ADVANCE COPY FOR RELEASE AT 6:00 A.M. (EDT) WEDNESDAY, AUGUST 7, 1974

ADDRESS

BY

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

**BEFORE** 

CARGO SECURITY CONFERENCE

10:00 A.M.
WEDNESDAY, AUGUST 7, 1974
GREAT HALL, DEPARTMENT OF JUSTICE
WASHINGTON, D.C.

I AM VERY PLEASED TO WELCOME YOU HERE THIS

MORNING FOR WHAT I AM CERTAIN WILL BE A PRODUCTIVE

CONFERENCE ON OUR JOINT EFFORTS TO REDUCE CARGO THEFTS.

Most law enforcement work requires a high level of cooperation among different agencies. And this is particularly true of this new program to reduce cargo losses in 15 major metropolitan areas.

WE ARE ESPECIALLY FORTUNATE TO BE ABLE TO DRAW ON

THE KNOWLEDGE AND EXPERIENCE OF THE TRANSPORTATION INDUSTRY

IN THIS ATTACK ON A CONTINUALLY-EXPANDING CRIMINAL ELEMENT.

Only a few years ago, it might have been impossible to establish the special cargo-security teams whose creation was announced in April. But the broad representation at this meeting shows that new bonds can be forged among local, state, and Federal agencies and the private sector.

THE SUCCESS OF THE PROGRAM MAY NOT BE AS EASILY

ACHIEVED. BUT I SHOULD NOTE THAT IT WAS NOT LONG AGO

THAT GOVERNMENT AND INDUSTRY JOINED TOGETHER TO REDUCE

AIRCRAFT HIJACKINGS--AND NOTABLE PROGRESS HAS BEEN

FASHIONED. IF WE ARE JUST HALF AS SUCCESSFUL AS WE

WERE IN REDUCING AIRCRAFT HIJACKINGS, WE WILL HAVE SCORED

A NOTABLE ACHIEVEMENT.

AT THE OUTSET, I WANT TO EMPHASIZE THAT WE SHOULD THANK THOSE MEMBERS OF CONGRESS WHO ALERTED THE NATION TO THE CARGO THEFT PROBLEM. CONGRESSIONAL HEARINGS IN 1971 DETAILED BOTH ITS BROAD DIMENSIONS AND SHOWED THAT IN 1970 ALONE THE LOSSES WERE ESTIMATED AT \$1.5 BILLION.

Two years ago, a cargo theft handbook published by the Departments of Justice and Transportation estimated that annual losses may have risen to \$2 billion a year.

THE MAGNITUDE OF JUST THIS ONE CATEGORY OF CRIME FACING THE NATION IS STAGGERING. IT TAKES ON EVEN MORE SIGNIFICANCE WHEN WE CONSIDER THAT THE ESTIMATED LOSS REPRESENTS MORE THAN TWICE THE FUNDING AVAILABLE UNDER THE FEDERAL GOVERNMENT'S GRANT-IN-AID PROGRAM TO STATES AND LOCALITIES FOR ALL TYPES OF CRIME CONTROL.

IT IS APPARENT THAT NEW AND BETTER WAYS TO ALLEVIATE CARGO THEFT MUST BE FOUND. WE OWE IT TO THE PUBLIC TO REDUCE AND FINALLY ELIMINATE THIS TYPE OF CRIMINAL ACTIVITY.

THE CARGO-SECURITY TEAMS FOR THE 15 METROPOLITAN

AREAS REPRESENT A BADLY-NEEDED FIRST STEP. IF SUCCESSFUL,

THIS PROGRAM WILL NOT ONLY REDUCE THEFTS IN THE INITIAL

TARGET AREAS, BUT WILL ALSO PROVIDE A BLUEPRINT FOR

SIMILAR EFFORTS IN SCORES OF OTHER CITIES.

THE PROGRAM HAS BEEN FASHIONED IN SUBSTANTIAL

MEASURE FROM THE EXPERIENCE OF PILOT PROGRAMS IN CHICAGO

AND PHILADELPHIA.

ONE OF THE KEYS TO WHAT I THINK IS A SUCCESSFUL VENTURE IS THE COOPERATIVE APPROACH PERHAPS NEVER BEFORE TRIED ON THIS SCALE.

WITHIN THE FEDERAL GOVERNMENT, THE DEPARTMENTS OF

JUSTICE AND TRANSPORTATION--AS WELL AS A NUMBER OF OTHER

AGENCIES--ARE WORKING TOGETHER CLOSELY. WE ALSO EXPECT

TO HAVE CLOSE COORDINATION WITH CONGRESSIONAL COMMITTEES.

THE CREATION OF THE CARGO-SECURITY TEAMS IS BEING SUPERVISED BY THE UNITED STATES ATTORNEYS IN THE 15 AREAS.

THEY ARE IN TURN WORKING TO BRING INTO THE TEAMS A WIDE VARIETY OF STATE AND LOCAL OFFICIALS. IN ORGANIZATIONAL MEETINGS HELD SO FAR, REPRESENTATIVES HAVE INCLUDED POLICE EXECUTIVES, SHERIFFS, MAYORS, AND PROSECUTORS.

BUT WE ARE GOING ONE STEP FURTHER--AS I MENTIONED

EARLIER--AND IT IS A VERY IMPORTANT STEP. THE TRANSPORTATION

INDUSTRY WILL BE PARTICIPATING--AND WE ALSO HOPE TO

ENLIST THE SUPPORT OF ORGANIZED LABOR.

THE SUCCESS OR FAILURE OF THE PROGRAM WILL PIVOT
ON THE CONTRIBUTION MADE BY THE PRIVATE SECTOR.

To date, the enthusiasm of the transportation industry has been gratifying. We hope it will grow even more as the concepts of the cargo-security teams are refined at today's meeting.

MANY PERSONS AND ORGANIZATIONS HAVE ASKED OVER THE YEARS WHAT THEY CAN DO TO HELP REDUCE CRIME.

THE CARGO-SECURITY PROGRAM IS A PERFECT EXAMPLE

OF WHAT ONE IMPORTANT SEGMENT OF SOCIETY--THE BUSINESS

COMMUNITY--CAN DO THAT WILL HAVE A VERY REAL IMPACT.

No matter how effective policemen and prosecutors may be, no lasting inroads on cargo thefts can be made without a substantial commitment by industry. The country has learned some painful lessons that law enforcement agencies cannot always reduce crime by themselves. It is the job of every citizen and every organization to also make their responsible contributions to the common good.

PUBLIC REACTION TO THE CARGO THEFT PROBLEM HAS BEEN SOMEWHAT DISAPPOINTING. THIS MAY BE PARTLY THE FAULT OF THE GOVERNMENT ITSELF FOR NOT MOVING FASTER IN THIS AREA AND FOR NOT CARRYING OUT CAMPAIGNS TO EDUCATE THE PUBLIC.

I HOPE ONE RESULT OF OUR NEW EFFORTS WILL BE TO
HELP ALERT THE PUBLIC TO THE COSTS EXTRACTED FROM THEM BY
CARGO THEFTS. A SENSE OF RESPONSIBLE CITIZEN OUTRAGE
WOULD BE VERY HELPFUL.

AT A TIME WHEN WE ARE ALL CONSCIOUS OF GROWING

COSTS FOR VIRTUALLY EVERYTHING, WE SHOULD BE AWARE THAT

CARGO THEFTS OF THE PRESENT MAGNITUDE HELP TO FUEL INFLATION.

Though IT IS DIFFICULT TO PINPOINT, THE CONSUMER
IS FORCED TO PAY IN ONE WAY OR ANOTHER FOR VIRTUALLY
EVERYTHING THAT IS STOLEN FROM THE TRANSPORTATION INDUSTRY.

Only law enforcement and the industry have been greatly concerned up to this point. I hope it may be possible to also enlist public support--particularly through the work of consumer organizations.

A LITTLE PREVENTION IS ALWAYS WORTH A LOT OF CURE.

THIS IS PARTICULARLY TRUE OF CARGO THEFTS, AND A NUMBER OF

STEPS MUST BE TAKEN TO PREVENT THEM FROM OCCURRING IN THE

FIRST PLACE.

THE DETAILS OF THE PREVENTION EFFORTS WILL HAVE

TO BE WORKED OUT BY THE CARGO-SECURITY TEAMS THEMSELVES.

WE HOPE THEY WILL PROVIDE THE NUCLEUS FOR BROAD REFORMS

AND IMPROVEMENTS THAT WILL THEN BE PUT INTO EFFECT BY THE

TRANSPORTATION INDUSTRY NATIONALLY.

In some instances, more security personnel may be needed. In other cases, more effective use of existing manpower may be of great assistance. Many strides also must be made in efforts to make cargo more secure through improvement of physical security arrangements. And finally, there appears to be a great need to enhance record-keeping on cargo in transit or at terminals.

THE LATTER NEED WAS POINTED OUT RECENTLY BY A

CRIMINAL DIVISION PROSECUTION OF THE THEFT OF A TRUCKLOAD

OF SOAP. THE MANUFACTURER HAD PROMISED TO PROVIDE ALL

DETAILS RELATING TO SHIPMENT. BUT A FEW DAYS BEFORE THE

TRIAL IT TURNED OUT THAT THE PROSECUTOR RECEIVED ONLY A

STATEMENT SHOWING WHICH FACTORY HAD MADE THE SOAP AND NO

OTHER RECORDS WERE AVAILABLE. AS A RESULT, THE CASE COULD

NOT BE BROUGHT TO TRIAL.

THEFTS INVOLVE AN UNBELIEVABLE VARIETY OF GOODS.

THEY INCLUDE STOCKS, BONDS, JEWELRY, INGOTS, FURS,

APPLIANCES, BAGS OF REGISTERED MAIL, FOODSTUFFS, AND LARGE

CONSIGNMENTS OF DRUGS AND MEDICINES. IN ONE CASE REPORTED

IN OUR HANDBOOK, 530 TELEVISION SETS SIMPLY VANISHED FROM

A DOCK.

ACCURATE RECORD-KEEPING WILL PREVENT SOME CARGO

THEFTS. AND WHERE PREVENTION FAILS, IT WILL LEAD TO EARLIER

NOTIFICATION TO LAW ENFORCEMENT AND ASSIST IN SUBSEQUENT

PROSECUTIONS.

TODAY'S CONFERENCE SEEKS TO DEVELOP SPECIFIC STEPS

THAT CAN BE TAKEN TO GUARD AGAINST CARGO THEFT--AND ALSO

TO IMPROVE THE BASIC STRUCTURE OF THE CARGO-SECURITY TEAMS.

BUT IT SEEMS TO ME THAT WE MUST LOOK AT SOME OF THE INITIAL DIFFICULTIES ENCOUNTERED IN LAUNCHING THIS OPERATION IF THIS PROGRAM IS TO SUCCEED.

I WANT TO FIRST IMPRESS UPON DEPARTMENT OF JUSTICE PERSONNEL THAT I PLACE A HIGH PRIORITY ON CARGO THEFT REDUCTION. THE U.S. ATTORNEYS IN THE 15 CITIES MUST PLAY AN ACTIVE ROLE IN COORDINATION, AND I CANNOT EMPHASIZE TOO STRONGLY HOW MUCH DEPENDS ON THEIR EFFORTS. THEY MUST ALSO BE ALERT TO ALL POSSIBLE FEDERAL PROSECUTIONS WHILE REFERRING THOSE CASES OVER WHICH THEY DO NOT HAVE JURISDICTION TO THE PROPER STATE AND LOCAL AUTHORITIES.

I AM WELL AWARE THAT THE U.S. ATTORNEYS ARE

CONSTANTLY CONFRONTED WITH MANY IMPORTANT MATTERS WHICH

REQUIRE THEIR URGENT ATTENTION. WHILE THE CARGO SECURITY

PROGRAM IS EXTREMELY IMPORTANT, I FEEL IT IS NOT REALLY

AN ADDED DUTY--BUT ACTUALLY ONE THAT FALLS INTO THE MAINSTREAM

OF THEIR BASIC RESPONSIBILITIES.

IT MAY BE THAT SOME U.S. ATTORNEYS ARE NOT CONVINCED

THAT CARGO THEFT IS REALLY A SERIOUS PROBLEM IN THEIR CITIES.

LET ME ASSURE EVERYONE THAT THE PROBLEM IS VERY REAL. IT

MAY NOT ALWAYS BE APPARENT FROM STATISTICAL REPORTS, FOR

CARGO THEFTS OFTEN ARE REPORTED MERELY AS CARGO SHORTAGES.

BUT THE THEFTS ARE THERE, AND IT'S TIME THEY WERE DOCUMENTED

THROUGH MORE ACCURATE REPORTING PROGRAMS BY INDUSTRY.

WITHIN THE DEPARTMENT OF JUSTICE, THE CRIMINAL DIVISION AND THE FBI ALSO HAVE IMPORTANT ROLES TO PLAY. AND SPECIAL RESPONSIBILITIES FALL UPON THE U.S. MARSHALS SERVICE, WHICH WILL EVALUATE CARGO THEFT REPORTS IN EACH CITY.

AT THIS POINT, I WANT TO AGAIN PLACE SPECIAL EMPHASIS ON THE GATHERING AND REPORTING OF STATISTICAL MATERIAL.

YOU WILL HEAR A GREAT DEAL MORE ON THIS SUBJECT LATER TODAY BUT I WANT TO STRESS A FEW KEY AREAS OF CONCERN.

THE DEPARTMENT OF TRANSPORTATION HAS DEVELOPED AN EXCELLENT FORM ON REPORTING CARGO LOSSES THAT WILL BE UTILIZED BY THE MARSHALS IN THEIR COMPREHENSIVE ANALYSIS EFFORTS.

HOWEVER, IT IS UP TO EVERY PARTNER IN THIS TEAM EFFORT TO ENSURE AN EXCELLENT FLOW OF INFORMATION.

THE U.S. ATTORNEYS MUST OVERSEE THIS EFFORT AND MAKE CERTAIN THE INFORMATION IS BOTH TIMELY AND THOROUGH.

IN ADDITION, THE U.S. ATTORNEYS MUST TAKE EVERY POSSIBLE STEP TO ASSURE THAT THE CARGO SECURITY TEAMS HAVE UP-TO-THE-MINUTE INFORMATION ON THE STATUS AND DISPOSITION OF ALL REPORTED THEFTS. FOR THEIR PART, TRANSPORTATION INDUSTRY REPRESENTATIVES HAVE A CRUCIAL ROLE TO PLAY IN MAKING CERTAIN THAT THE DATA FLOWS IN AN UNENDING STREAM.

UNLESS EACH TEAM HAS A VAST RESERVOIR OF FACTS,

OUR EFFORTS ARE REALLY DOOMED TO FAILURE BEFORE THEY BEGIN.

THE IMPORTANCE OF SOUND DATA IS ALREADY VERY APPARENT

FROM THE EXPERIENCE OF THE PILOT PROGRAMS IN CHICAGO AND

PHILADELPHIA.

IT IS TOO EARLY FOR PROSECUTIONS TO HAVE BEGUN
IN THOSE INITIAL AREAS. BUT THE ACTION PLANS
DISTRIBUTED EARLIER TO U.S. ATTORNEYS REFLECT THE LESSONS
LEARNED THERE, AND WE OBTAINED EARLY PROOF THAT THE
SECURITY-TEAM CONCEPT WAS VALID.

THE TEAMS IN THOSE TWO CITIES FOUND THAT SOUND DATA WAS ABSOLUTELY ESSENTIAL IF DYNAMIC PROGRAMS WERE TO BE DEVELOPED.

THE CHICAGO TEAM ALREADY HAS DONE A SUBSTANTIAL

AMOUNT OF WORK ON WAYS TO COMPUTERIZE A VARIETY OF DATA

RELATING TO CARGO THEFTS. IF SUCCESSFUL, THIS INFORMATION

WOULD BECOME PART OF AN EXISTING CRIMINAL JUSTICE INFORMATION

SYSTEM AND WOULD BE AVAILABLE TO THE CARGO-SECURITY TEAM

IN A MATTER OF SECONDS.

IT ALSO BECAME APPARENT IN THE PILOT PROJECTS
THAT A BROAD-BASED EFFORT IS VITAL TO SUCCESS.

IN ADDITION, IT IS ESSENTIAL IN ALL OF THE 15

AREAS THAT EACH COMPONENT OF THIS EFFORT BECOMES A FULLFLEDGED PARTNER.

EVERY NEW PROJECT HAS TO UNDERGO A SHAKEDOWN CRUISE.

SO FAR, WE HAVE FOUND THAT IN AT LEAST ONE CITY NOT ENOUGH

HAS BEEN DONE TO BRING PRIVATE INDUSTRY INTO THE TEAM. IN

ANOTHER CITY, THE TRANSPORTATION INDUSTRY ITSELF SEEMS

TO HAVE SHOWN RELUCTANCE.

FINALLY, DIFFICULTIES HAVE BEEN ENCOUNTERED IN

DEVELOPING ORGANIZED LABOR PARTICIPATION IN THE PROGRAM.

IT IS ESSENTIAL FOR US TO PRESENT A WELL-DOCUMENTED CASE

TO LABOR LEADERS AT BOTH THE NATIONAL AND LOCAL LEVELS

TO SHOW THEM HOW ESSENTIAL THEIR CONTRIBUTIONS WOULD BE.

I AM CERTAIN THEY WOULD THEN PARTICIPATE WITH SKILL AND

ENERGY.

IT CANNOT BE OVEREMPHASIZED HOW MUCH RELIANCE WE ARE PLACING ON THE ROLE OF BUSINESS AND LABOR IN THIS NEW PROGRAM. WE LOOK UPON THEM AS FULL PARTNERS—AND EXPECT THEM TO HAVE MAJOR LEADERSHIP RESPONSIBILITIES.

PART OF THE DUTIES FOR THEIR REPRESENTATIVES WILL INCLUDE KEEPING THE LOCAL INDUSTRY AND UNION GROUPS FULLY INFORMED OF THE PROGRESS AND PROBLEMS OF THE CARGO-SECURITY TEAMS.

THOUGH EVERY CRIME PROBLEM IS COMPLICATED, CARGO
THEFTS POSE AN UNUSUAL NUMBER OF COMPLEXITIES.

FOR ONE THING, IT IS ESTIMATED THAT 85 PERCENT OF ALL CARGO THEFTS TAKE PLACE DURING NORMAL WORKING HOURS BY EMPLOYEES OR OTHER PERSONNEL WITH ACCESS TO DOCKS

TIGHTER SECURITY MEASURES ARE A MUST FOR MANY

FREIGHT TERMINAL AREAS--WITH SPECIAL EMPHASIS PLACED ON

ALLOWING ACCESS ONLY TO THOSE WHO NEED TO BE THERE.

It may also be possible for industry to set up more effective screening procedures when hiring new employees.

ORGANIZED CRIME ALSO IS INVOLVED IN CARGO THEFTS--

THE SERIOUSNESS OF ORGANIZED CRIME'S ROLE IN CARGO

THEFTS CANNOT BE UNDERESTIMATED. IT MAY BE POSSIBLE TO BRING

OTHER DEPARTMENT OF JUSTICE RESOURCES TO BEAR ON THIS

PARTICULAR ASPECT OF THE PROBLEM.

THE FEDERAL GOVERNMENT IS ALSO PREPARED TO ASSIST
IN OTHER WAYS. FUNDING FOR CARGO THEFT PROGRAMS MAY BE
AVAILABLE FROM THE STATE CRIMINAL JUSTICE PLANNING AGENCIES
WHICH SUBGRANT FUNDS FROM THE LAW ENFORCEMENT ASSISTANCE
ADMINISTRATION. CLOSE LIAISON SHOULD BE MAINTAINED WITH
THOSE AGENCIES.

COOPERATION ALSO CAN BE DEVELOPED WITH THE

FEDERAL-STATE-LOCAL LAW ENFORCEMENT COMMITTEES NOW BEING

DEVELOPED THROUGHOUT THE NATION TO COMBAT A NUMBER OF

URGENT CRIME PROBLEMS OF COMMON CONCERN.

Some persons have said that cargo theft is so prevalent that many now look on it as a permanent fact of life--while others see it as a source of permanent income. I do not believe that we can accept this or any other aspect of crime becoming an ingrained part of the national fabric. It would be far too costly--and the price would be exacted in many ways.

THE VALUE OF THE STOLEN GOODS WOULD CONTINUE TO CLIMB--AS WOULD THE IMPACT ON THE CORROSIVE SPIRAL OF INFLATION. ANOTHER COST CANNOT BE MEASURED PRECISELY, BUT IS PERHAPS THE MOST IMPORTANT. BY MEEKLY SUBMITTING TO ONE KIND OF CRIME, WE WOULD BE SAYING IN EFFECT THAT WE WILL TOLERATE ANY KIND OF CRIME--OR VIRTUALLY ANYTHING ELSE, FOR THAT MATTER.

No free People Should EVER TOLERATE SUCH A TOLL--

I AM CONVINCED THAT BY COOPERATING AND BY BEING DILIGENT, WE CAN GAIN THE UPPER HAND AGAINST CARGO THEFTS.

To all of you, I pledge my full support, and I will make certain that every needed resource that the Department of Justice can provide is made available.

In closing, let me say that we are grateful for the cooperation from a number of persons.

Select Committee on Small Business, has been in the forefront of efforts to develop new enforcement programs. Senator Warren Magnuson, chairman of the Senate Commerce Committee, also richly deserves our thanks. In the House, Chairman Harley Staggers and Congressman J.J. Pickle have long supported our efforts and worked to alert us to the problems through the Interstate and Foreign Commerce Committee.

AT THE DEPARTMENT OF TRANSPORTATION, ASSISTANT

SECRETARY BENJAMIN DAVIS HAS BEEN THE CATALYST FOR A

NUMBER OF IMPORTANT STEPS. AND FINALLY, I WOULD LIKE

TO EXPRESS MY APPRECIATION TO PAUL TIERNEY, PRESIDENT OF

THE TRANSPORTATION ASSOCIATION OF AMERICA, AND TO THE

DEPARTMENT OF JUSTICE PERSONNEL WHO HAVE WORKED SO

HARD TO GET THIS PROGRAM UNDERWAY.

I BELIEVE SUBSTANTIAL RESULTS CAN BE OBTAINED-RESULTS THAT WILL BENEFIT THE NATION IN MARKED WAYS. IT
IS A MAJOR CHALLENGE, AND ONE I AM CERTAIN ALL OF YOU WILL
MEET.

THANK YOU.