



Department of Justice

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ADDRESS

BY

THE HONORABLE WILLIAM B. SAXBE
ATTORNEY GENERAL OF THE UNITED STATES

BEFORE

THE METROPOLITAN CRIME COMMISSION OF NEW ORLEANS

12:00 NOON
TUESDAY, NOVEMBER 19, 1974
FAIRMONT HOTEL
NEW ORLEANS, LOUISIANA

I very much appreciate the opportunity to be with you here today.

One of the foremost concerns of the people in virtually every part of the Nation is crime -- and they have every reason to be worried.

Serious reported crime increased 16 per cent in the first half of this year, compared to 1973. And some of the sharpest rises were recorded for violent crimes or those that hold the potential for violence.

It is very apparent from the statistics that we are not winning the struggle against crime in this country. If anything, we are losing ground.

Considering the nature and extent of the crime problem today, I sometimes wonder what might have happened if the Nation had become alarmed many years earlier -- and gotten a head-start on needed programs.

In short, it is a shame that residents of every city in the Nation did not duplicate the actions of a small but concerned group of citizens in New Orleans who founded the Metropolitan Crime Commission more than 20 years ago.

At that time, crime was not a priority concern for most people in this Nation -- or for most government officials at the local, state, or Federal levels.

But it was a concern here in New Orleans, and you and your predecessors in the Commission showed even more foresight in your determination to come to grips with one particular facet of crime.

I am speaking now of organized crime. It has plagued the Nation for years. Its horrors have been documented repeatedly. And yet, even now the Nation too often deals with it ineffectively in far too many places.

Organized crime arrived long ago and is deeply imbedded in the United States today. It is powerful. It is rich. It has friends in high places. And it can corrupt or kill with terrifying ease.

Most experts agree that organized crime cannot exist without some significant measure of official corruption. This does not suggest that the bulk of policemen or prosecutors or judges or elected officials are corrupt in those areas where organized crime flourishes.

But something is wrong when organized crime carries out its activities with seeming immunity -- especially those activities, like gambling, which are relatively visible. If nothing else, it is a sign that there is at least a corrupt minority among public officials.

The Wickersham Commission more than 40 years ago pointedly referred to the small number of organized crime figures sent to prison by saying: ". . . money and influence can often save a man from paying the prescribed penalty if he should get caught."

The common denominator of organized crime's activities is the same today as it was then -- money. Money in vast amounts. Money that is willingly paid. And money that finds eager recipients among those who hold the public trust in a variety of ways.

Let me reiterate that I do not believe that most public officials are corrupt. But the facts show that some have been. Not only policemen can be corrupted by organized crime. There are prosecutors and judges who have also been convicted, as well as important elected and appointed officials at the city and state levels.

The long arm of organized crime -- clutching its bundles of dirty money -- has also reached into the Federal government.

Many avenues must be followed in devising successful strategies to combat organized crime. One important step is for the public to become more aware of the problem -- as well as its responsibilities.

It has become part of our folklore that crimes upon which organized crime thrives hurt no one. That's not true -- not for a moment. Where organized crime is concerned, there is always a victim. Gambling, loansharking, narcotics. All exact a terrible toll -- and not only from the victim but from his family or children as well.

Those who say there are harmless crimes will never tell you that the millions of illicit transactions with organized crime translate into an avalanche of profits that are then used to make victims of us all.

It was once popular to contend that a policeman corrupted to permit gambling would still enforce all other laws and would never, for instance, permit narcotics to be sold to children.

We now know better. When a public official is purchased by organized crime, it is not a one-time transaction. It is an agreement in perpetuity, a contract until death do them part. It is a total purchase.

A policeman or prosecutor or judge in organized crime's pocket will go along with anything. They will overlook everything their overlord desires. It can be poison pumped into the veins of children. It can be robbery or rape or mugging or murder.

Organized crime thus spreads its influence beyond those who willingly seek its wares. It becomes powerful enough to trigger street crime, corrupt criminal justice, seize control of unions and business firms, manipulate stocks and commodities -- and even to subvert government.

Organized crime can terrorize and maim and destroy -- and yet millions play its game. Or feel -- as some moviemakers do -- that it is merely colorful and romantic.

But we know organized crime poses great perils to our society.

The question is what we can do to first reduce and then to finally someday eliminate those perils.

To begin with, millions of persons must become much more aware of the role they may unwittingly play in the success of organized crime.

Earlier this year, the Department of Justice estimated that illegal gambling totaled between \$29 billion and \$39 billion during 1973 -- and probably at least one-third of it was pure profit.

That money did not appear out of nowhere. It came from \$2 bets from workingmen and \$10 bets from the suburban housewives and high-rolls by a lot of affluent businessmen. Each was not only a sucker -- but worse an unwitting accomplice to the production of profits used to taint and tarnish our democratic system.

Those citizens should not complain about crime problems. They are part of the crime problem -- and should change their ways.

Gambling is the greatest source of revenue for organized crime, and related to it are matters that pose problems of substantial complexity for government at all levels.

To cite one matter of some immediacy, I am scheduled to testify before a Senate committee tomorrow on legislation that would remove existing Federal restrictions on lotteries operated by a number of states.

Unless Congress acts to remove those restrictions, it is my position that the Department of Justice has no recourse under the law but to move against those state lotteries.

I have urged the Congress to resolve this matter. On the one hand, I believe that a state has a right to operate its own lottery if its state legislature so decides. On the other hand, I believe that a state has a right to ban lotteries if it so chooses; and a state making that decision should not be invaded by the lottery operation of a state where it is legal.

Thus, substantial rights are involved on both sides -- and my position is that the Congress should pass legislation which fully recognizes such rights.

None of my comments go to the wisdom of a state going into the lottery business -- or of a state legalizing gambling casinos or off-track betting.

Those also are complex matters. From some states pleas are heard that casino gambling, off-track betting, and lotteries will not only produce badly-needed revenues but will also severely cripple the operations of organized crime.

But other states have taken a sharply differing view. In Louisiana, for instance, I understand that the state constitution prohibits any type of lottery -- and many other states also take a sharp stand against legalized gambling of any sort.

The results of legalized gambling also are in dispute. Some contend they are a fiscal blessing for state treasuries. Others are not so sure.

A National Science Foundation study recently noted: "State lotteries have had very limited impact on illegal gambling and in particular the illegal numbers game." And a task force report financed by the Twentieth Century Fund of legalized gambling in New York said that there is no justification for the expectation that this will be an important new source of state revenue.

As in anything which concerns the public welfare, important decisions should be weighed carefully and made on the facts and the merits -- and the guide should always be that very public welfare.

A careful examination of even the most common practices should be made by every part of our society.

Over the years, for instance, a number of observers have suggested that newspapers re-examine their practice of running out-of-city and out-of-state morning racing times and results, since it is information of use virtually only to those persons gambling illegally.

Others have pointed out that the press and television, by quoting odds and oddsmakers, help make those activities into national pastimes, and the gambling experts into national celebrities. But on the other hand, there are some who say that such suggestions really are an effort to improperly tamper with First Amendment rights.

I only suggest that a re-examination of the merits of such practices be undertaken by the people who run the media.

A thorough re-evaluation of existing practices -- and possible dangers -- also should be undertaken by the Nation's business community.

The history of organized crime is replete with examples of business and labor leaders who tried to do business with the mob, or who ignored the mob -- and in both cases lost.

Organized crime is interested not only in the thoroughly illegal activities it has pursued for decades. It also has entered into the fields of legitimate business. Once there, it uses every illegal device imaginable to produce profits and either drive competitors out of business or gobble them up.

Organized crime can lend money to a businessman -- and wind up taking over his business. It can corrupt public officials and gain unfair advantage over legitimate firms. It can entrap employees through gambling and other debts -- and then force them to be finger-men for thefts from their firms. And the leaders of organized crime can threaten you and your families -- with harm -- as easily as they join the finest country clubs.

I do not believe the future of the fight against organized crime has to be bleak.

But it will take a united effort. And dedication on the part of everyone with a stake in the outcome -- and that means everyone in this country who believes in freedom under law.

The public is going to have to re-assess what it does and what it will tolerate -- and so will the communications media and the business community and government at the state and local levels.

At the same time, the Federal government must continue to make the fight against organized crime a top priority.

Not long ago, I decided that the organized crime strike forces operated by the Department of Justice would be kept in their present form.

My decision reaffirms my faith in the strike force concept and what it has accomplished. The strike forces are led by attorneys from the Organized Crime and Racketeering Section of our Criminal Division. They also include representatives of other parts of the Department. And very importantly, representatives from other Federal agencies -- such as the Treasury Department and the Labor Department.

The strike forces have made possible the greatest inroads on organized crime in our history. Yet there are only 18 such strike forces -- and only 139 Department of Justice attorneys on them.

I think more resources should be devoted to organized crime control by state and local governments.

One of my great hopes is that cooperation between the Federal strike forces and state and local officials can be greatly enhanced throughout the country. In one city -- New York -- the levels of cooperation with local police and prosecutors in Manhattan led to creation of a joint strike force which in turn has developed landmark cases. We also have been experiencing good cooperation between our New Orleans Strike Force and state and local officials here. Such efforts should represent the wave

of the future in our joint efforts to fight organized crime.

Our study of the organized crime program also enabled us to refine our thinking on our priorities. The top priority must be any hint of official corruption in the criminal justice system. Let me say very plainly what that means. It means finding any public official or employee -- appointed or elected -- who is taking money from criminals. And then prosecuting him. And then having him sentenced to prison for as long as the law will allow.

Because corrupted public officials will overlook any crime, and force their subordinates to do the same. When this pattern is repeated hundreds and then thousands of times, it is easy to see why certain kinds of grave crimes are so prevalent.

We have other priorities as well. Illegal gambling is the main source of organized crime's income, and it is being attacked vigorously. We are doing the same in the areas of narcotics, organized crime frauds, tax evasion, hijackings, and loansharking. Special attention also is being paid to prosecuting organized crime figures for use of illegally-acquired funds in buying and maintaining businesses.

The strike force concept also can be used to combat many different types of crimes. Plans are now being developed for our United States Attorneys to do exactly that in such areas as white collar crime, housing frauds, and narcotics.

State and local governments also should have their own strike forces -- and some already have begun such efforts, in many cases with crime-fighting grants from the Department of Justice. We also are expanding the organized crime training programs for state and local officials conducted by the Criminal Division and the Federal Bureau of Investigation.

Every part of the criminal justice system at the state and local levels should be aware of the problems -- and move to solve them.

Special responsibilities fall upon judges to hand down tough, appropriate sentences in organized crime cases. The gamblers, the loansharks, the syndicate kingpins -- these are career criminals, dangerous men. And the prison terms they receive should reflect those facts.

One of the great difficulties in fighting organized crime today is a tendency to look more and more to Washington for the answers.

There have been many reports recently of professional dog-fights being staged by gamblers in various parts of the country. And there have been suggestions that the problems are so serious that the Federal government must step in.

Well, if states and localities cannot even stop dog-fighting, then we are in much worse shape than anyone suspects. Of course states and localities can stop dog-fighting -- just as they can crack down on large-scale gambling and book-making, widespread sale of narcotics and dangerous drugs, and organized prostitution. It's simply a matter of whether they want to.

And that brings me to my final suggestion on how we can make greater inroads against organized crime.

Every city in the Nation should have a citizens crime commission -- free and independent of political influence while working within our system of laws to enhance that system.

These commissions of responsible citizens and civic leaders would find out the facts and propose improvements -- and speak their minds. They would look for evidence of public corruption, official laxity, of known offenders going unarrested and unprosecuted.

And then they would have a clear course of action -- to tell the public, to shout the facts from the rooftops, to raise so much legal hell that no one could coverup anything.

The struggle is serious, the stakes are high, and the options are very limited. Those who corrupt and are corrupted and who break the laws become our prisoners. Or we continue to be theirs.

Thank you.