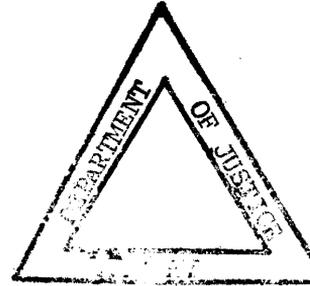




Department of Justice

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STATEMENT
OF
ATTORNEY GENERAL JOHN N. MITCHELL

before the
SUBCOMMITTEE ON CRIMINAL LAWS AND PROCEDURE
of the
SENATE JUDICIARY COMMITTEE

on
S. 30 RELATING TO THE CONTROL OF
ORGANIZED CRIME IN THE UNITED STATES

MARCH 18, 1969

Mr. Chairman and distinguished members of the Subcommittee, I appreciate this opportunity to appear before you today as you commence your current study of the serious problem of organized crime in America.

At the outset, I would like to compliment the Chairman on his speech of March 11th on the Floor of the Senate. It was a scholarly and precise presentation of the picture of organized crime in the United States and of the necessity for the adoption of such additional tools as those prescribed in S. 30. I would also like to compliment Senator Hruska on his remarks following the Chairman's speech.

Too few Americans appreciate the dimensions of the problem of organized crime; its impact on all Americans, and what must be done to reduce -- and ultimately eradicate -- its sinister and erosive effects. ✓

Organized crime can properly be described as a society of criminals who seek to operate outside of the control of the American people and their governments. Its operations are national and international. Its structure is as complex as

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that of the largest corporation. It is governed by rules rigidly enforced under an edict of terror. Its aims are to monopolize whole fields of activity -- legal and illegal -- in order that it can amass huge financial profits -- which are estimated at several billions of dollars each year.

Investigation discloses that the organized criminal fraternity of La Cosa Nostra is composed of some 22 "families," and has a national membership of over 5,000. Most major cities have one family; New York has five. La Cosa Nostra also exerts its influence of coercion over non Cosa Nostra gangsters throughout the nation for they must secure Cosa Nostra consent to maintain local criminal operations.

Organized crime is America's principal supplier of illegal goods and services, such as gambling, easily obtainable, but usurious loans, narcotics and illicit drugs, prostitution, and other forms of vice. To maintain its exclusive markets for such illegal goods and services and to insulate its activities from governmental interference, organized crime corrupts public officials and wields extensive political influence.

We also find that organized crime is increasingly operating in fields of legitimate business, where it employs such illegitimate techniques as bankruptcy frauds, tax evasion,

extortion, terrorism, arson and monopolization, to drive out lawful ownership and to extract exorbitant profits from a captive public. Similarly, it has infiltrated many labor unions.

Perhaps the most insidious feature of organized crime is its ability to victimize many millions of our citizens who for the most part are not even aware of how they are affected, or that they are affected at all. The housewife, for example, has no way of knowing that when the price of meat, bread, vegetables or dairy products rises, the increase may be the result of an organized crime conspiracy. The wage earner may be unaware of misuses of his union pension fund. The investor may be unaware of stock market manipulations resulting from massive purchases and/or sales of securities by organized crime syndicates. The taxpayer is unaware of the revenue losses from organized criminal activity which his taxes must make up. The ghetto resident who looks upon the numbers game as an opportunity to escape poverty fails to realize that organized crime drains millions of dollars each year from the poor through this operation.

Organized crime can not be tolerated. Effective action can curtail its activities and minimize its impact. Ultimately we must eradicate organized crime. I believe the responsibility

for sustained efforts against organized crime rests on all government -- local, state, and federal. All levels of government must move in concert, with full coordination and cooperation, to deal with this problem.

Before discussing the federal law enforcement effort, I would like to briefly discuss the problems of our state and local governments and how the Department of Justice plans to assist them. Our state and local police and prosecutors are the nation's first line of law enforcement. Most state and local police forces do not, however, possess the capability for dealing effectively with organized crime. Money and manpower shortages severely restrict their ability to handle complex and complicated organized crime cases. I believe that the Department of Justice -- principally through the Law Enforcement Assistance Administration -- can serve as a catalyst in improving the capability of state and local law enforcement for dealing with the problems of organized crime. For example:

-- We will offer the state and local governments the experience and benefits of tested programs that have proven successful in fighting organized crime.

-- We will develop model organized crime control laws for the states and urge their adoption.

-- We will support and assist in the recruitment and training of special organized crime investigators, prosecutors, accountants, statisticians, and other necessary technical personnel.

-- We will assist in establishing statewide organized crime investigative and prosecutorial units, whose expertise will also be available to local prosecutors and police.

-- We will assist in developing strategic and tactical intelligence units, and, wherever appropriate, make our intelligence available.

Let me emphasize that we do not plan to dictate, rather we hope to assist the state and local governments in improving their capabilities for dealing with organized crime. I am pleased to report that activity in this area has commenced through liaison with the state and local governments.

I would now like to focus on the role of federal law enforcement in controlling organized crime.

One of my first actions as Attorney General was the commencement of a full analysis and evaluation of the strengths and weaknesses of the federal effort against organized crime. This top priority study will be completed

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shortly and upon completion, I plan to make recommendations to the President. Until our evaluations are completed, I believe it is inappropriate for me to talk specifics. Nevertheless, I would like to highlight for the Subcommittee some of the areas of activity and operation under review.

Organized crime operates on a national and international scale. Since its activities pose an ever present danger to the security, peace and general welfare of the nation, the powers of the federal government have been invoked to deal with this threat. Our authority to deal with this problem, of course, stems from the statutory jurisdiction and authority given us by the Congress. Accordingly, our review of the federal effort against organized crime has sought answers to such questions as:

-- how can we make a maximum utilization of our authorized money and manpower to fight organized crime?

-- what priorities should guide our drive against organized crime?

-- what do we need to make our federal attack against organized crime more effective?

The dimensions and diversity of the problems posed by organized crime demand that not only the Department of Justice mount, maintain and coordinate a program against this national enemy, but that all federal investigative agencies cooperate in this effort. The Treasury Department -- with such units as the Internal Revenue Service, the Customs Bureau and the Secret Service--the Labor Department, the Post Office Department, the Securities and Exchange Commission, and many others, have all rendered superb assistance to the Department of Justice in this regard in the past. I have been meeting with the heads of these departments and agencies to determine how we can maximize and better coordinate our combined federal efforts. The President has directed that all appropriate entities of the federal government cooperate in this undertaking. ✓

The Department of Justice, through the Organized Crime and Racketeering Section of the Criminal Division, coordinates the efforts of the federal agencies directed at organized crime. The Organized Crime and Racketeering Section is the focal center of the federal effort against organized crime. Funds are available for 66 attorneys for this Section for Fiscal Year 1969, but the demands on this Section have necessitated the detailing of 11 additional Department attorneys

to the Section. We are reviewing the manpower needs of this vital operation and will present our findings to the President so that an appropriate request for funds and authority may be presented to Congress.

We are also examining the organization of the Organized Crime and Racketeering Section to determine if its structure produces maximum efficiency. The principal operating entities or units within the Organized Crime and Racketeering Section are the Strike Forces and the Area Coordinators. Let me briefly outline their operations.

The Strike Force concept is bottomed on the view that a highly effective investigative effort can be achieved if investigators from different government agencies work together as a team. A strike force composed of experienced supervisory investigators and attorneys, concentrating their efforts on a single, identified Cosa Nostra family, can accomplish more than the loosely coordinated effort of the different agencies operating through routine and established practices. Central to the Strike Force design is the concept of mutual planning, based on combined intelligence and pooled experience. Participants in the project have the dual function of participating

in the formulation of the group's strategy and coordinating the implementation of that strategy by their agency. In effect, each investigator is a conduit for the dissemination of intelligence information to and from his agency for the other participants. Additionally, the agency representative insures that the group acts in compliance with the internal regulations of his agency. It is of paramount importance to the project that assigned investigators must be of supervisory level. Each participant must be able to secure the unqualified cooperation of his agency's local office, and to make or obtain high level decisions on the conduct of investigations by local or field personnel of his agency.

The Strike Force approach is being implemented by the Organized Crime and Racketeering Section through the cooperation of various federal law enforcement agencies in assigning investigators to the team and allowing them to work exclusively on the project. Several investigative agencies -- the FBI, the Bureau of Customs, the Bureau of Narcotics and Dangerous Drugs, the Alcohol and Tobacco Tax Division and the Intelligence Division of the Internal Revenue Service, the Office of Labor Management and Welfare Pension Reports of the Department of Labor, and the Secret Service -- furnish the project with

high ranking and highly skilled personnel. We have under consideration additional means by which the Strike Force approach can be made even more effective.

Because, currently, we do not have the manpower to make an across-the-board attack on organized crime in all American cities, Strike Forces can only be deployed in cities where the problem is most acute. We are examining the possibilities of establishing regional field offices that can assist the state and local authorities on a day-to-day basis and thereby institutionalize the strike force effort. To further assist the state and local governments we are considering establishing a Training Unit to work with state law enforcement officials who wish to create state Organized Crime and Racketeering Offices.

Area Coordinators of the Organized Crime and Racketeering Section initiate and coordinate the investigation and prosecution of organized crime cases in those geographical areas of the country which are not under attack by a Strike Force. The Area Coordinator must be an experienced federal prosecutor capable of analyzing intelligence reports and conducting grand jury investigations and trials in conjunction with the

United States Attorneys. He must, at frequent intervals, visit the area under investigation to become familiar with the racketeering situation and to establish and maintain close liaison with other federal investigative officers and with the area's United States Attorney. We are reviewing areas under present assignment to determine if these problem areas are being adequately covered and if a sufficient number of personnel are assigned to these activities.

The size of La Cosa Nostra, its wide geographical distribution, its varied activities both legal and illegal, and its enormous financial resources make the investigation of its members and activities an awesome task. The fact that often in organized crime activities there is no "complainant" further increases this problem and distinguishes the investigation of organized crime cases from the investigation of ordinary "street crimes," such as rape, robbery, and theft. The difference is that in the investigation of the "street crime" the investigator usually begins with a "complainant" who subsequently will be a witness, although at times reluctantly. Also, there are usually observers of the "street crime" who can be expected to testify.

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The organized crime investigation, however, does not generally begin with a complainant because the "victim" of organized crime is often a participant in the racketeer's unlawful acts or illegal conduct. We obviously cannot wait for him to come forward and report not only the crime of the racketeer but what may also be his crime. Much of the subject matter covered in S. 30 is particularly adaptable for use in prosecuting these consensual crimes. Another deterrent to reporting the crime is the large number of unsolved gangland murders and the resulting fear to be an "informer." Protection of organized crime witnesses and members of their families against threats, intimidation and bodily harm is absolutely essential. S. 30 similarly recognizes this problem.

The result, of course, is that the investigator is confronted not only with the investigation of a crime without a complainant and of an enormous organization with enormous resources, but with a too often uncooperative public. Therefore, the development of an organized crime case for prosecution requires a comprehensive collection of intelligence by investigators and, in turn, a thorough collation of all

intelligence information by technical experts. Within the Organized Crime and Racketeering Section we have an intelligence unit which is charged with the responsibility of extracting and indexing information from investigative reports reviewed by the Section. The Unit currently has thousands of index cards on file which contain names of known racketeers and their associates and other vital items of information.

Unfortunately, because of a lack of adequate personnel, the Unit has not been able to keep current with its indexing. Therefore, we are exploring the potential utilization of automatic data processing for the collection, analysis, and processing of this vital intelligence.

We recognize that the arrest and conviction of Cosa Nostra leaders will not in and of itself destroy organized crime unless the sources of revenue are also demolished. While the prosecutions of organized crime leaders can seriously curtail the operations of the Cosa Nostra, as long as the flow of money continues, this will only result in a compulsory retirement and promotion system as new people step forward to take the place of those convicted. With this

realization in mind, we are developing priorities for our attack that will enable us to proceed against both organized crime leaders and the principal sources of their revenue. This approach, we believe, will have a more lasting impact upon the elimination of organized crime.

In general, the substantive law applicable to organized crime activities appears adequate. In this area we need the manpower for more effective enforcement, rather than more laws. We are, however, reviewing the existing statutes directed at organized crime and will be requesting some new legislation. Included will be remedial legislation to take care of the problems in the wagering tax law which were the subject of the Supreme Court cases of Marchetti v. United States and Grosso v. United States.

In the procedural area, the last Congress enacted a law authorizing controlled use of court-supervised electronic surveillance. This a valuable tool. It will be utilized in appropriate cases.

Mr. Chairman, I would like to commend you, Senator Hruska, and Senator Ervin on developing S. 30, which is designed to improve the investigation and prosecution of organized crime cases, and to provide appropriate sentencing

for convicted offenders. You indicated, Mr. Chairman, when you introduced the measure and again in your statement of March 11th that you were not irrevocably committed to its present language or its specific provisions. You expressed hope that its overall objectives would meet with general support and that the bill could be strengthened and improved by the hearing and committee process.

Mr. Chairman, I do support the objectives of S. 30. The Department has not yet completed its review of the bill, however, so, with your permission, I will refrain from commenting on the specifics. Upon completion of our study of S. 30, we will send you the written views of the Department and a representative of the Department can come up and testify, if that is your pleasure.

I share with you your desire to perfect S. 30 into an effective and useful crime fighting measure. I have directed the Department to give the Subcommittee full assistance in refining this measure into a viable new tool.

Now, I would be pleased to answer questions.