commercial recordings in-



creased 400 percent in Fiscal 1974. There are now two Special Agent Supervisors and two Physical Science Aides devoting full time to examination of fraudulent copies of these recordings. There are currently 500 known specimens (legitimate record albums) in the tape library, and over 1,000 questioned recordings have been compared against this library.

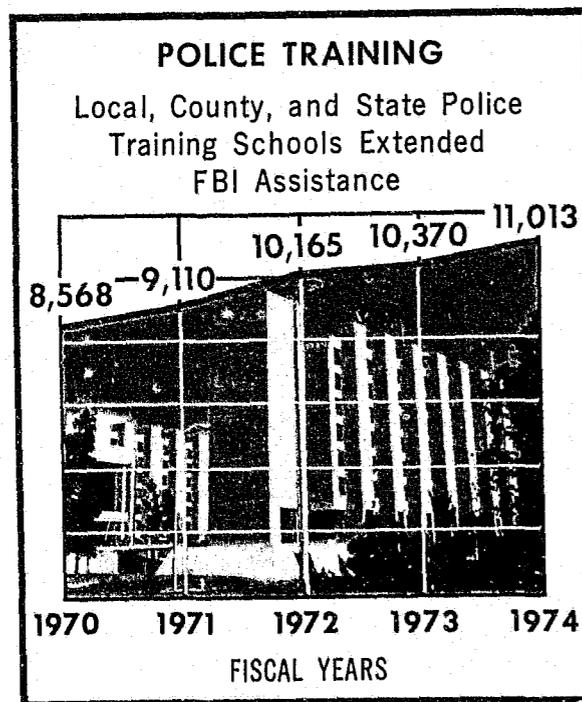
TRAINING DIVISION, FBI ACADEMY

Accomplishments of the FBI Training Division, centering around the FBI Academy at Quantico, Virginia, hit record levels during Fiscal 1974.

Some 7,286 law enforcement personnel, including FBI Agents and employees, received training at the Academy. The Training Division sent 327 new Agents (including 13 women) to field assignments. Also, 2,789 Agents attended a variety of In-Service training programs.

These programs included training in the investigation of white-collar and organized crime, police community relations, photography, special weapons handling in a team concept and supervisory training for field and headquarters personnel.

Specially trained FBI Agents assigned to the Bureau's 59 Field Offices provided 102,739 hours of instruction while participating in 11,013 law




FBI NATIONAL ACADEMY

First session began
July 29, 1935

97 sessions held
as of June 1974

TOTAL GRADUATES 8,173

enforcement schools attended by 343,104 criminal justice personnel.

This instruction covered a broad range of basic law enforcement subjects as well as topical subjects such as kidnappings, extremists, hostage situations, organized crime, antisniper techniques and bombing investigations.

Instructors from the FBI Academy conducted more than 155 specialized field schools for law enforcement administrators and command personnel in such areas as hostage negotiations, crisis intervention and executive development.

Responding to increased kidnappings and hostage crimes, the FBI has been conducting nationwide conferences on those topics. It was anticipated that more than 275 such conferences will be conducted during 1974 - one or more in each state.

There were four National Academy (NA) sessions during Fiscal 1974 - the 94th through the 97th sessions - from which 996 students were graduated. This brought the total number of graduates to 8,173. Of the nearly 5,000 graduates still actively engaged in law enforcement at the close of the fiscal year, about one out of five was the executive head of his agency.

Curriculum development during the fiscal year now makes it possible for an NA student to take six hours of graduate work. All NA students

may earn up to 16 hours of undergraduate credit from the School of Continuing Education, University of Virginia. Some 832 NA graduates received retraining at the Academy.

Four National Symposia were held at the Academy: Functions of the Urban Police, hosted by the FBI in cooperation with the American Bar Association and the International Association of Chiefs of Police; The Second National Symposium on Police-Community Relations; Crime Laboratory Development; and American Penal Systems.

The National Bomb Data Center (NBDC) during Fiscal 1974, published 10 General Information Bulletins, 29 Technical Bulletins, 10 Special Technicians Bulletins, three monthly Incident Summaries and other informative material. Eight regional Bombing Investigators' Schools were conducted throughout the United States by NBDC.

COMPUTER SYSTEMS DIVISION

A broad range of automated data processing services is provided to the FBI and to law enforcement agencies throughout the Nation by the Computer Systems Division.

The National Crime Information Center (NCIC) stands at the forefront of these services. It would be difficult to estimate too highly the value of NCIC to the Nation's efforts against crime.

Using a sophisticated telecommunications network involving 86 NCIC control terminals, more than 4.2 million records relating to wanted persons and stolen property in the FBI's NCIC are instantaneously accessible to more than 6,600 police agencies and other agencies in the criminal justice community.

Also, more than 400,000 Computerized Criminal History (CCH) records are maintained in that computer for criminal justice use.

The membership of NCIC consists of autonomous criminal justice agencies in the 50 states, FBI Field Offices, nine other Federal law enforcement agencies, the Metropolitan Police Department in the District of Columbia and the Royal Canadian Mounted Police.

The NCIC provides links for channeling these agencies' energies against crime. Daily,

more than 148,000 transactions are handled by NCIC involving wanted persons (fugitives), stolen property and criminal history records.

Positive responses to wanted person and stolen property inquiries by criminal justice agencies average about 900 daily. On March 26, 1974, a record 180,580 NCIC/CCH transactions were processed--representing the handling of messages at a rate of more than two messages a second for 24 hours.

Several major technical improvements were made during the fiscal year, including automatic notification of Bureau fugitive "hits" to interested FBI Field Offices.

The FBI's Uniform Crime Reporting publication, "Crime in the United States," continued to be one of the most widely used documents published by the Federal Government. The broad range of crime data it contains is used extensively by local, state and Federal officials for planning, budgeting, disbursement of Federal grants, legislation and analyses of crime trends.

The Uniform Crime Reporting Program includes reports on the killing of law enforcement officers, assaults on Federal officers and bombings, which are of great value in training law

enforcement officers.

The Computer Systems Division provides equipment procurement, systems designing and computer programming support for major projects in automatic data handling in the FBI.

In the investigative field, the Computer Systems Division provided assistance in 18 cases of major importance, including the preparation of ransom lists in six kidnaping cases, one of which was the kidnaping of newspaper editor John Reginald Murphy, Atlanta, Georgia.

IDENTIFICATION SERVICES

Fingerprint receipts by the FBI Identification Division (celebrating its 50th anniversary in 1974) declined from 6,034,310 in Fiscal 1973 to 5,518,387 in Fiscal 1974, with daily receipts averaging 22,162.

This decline reflected the first full-year impact of an FBI policy announced February 9, 1973, that fingerprints for nonserious offenses, such as traffic violations and drunkenness, should not be submitted to the FBI except for investigative or identification purposes.

Of the total fingerprint submissions in Fiscal 1974, 2,768,663 were criminal in nature. These are afforded top priority to provide vital identification services promptly to law enforcement agencies.

A significant accomplishment was the purging of 2,400,000 fingerprint cards from the civil files, vastly improving their utility.

Also destroyed were some 450,000 criminal fingerprint cards of deceased persons and individuals over 80 years of age, which required the approval of the Archivist of the United States.

The trend to eradicate arrest records through expungement proceedings continued, with 19,582 fingerprint cards being returned to contributors during Fiscal 1974--an increase of eight percent over the previous fiscal year.

The Identification Division's humanitarian operations remained active. The FBI Disaster Squad responded to six requests for identification of victims of tragedies, examined 260 deceased persons and made 76 positive fingerprint identifications. Also continuing was the FBI's Missing Persons Program, whereby information

regarding the whereabouts of missing persons is furnished to close relatives, members of Congress and public agencies acting in behalf of the families.

There were 5,411 active missing person notices in file as the fiscal year ended.

Progress was made in providing more efficient identification services through adoption of new technology. In August, 1973, the Identification Division inaugurated its first automated process, involving "in house" computerization of first offender record handling. This will save considerable manpower in the future.

Extensive testing and appropriate modification of the prototype model of the electronic fingerprint reader system known as FINDER have enabled the FBI to enter negotiations for construction of five production-model fingerprint reader systems. However, implementation of these automated systems on a production basis is still several years away.

There was a significant increase in cases received for latent fingerprint identification--37,804 for Fiscal 1974, compared to 36,123 for the previous fiscal year.

Latent fingerprint examiners made 597

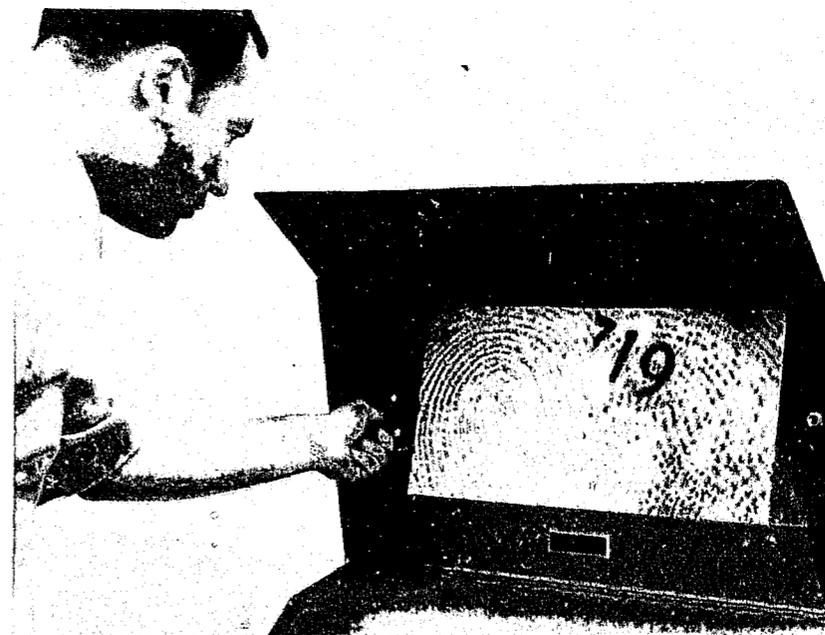
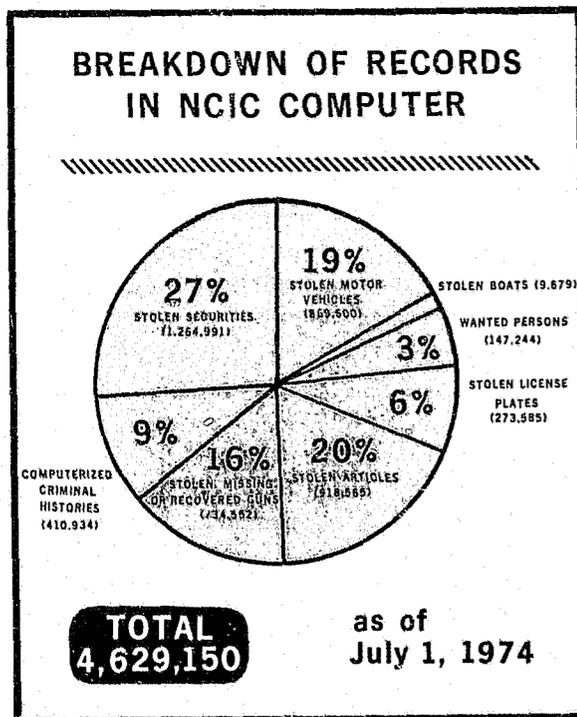
local, state and Federal court appearances in these cases. Some 417,900 items were examined in processing these cases, and 5,235 suspects were identified through latent fingerprints. Court proceedings related to these cases resulted in 2,102 years in prison terms as well as 73 life terms and fines totaling \$43,050.

Wanted notices posted in file increased from 120,977 in Fiscal 1973 to 122,934 in Fiscal 1974. And 38,999 fugitives were identified with wanted notices in FBI files.

Receipts of correspondence, name check requests and other forms totaled 4,732,163--up two percent over the 1973 fiscal year.

LEGAL COUNSEL DIVISION

The Legal Counsel Division acts as legal counsel to the Director and other Bureau officials and conducts extensive research relative to legal topics of concern to law enforcement. The division also is responsible for defense of the FBI and its personnel in civil litigation and for comprehensive legal training programs for Bureau Agents and other law enforcement officers.



A Latent Fingerprint Examiner uses a fingerprint comparator to identify a latent fingerprint with an inked impression in the Identification Division at FBI Headquarters, Washington, D.C.

Applicant and Employee Investigations

The ultimate goal of the FBI's applicant and employee investigations is to prevent intrusion by subversive or criminal elements into our Nation's government.

The FBI has no authority to issue "security clearances," but reports the facts without bias, conclusions or recommendations. The Civil Service Commission (CSC) and/or the employing agency evaluates the facts and takes adjudicative action.

Federal Employee Security Program

Executive Order 10450 requires the FBI to check through its files the names and fingerprints of employees and applicants in the Executive Branch of the Federal Government. This order also requires FBI investigations of employees and applicants in the Executive Branch on loyalty grounds.

Under Executive Order 10422, such investigations also are conducted concerning American citizens employed by, or seeking employment with, the United Nations or other international organizations of which the United States is a member.

The CSC and/or employing agency handles inquiries concerning suitability. The FBI conducts investigation only where information of a disloyal or subversive nature is developed. However, if allegations bearing on suitability arise during the FBI's investigation, they are fully developed.

During Fiscal 1974, some 367,656 individual security forms were handled by the FBI. Through processing of these forms, specific requests by the CSC and other agencies, and complaints received directly by the FBI, 943 investigations were instituted during the fiscal year.

Departmental Applicants

When requested to do so by the Department

of Justice, the FBI conducts investigations of persons employed in bureaus and divisions of the Department of Justice, as well as Federal Judge candidates. Departmental applicants include candidates for the positions of United States Attorney and Assistants and United States Marshal.

Also, investigations are conducted at the request of the Administrative Office of the United States Courts regarding candidates for the positions of Probation Officers, Bankruptcy Judges, U. S. Magistrates, Federal Public Defenders and Circuit Court Executives.

During Fiscal 1974, some 1,492 investigations were conducted for these professional-type positions in the Department of Justice and the United States Courts. Also, 1,864 name checks were conducted at the request of the Department.

Other Applicant Investigations:

Following is a summary of other applicant-type investigations conducted by the FBI in Fiscal 1974, pursuant to public laws:

THE ATOMIC ENERGY ACT	
Applicants	1,982
Employees	381
PUBLIC LAW 298; ARMS CONTROL AND DISARMAMENT ACT; NATIONAL AERONAUTICS AND SPACE ACT OF 1958; PEACE CORPS ACT OF 1961 . . .	
	95
WHITE HOUSE	1,127
APPLICATIONS FOR PARDON AFTER COMPLETION OF SENTENCE .	
	255
CONGRESSIONAL COMMITTEES (Staff)	
	84

MAINTENANCE EMPLOYEES (FBI Headquarters and Field Offices) 996

Name Checks

Responsibility for the coordination and dissemination of information pertaining to the internal security of the United States has been

vested in the FBI by Acts of Congress, by Memorandum of Understanding with defense agencies, instructions from the Department of Justice and by various Presidential Directives. In fulfilling this responsibility, the FBI in Fiscal 1974 conducted 1,466,733 name checks for other Government agencies and more than two million overall.



FBI's New Headquarters Facility nears completion in Downtown Washington.

Personnel and Administration

The FBI's 59 Field Offices and 17 foreign liaison posts are directed and coordinated by its Headquarters in Washington, D. C., which consists of 13 divisions.

The Field Divisions and 487 Resident Agencies (suboffices) are strategically located throughout the United States and Puerto Rico to provide prompt investigative service and wide geographic coverage.

The foreign liaison posts facilitate vital exchange of information with foreign agencies regarding international crime and subversive activities.

Personnel

As the 1974 fiscal year ended, there were 19,566 persons on the FBI rolls. These consisted of 8,651 Special Agents and 10,915 clerical, stenographic and technical personnel. Some 49.1 percent of the Agents and 18.9 percent of the noninvestigative personnel had been employed by the FBI 10 years or more.

Since the FBI began considering women for Special Agent positions in May, 1972, 40 have entered on duty, and 32 remained on the rolls as of June 30, 1974.

The FBI maintains an active program of recruitment of black Americans, Spanish-surnamed Americans, American Indians and Asian Americans for positions throughout the Bureau.

The FBI incentive award program provides monetary reward for approved suggestions, exceptional achievement or above-average performance. During Fiscal 1974, 1,897 incentive awards were granted, totaling \$327,020. Also, 717 quality salary increases were awarded to employees for sustained, above-average performance.

The new J. Edgar Hoover F. B. I. Building was nearing completion as the fiscal year ended, and occupancy was expected to begin before the

end of 1974. As the FBI's new Headquarters, it will be working quarters for some 7,400 employees.

The Exhibits Section of the Administrative Division produced a monthly average of 52.5 artist's conceptions and drawings during Fiscal 1974--the total for the year, 632, representing an 11 percent increase over the previous year.

Trial chart production was up three percent at 633 items. Investigative aids increased from 452 in Fiscal 1973 to 707 in Fiscal 1974. Production was up also in preparation of statistical charts, technical renderings, permanent exhibits, special photo retouching, as well as the public showing of traveling exhibits designed to increase public understanding of the FBI's operations.

FILES AND COMMUNICATIONS

During the fiscal year, 1,107,337 pieces of mail were processed and filed by the FBI's Files and Communications Division, which maintains the Bureau's central files. These files numbered more than 6,513,000, and the Bureau's master indices, which relate to the information contained in these files, exceeded 58,314,000 index cards as the fiscal year ended. Over 142,000 new files pertaining to Bureau investigations were opened and over 2,186,000 name check requests were searched through the Bureau's master indices.

Also, during Fiscal 1974, the Division received or transmitted by telegraph, teletype, facsimile or telephone long distance more than 518,000 expedite messages, and processed and dispatched from the Division Mail Room over 3,693,000 pieces of mail.

INSPECTION DIVISION

Historically the Inspection Division has served as an essential tool of management func-

tioning immediately under the Associate Director and Director. Each member of the Inspection Staff is a personal representative of the Director in discharging his assignment, which includes periodic inspections of each Field Office, Resident Agency, liaison post and Headquarters Division. During Fiscal 1974, these duties entailed 82 inspections as well as 372 special surveys and miscellaneous inquiries.

These inspections are designed to constitute periodic internal audits and evaluations of delegations of authority, deployment and utilization of manpower, detection and correction of operational and investigative deficiencies, and promotion of efficiency and economy.

OFFICE OF PLANNING AND EVALUATION

Operating on the premise that law enforcement must progress faster than the element it is combating, the Office of Planning and Evaluation endeavors to anticipate needs and to plan accordingly. Serving in an advisory capacity to the Director; coordinating organizational planning; providing guidance in planning techniques; and promoting research and development are functions that are required of the Office of Planning and Evaluation.

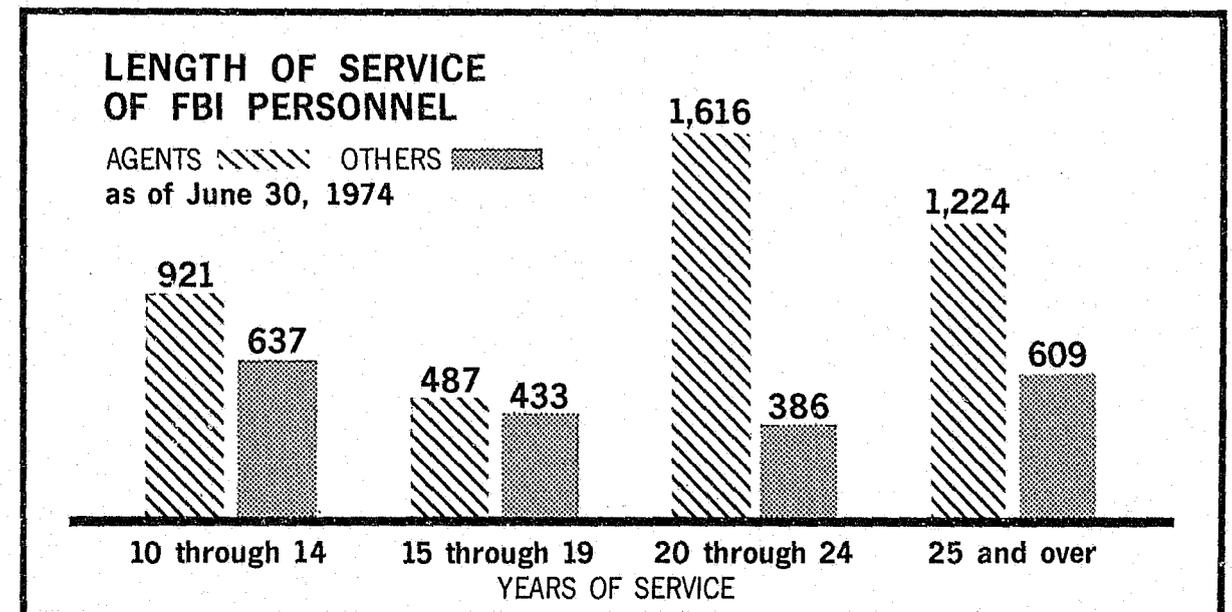
In addition to these planning functions, this

Office evaluates the plans, policies and procedures of the FBI with the view of seeking ways to improve the performance and capabilities of the organization in furtherance of its responsibilities.

EXTERNAL AFFAIRS DIVISION

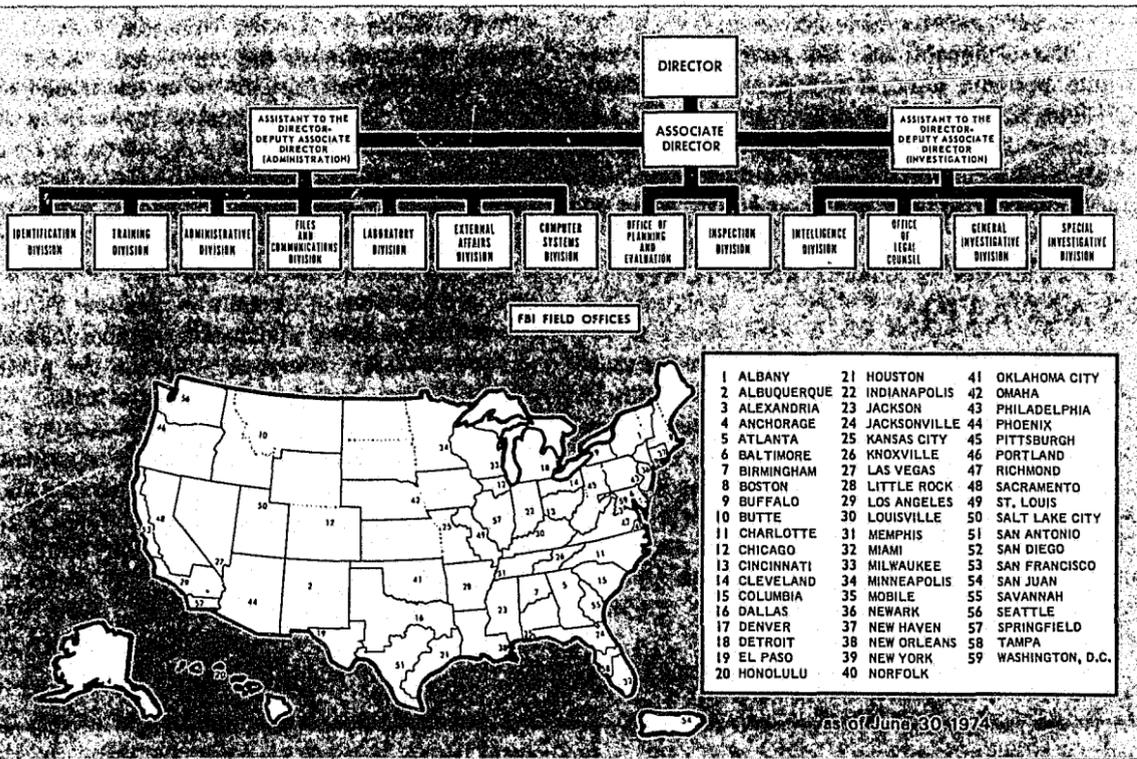
The External Affairs Division, created in Fiscal 1974, answers the voluminous number of inquiries received from the news media and the public, and conducts extensive research in regard to problems and projects pertaining to crime prevention and law enforcement. This Division also produces various publications. One of these, "The FBI Law Enforcement Bulletin," a monthly professional journal for law enforcement officers, has a circulation of about 79,000. Other publications, distributed without charge, include literature designed to inform the public of FBI history, jurisdiction and operations.

Guided tours through FBI Headquarters in Washington, D. C., continued to be a popular tourist attraction, drawing 358,071 persons during Fiscal 1974. These tours are offered without charge daily except weekends and holidays, and are administered and scheduled by personnel of the External Affairs Division. Many new features will be incorporated in tour routes for the new J. Edgar Hoover F. B. I. Building.





ORGANIZATION OF THE FBI



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