

REMARKS OF THE ATTORNEY GENERAL  
BEFORE THE PRESIDENT'S COMMISSION  
ON ORGANIZED CRIME  
WASHINGTON, D. C.  
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Thank you, Judge Kaufman and members of the commission. I am pleased to be here this morning as the President's Commission on Organized Crime formally undertakes its important mission.

Organized crime is a subject that affects all of us every day but generally is hidden from public view. It causes our taxes to go up, it adds to the cost of what we buy, and, worst of all, it threatens our personal safety and that of our families -- indeed our very freedom. Organized crime is an insidious cancer on our society, and it is clearly a principal law enforcement responsibility of the federal government to attack organized crime with the best weapons we can fashion.

Today I would like to begin by providing some context for this commission's work by reviewing the history of organized crime and the government's response to it.

Organized crime in America started out as a local enterprise. During the Nineteenth Century and until Prohibition, a gang worked a city, often just a neighborhood. There was no national connection and thus no nationally dominant group.

With the advent of Prohibition, organized crime became a national enterprise as it sought to market and distribute liquor throughout the country. Strife among gangs abated as cooperation became necessary in the effort to control larger markets. A national criminal federation emerged. Meeting in New York in 1934, the nation's most powerful gangsters lent support to the idea of a national crime organization and acknowledged the territorial claims of 24 crime families in cities across the nation.

With the repeal of Prohibition, organized crime continued its national focus. During Prohibition the syndicates had acquired the accessories typical of a sophisticated business -- accountants, managers, and lawyers. When the bootlegging was over, they used their new capabilities in a variety of ways. In short,

diversification took place. The syndicates renewed and increased previous involvements with gambling, prostitution, and narcotics. They also infiltrated the film industry's labor unions and used them for purposes of extortion. They began investing in businesses: entertainment, legal gambling, auto agencies, hotel chains, restaurants, taverns, jukebox concerns, laundries, clothing manufacturers, and racing and sports publications, and labor unions.

Not until 1950 did the federal government finally begin to give organized crime sustained attention. That year, an Attorney General's conference on organized crime was held. And in the Senate a special committee, directed by Senator Estes Kefauver, investigated gambling and racketeering activities in interstate commerce. Seven years later a Senate select committee under Senator John McClellan's leadership confirmed organized crime's involvement in the labor movement. Six years later, in 1963, Joseph Valachi, a life-long member of organized crime, described to a Senate committee and a national television audience the broad organizational structure and nationwide membership of a criminal confederation which he called "Cosa Nostra," meaning, literally, "our thing." Several years after Valachi spoke, a presidential commission described in detail the 24 core groups or families belonging to this national crime federation and made numerous recommendations for changes in the criminal law.

The work of these various groups led to the legislation and law enforcement mechanisms that have enabled the federal government to fight a more organized battle against organized crime. But this battle has been fought only over the past two decades. Plainly, it would have been far better had the government studied and responded to organized crime decades earlier. The syndicates were effectively permitted to grow, and they did grow, into a national crime confederation, becoming so entrenched and so beyond the reach of law that the myth of the "untouchables" developed. We -- all of us as citizens -- are paying the price for the late response of the government to the nature and the threat of organized crime. And it is only in the past 15 years that the government has been able to make much headway against these crime cartels.

Even as federal law enforcement agencies have worked hard to catch up to the traditional crime families found in our major cities, new forms of organized crime have emerged throughout the nation. In just the past few

years new groups have organized in pursuit of the lucrative profits that can be made in drug trafficking. Although traditional organized crime is heavily involved in the drug trade also, these new groups do not have places on that family tree. They are distinguishable. They include motorcycle gangs, prison gangs, and foreign-based organizations. Some of the names of these groups will be familiar but most are not. They are: Hell's Angels, Outlaws, Pagans, Bandidos, La Neustra Familia, Mexican Mafia, Aryan Brotherhood, Black Guerilla Family, Japanese Yakuza, Chinese Triad Societies, Israeli Mafia, and many, many more. Of the 425 cases under investigation by the Organized Crime Drug Enforcement Task Forces, which this administration established during the past year, only a small number involve traditional organized crime. Most involve the new cartels.

The emergence of these groups represents a new phase in the history of organized crime. So does the fact that organized crime has now experienced its latest evolution -- from national in focus to international. This event is also related to drug trafficking.

With the exception of marijuana -- and most of it is grown abroad -- and the synthetics, the illicit drugs used in the United States are grown and processed in other countries. The historic relationships between organized crime families in New York and Chicago are strikingly similar to those now existing, for example, between organized criminals in New York and Palermo. We are in a new period in the government's battle against organized crime, one that requires not just a national but now also an international response.

History counsels the wisdom of learning as much as we can about the new crime cartels, and about the new international character of organized crime, as fast as can. In respect to the emerging crime groups, we must stay in front of the emerging cartels so that we are not in the position, as happened with respect to traditional organized crime, of having to play catch-up. In regard to the international side of organized crime, we must be in a position to monitor and break apart the connections between the organized crime groups in the United States and those abroad.

We are in a new period in the government's battle against organized crime, and I believe that this commission is in an excellent position to assist the government's law enforcement effort. There are many questions to which the Department of Justice has partial

or tentative answers. We would like more complete answers to these questions. We would like a fuller picture. Among these questions -- and they are by no means an exhaustive list -- are the following:

In respect to traditional organized crime, what is the nature and extent of its operations today? What new activities is it involved in? How does it attempt to make itself seem legitimate? How and where does it invest its profits from criminal activities? How does it use the political process and public officials to further its ends?

In respect to the new emerging groups, who are they? How do they operate? Do they use the same techniques as traditional organized crime, or different ones? In addition to drug trafficking, what other criminal activities are they pursuing? And are some of them banding together to form larger crime organizations?

In respect to the new international focus of organized crime, what is the relationship between organized crime groups here and abroad? What are their other activities, in addition to drug trafficking? And what routes does their money take? How is it moved from one country to the next? What are the high finances of this highly organized crime? And does organized crime abuse the bank secrecy laws? If so, how can this abuse be stopped?

A first effort by the government against the mob occurred in 1928 when Treasury Secretary Mellon began investigating Al Capone. Capone eventually was convicted for income tax evasion, but Secretary Mellon's exertions against Capone, although successful, obviously did not constitute a comprehensive federal response to organized crime.

Since that time we have learned the importance of having such a response. As I noted earlier, through the years various commissions and committees and other groups have studied organized crime and made important contributions to the federal law enforcement effort.

The work of a commission established under President Johnson in the mid-Sixties led to many important changes in the criminal law that have greatly strengthened our hand in battling organized crime. The Omnibus Crime Control and Safe Streets Act of 1968 and the Organized Crime Control Act of 1970 incorporated all eight of that commission's recommendations regarding

proof of criminal violations. These two acts have given us several important law enforcement tools and facilitated the proper use of electronic surveillance, which is so critical to gathering intelligence about organized crime.

I would hope that the work of this commission leads to similar changes in the law that will enable the federal government more effectively to fight organized crime in what is, unquestionably, a new phase of its existence.

In recent years, the Department of Justice has made great strides forward in the battle against organized crime. The Organized Crime Strike Forces, established in the late 60s, have continued to lead the fight against traditional organized crime. The Organized Crime Drug Enforcement Task Forces, established in just the past year, have enjoyed dramatic success already in their cases against the emerging crime cartels. Since 1981, the Department of Justice has convicted a total of 2,609 members and associates of organized crime. These convictions are one indication of our vigorous enforcement effort, which is part of our overall program to combat organized crime.

The Department of Justice -- the federal government -- cannot, however, do this job alone. Public knowledge of the activities of organized crime and public support for our law enforcement efforts are key to our success. That is why I also hope that the work of this commission substantially increases awareness of organized crime among all our citizens.

Thank you very much.