

Executive Secretariat Controlled Correspondence

From RUDOLPH W. GIULIANI, AAG		To AG		Control Number 82-09-01-1000
Subject and Date 08-31-82 MEMO TO THE AG (ALSO DAG, CRM, OLP, JMD, STARR, LEZAR, ROBERTS) FR RUDY GIULIANI, ATTACHING DRAFT OF PROPOSAL FOR AN EIGHT-POINT PROGRAM TO COMBAT CRIME. MTG WILL BE HELD IN AG'S CONF. RM. ON 09-02, AT 2 PM, TO DISCUSS THIS & RELATED DOCUMENTS.				Date Received 09-01-82
				Due Date NONE
(1) Referred To DAG; STARR	(2) Referred To	(3) Referred To	(4) Referred To	Interim Response
Date 09-01-82	Date	Date	Date	Date
Prepare Reply for NONE Signature of				Date Released
Remarks				File <input type="checkbox"/>
				Priority <input type="checkbox"/>
				<input type="checkbox"/> (Explain in Remarks)

FORM DAG-47
APR. 82

ORIGINAL (KEEP WITH INCOMING CORRESPONDENCE)



U.S. Department of Justice


Office of the Associate Attorney General

Washington, D.C. 20530

August 31, 1982

MEMORANDUM

TO: The Attorney General
The Deputy Attorney General
D. Lowell Jensen
Jonathan C. Rose
Kevin D. Rooney
✓ Kenneth W. Starr
Tex Lezar
John Roberts

FROM:  Rudolph W. Giuliani
Associate Attorney General

SUBJECT: Draft Proposal for an Eight-Point
Program to Combat Crime

The attached is a draft of a proposal for an eight-point program to combat crime. We will be meeting on Thursday, September 2 at 2:00 p.m. in the Attorney General's conference room to review the draft and discuss the other documents that must be prepared.

The final package should include:

1. A memorandum from the Attorney General to the President - first draft attached;
2. A two page summary of the memorandum - being prepared by Tex Lezar;
3. A text for an oral presentation with audio visual aids - to be prepared by my office with the help of JMD.

We will also need for our internal consideration, and later for submission to the White House, a supplemental budget request to fund the eight-point program.

Our tentative schedule is as follows:

1. September 2 - meeting to agree on underlying proposal and draft memorandum.

2. September 7 at 2:30 p.m. - submission to the Attorney General of final memorandum and review of draft of oral presentation and budget submission.
3. September 9 at 2:30 p.m. - submission of all final documents and dry run of oral presentation.
4. September 8-10 - reviewing proposal with those whom we agree should be given some advance word (e.g., Vice President (Admiral Murphy), Ed Meese, Secretary Regan, John Walker, Mike Uhlmann, possibly others on Cabinet Council and, of course, Tony Dolan).
5. September 13 or as early in the week as possible - target date for meeting with the President.

Attachment

DRAFT

I. The Problem of Organized Crime

Our country's history is a chronicle of magnificent achievements of the will, the mind and the spirit. Mocking these splendid achievements is the dark but undeniable fact that our country is plagued with crime on a scale unequalled in any other society. Crime is pervasive in this country; it affects people of all races and all incomes. Men originally formed governments to provide protection against invaders from without and predators from within. Protection against the ravages of crime is one of the two principal reasons for the existence of government. Sadly, most Americans would agree that our government has failed in discharging this primal function.

A. Organized Crime Defined.

The form of crime posing the greatest threat to the fabric of our society is crime committed by organized criminal enterprises. Men have always been able to achieve more through disciplined organizations than they have by acting alone. This is as true of crime as it is of any other human activity.

The term "organized crime" covers a wide variety of groups and organizations. The oldest and best known of these is La Cosa Nostra. The LCN is a confederation of 27 organized crime "families" with similar structures and methods. It has over 2,000 hard-core "made" members with at least another 20,000 associates. Other identified organized crime groups range from

motorcycle gangs, such as the Hell's Angels, the Banditos, and the Pagans, to groups organized along ethnic or racial lines, such as the Mexican Mafia. Almost any city of substantial size today is the site of some form of organized criminal activity; many cities, including our largest, are rampant with it.

All organized crime groups have certain characteristics in common. They are disciplined organizations engaged in one or more forms of illegal activity. In many cases, ethnic or family ties operate to strengthen organizational cohesion. Vows of secrecy and silence are exacted. These vows are enforced through violence. Violence, or the threat of violence, is also used externally, to maintain or advance the group's position in its illegal enterprises. Organized crime regularly attempts to murder those who do not cooperate. Consequently, its implied and actual threats are extremely credible. Another characteristic mob tool is bribery. Payoffs to public officials are absolutely essential for the preservation of most ventures conducted by organized crime.

B. Activities of Organized Crime.

Though lacking specific data, we have a reasonably clear picture of the principal revenue-producing activities of organized crime. Organized crime is still involved in the traditional rackets -- gambling, loansharking, prostitution and pornography. In addition, changing economic and urban conditions have added

arson-for-profit to the mob's list of illegal services. Other illicit activities include car theft, cigarette smuggling and trafficking in illegal firearms.

Labor racketeering is another major source of organized crime income. Several hundred union locals are now under some degree of mob control. The sources of revenue are obvious: the union membership can be sold out to corrupt managers who would rather pay bribes than full contract wages, union power can be used to extort no-show jobs and other benefits, and union treasuries and pension funds can be looted.

Not surprisingly, organized crime has also entered, and has practically monopolized, the narcotics business. In 1980, illegal drugs generated an estimated \$79 billion in retail sales; organized criminal enterprises reaped most of the profits. Both traditional organized crime families and the newer groups, such as motorcycle gangs, are involved in the drug business. Indeed, some organized crime groups are cartels formed exclusively for the purpose of trafficking in narcotics.

Another source of mob income has been of increasing importance in recent years. Organized crime has now infiltrated well over 700 legitimate businesses in this country, ranging from bars to banks.

There are several varieties of infiltration. Criminals need some place to invest or launder their illegitimate income,

and they often choose business establishments. Loansharks may accept or demand a portion of a firm in payment of an overdue loan. A legitimate business may be acquired simply as a front for illegal activity. Some types of businesses may be chosen because they offer possibilities for "skimming" -- raking off a share of the profits before taxes -- or "bust-out" fraud -- driving a business into bankruptcy or abandoning it after purchasing large quantities of readily-salable merchandise on credit.

More serious than these examples, however, are organized crime's attempts to monopolize sectors of legitimate business through the same methods that allow it to control the illegal rackets -- extortion, intimidation and corruption. This has occurred across the country in the vending, cartage, waterfront and restaurant industries, among others.

C. Costs of Organized Crime.

Organized crime imposes direct monetary costs on the American economy which can safely be estimated to run into the billions of dollars each year. Such costs take many forms -- loss of tax revenues from profits on illegal goods and services or from legal enterprises whose profits are not fully reported; loss of wages to workers through sweet-heart contracts or loss of their dues or benefits through the looting of union treasuries or pension funds; and increased prices to consumers through mob-created monopoly and its general constriction on free-market operation.

Though the economic effects of organized crime are staggering, they are not the public's greatest concern about the mob. The most serious harm caused by organized crime is fear. This fear is qualitatively different from the fear caused by random violence. It is a fear based on helplessness. Our citizens are fearful of organized crime because when they are confronted with its capability for intimidation and extortion there seems to be no recourse. In this respect, organized crime is almost like a government, since in certain sectors its coercive power makes it nearly a final authority. In areas where this kind of fear is generated, not only do individuals become insecure, but institutions lose their sense of legitimacy and integrity. Organized crime generates a concern that the powerful institutions in people's lives -- the ones they rely on for help and protection and economic well-being -- are being corrupted and diverted from their intended purpose. Public confidence in the integrity of our political and other institutions is vital to a free society. When this confidence is shaken, our entire way of life is jeopardized.

II. Fighting Organized Crime

The spectre of organized crime is all the more frightening because of its immunity to routine law enforcement efforts and techniques. Organized crime protects itself in several insidious, but effective, ways: organizational cohesion and discipline; the vows of secrecy and loyalty required of members and enforced through violence; the measures taken by its leadership to insulate itself from direct involvement in criminal activity; bribery of public officials; and use of violence and threats to discourage victims from testifying. These activities create a "curtain of silence" around organized criminal enterprises and make it extremely difficult to obtain against organized crime figures the kind of voluntary testimony that produces most criminal convictions.

A. Techniques and Methods.

In recent years, federal law enforcement, assisted in many cases by new enabling legislation, has developed special techniques and methods to combat organized crime.

Foremost among these is court-authorized electronic surveillance. The fact that members of large criminal organizations need to conduct their far-flung operations by telephone makes them vulnerable to various forms of electronic surveillance based on probable cause. Such surveillance often results in devastating evidence of wrongdoing.

Other tools are designed to obtain witness testimony against organized crime figures. Penetration of groups by informants and

undercover agents, sometimes requiring years of careful preparation, has been instrumental in many major cases. The statute authorizing grants of immunity from prosecution has proven an effective means of compelling testimony. It has been used in thousands of cases of all kinds. Finally, the Witness Security Program is designed to respond directly to the problem of witness intimidation. About 250 witnesses and their families are now relocated and given new identities and employment each year. Without this Program, many insiders with valuable evidence of organized criminal activities, and with the motivation to cooperate with the government, would not dare to speak candidly with law enforcement officials.

B. Strategies.

New investigative and prosecutorial strategies have been designed to put our techniques and methods for fighting organized crime to their most effective use. In the organized crime field in general, but particularly in organized narcotics trafficking, we now realize that the flow of money is a vulnerable target. Money is the one aspect of criminal activity from which no organized crime figure can remain insulated. Accordingly, the federal investigative agencies have built up an impressive ability to follow the "paper trails" of illicit money flows that can lead us to the ultimate recipients.

We are also placing increasing emphasis, especially in the narcotics area, on depriving organized criminals of the profits generated by their illegal ventures. A number of our most useful

statutes have provisions authorizing forfeiture to the government of currency and assets that are the fruits of criminal conduct. This strategy helps insure that those criminals and organizations that we prosecute are stripped of their operating capital. In recent years, we have markedly increased our invocation of these forfeiture statutes. As a result, the government has seized tens and hundreds of millions of dollars in assets, from businesses to apartment complexes to cattle ranches to vessels, planes and automobiles.

III. This Administration's Initiatives

In light of the preeminent need to assure a healthy economy by limiting government spending, the federal law enforcement agencies have not had the benefit of substantial additional resources. Nevertheless, within these constraints, a series of management initiatives has permitted more effective use of existing resources. New legislation supported by this Administration has also been of considerable help.

Large scale narcotics importation and trafficking is almost exclusively the work of criminal organizations. The Drug Enforcement Agency and its predecessor agencies within the Department of Justice have traditionally been the lead agencies in the fight against narcotics crime. Because of the increasing involvement of organized crime in the drug business, the Department decided to complement DEA's efforts by bringing the resources and expertise of the Federal Bureau of Investigation into the fight against drugs. The reorganization was announced in _____ of 1982 and has already yielded impressive results. The FBI's organized crime intelligence capability, and its experience in such sophisticated techniques as court-authorized electronic surveillances, will significantly augment the arsenal of weapons available against narcotics traffickers. In addition, DEA can now take advantage of the FBI's experience in pursuing forms of criminal activity which often accompany drug trafficking and permit it to thrive, such as money laundering, bank fraud and public corruption.

The agencies involved in federal drug enforcement have also shown the results that can be achieved when a specific geographical area is targeted and resources are applied there in a coordinated fashion. As part of the Vice President's Task Force on South Florida, established in the spring of 1982, DEA and the Customs Service committed dozens of additional agents to the task of stemming the flow of drugs into the South Florida region. This operation has been an outstanding success. In the past months, there have been over 300 arrests, the seizure of \$4.7 million in assets -- including 45 vessels -- and the removal of over 900 pounds of cocaine, more than 617,000 pounds of marihuana and 77,000 dozen units of methaqualone. All knowledgeable observers agree that the illegal drug traffic into South Florida has been significantly slowed because of the Task Force's efforts.

The fight against organized narcotics crime, in South Florida and elsewhere, has been considerably assisted by an important legislative reform which this Administration supported -- the recently enacted amendments to the Posse Comitatus Act. The new legislation clarified the law to permit limited involvement of the military in civilian law enforcement activities. Such involvement, primarily in the form of the tracking of air and sea traffic, has been of inestimable help in interdicting foreign drug shipments bound for the United States.

Finally, to insure a smooth coordinated effort nationwide against organized crime and other major crime problems, the

Attorney General has directed that each United States Attorney form a Law Enforcement Coordinating Committee in each of the 95 federal districts. Each Committee is composed of the local heads of the federal law enforcement agencies as well as state and local law enforcement officials with significant responsibility in the district. Committee members meet regularly to identify the major crime problems in the district and to devise strategies for the most effective use of federal, state and local resources against those problems. The principle behind the Law Enforcement Coordinating Committee concept is that federal law enforcement priorities should be responsive to local needs and that the federal effort should be coordinated with state and local authorities to achieve the maximum possible effect. Law Enforcement Coordinating Committees have already been established in over 70 districts. Within a few months, such Committees will be functioning in each federal district throughout the nation.

IV. A New Offensive Against Organized Crime

We know the techniques, methods and strategies that are effective against organized crime. And, for the first time in memory, we have opened the channels of communication to state and local law enforcement on a nationwide basis so that we can complement, not undercut, each other's efforts. What is needed now is to focus public attention on the problem of organized crime and to present the American people with a coherent plan for a new offensive against it. A Presidential address graphically depicting the hold of organized crime on the country and outlining the new offensive would be the most effective way of mustering public support for this effort. The address would have to be accompanied by full Presidential support for the federal agencies that would plan and execute the new offensive. The Presidential address should outline an eight-point proposal as detailed below.

Point One - Regional Task Forces

This is the key operational component of the plan. Modeled on the successful South Florida Task Force, this proposal calls for the deployment into specially selected communities or regions of an investigatory and prosecutorial unit, composed of federal, state and local law enforcement personnel, directed specifically at organized crime. The targeted regions will be chosen only after careful study of the latest and best available data on the organized crime presence throughout the nation.

The Task Force project will draw on the resources and personnel of many federal agencies. The mix of staff and agencies drawn upon will be determined by the nature of the organized crime problem in each Task Force area. Department of Justice personnel will be the major source of staffing for the Task Force. Prosecutors from the Department's Criminal Division and its United States Attorney's Offices, and investigators from the Federal Bureau of Investigation and the Drug Enforcement Administration, will be involved in each Task Force. Certain Task Forces will require support from the Immigration and Naturalization Service and the United States Marshals Services within Justice, the United States Customs Service and the Internal Revenue Service within the Department of Treasury, and the Coast Guard within the Transportation Department. In addition, in some Task Force regions, Department of Defense tracking and pursuit capabilities will be crucial in combatting organized narcotics trafficking.

At the Cabinet level, the Attorney General will provide leadership and control of the Task Force effort. An Organized Crime Sub-Council of the Cabinet Council on Legal Policy, and a Working Group attached to the Sub-Council, will assist the Attorney General in coordinating the multi-Departmental aspects of the operation. The Sub-Council and Working Group will be supported by a small staff within the Department of Justice.

At the Task Force level and when only one federal judicial district is involved, the United States Attorney for the district

will direct Task Force operations. When a Task Force operates across multiple judicial districts, the Attorney General will select a United States Attorney in one of the constituent districts to direct Task Force operations.

The Attorney General will request funding for the Task Force initiative in the Department's budget for FY 1983 and FY 1984. Appropriate employment ceiling would be allocated to the participating federal agencies and they will be reimbursed by the Department of Justice for their Task Force-related expenses. State and local agencies will continue to pay base salaries for state and local participants. However, the Attorney General would enter into inter-agency agreements with participating state and local agencies to fund certain extraordinary costs of participation.

Through the Task Force mechanism, we will be able to mount an intense, coordinated campaign against organized crime in those areas where its hold is the strongest. For the first time in history, the American people will be able to see dramatic progress made in eliminating this cancer.

Point Two - The Organized Crime Commission

Several previous Commissions have investigated organized crime on a national scale. Each lasted only a year and, accordingly, did not have sufficient time to lay out on the public record the full extent of organized crime's penetration and to develop a comprehensive response to the problem. There is a need

for a new Commission that would sit for a five-year term. Its mission would be to develop an extensive data base of organized crime participants and activities in each region and in the nation as whole, to evaluate existing law enforcement efforts and to make recommendations for refinement and improvement.

The Commission would be composed of 15 members appointed by the President. Four members would be chosen from law enforcement officials in the Executive Branch. Four members of Congress with a demonstrated interest in law enforcement would also be chosen on a bi-partisan basis, two from each House. In addition, the Commission would consist of a retired federal judge, a State Attorney General, a State Governor, a writer or journalist who is familiar with organized crime, a street-level police officer and two other individuals from the private sector or academia with expertise in relevant fields. The Commission should be supported by a highly qualified staff and consultants.

The Commission and staff should make a concentrated effort to gather the best available information about organized crime and analyze it in a sophisticated manner. This analysis should be made on a region-by-region basis throughout the country. The Commission should hold hearings to analyze and debate the data as it comes in and review the studies of that data made by Commission staff. Also, as the data base for each region is completed, the Commission should hold hearings to publicize the penetration of

organized crime in the region. In this manner, public attention will be focused on organized crime, public awareness will be heightened and popular support will be mobilized for any recommendations which the Commission might make.

Point Three - The White House Conference
on Organized Crime

A White House Conference on Organized Crime would provide an important forum through which the public awareness of the problem could be raised and public support for an all-out offensive mobilized.

The Vice President would plan and conduct such a Conference in cooperation with the Department of Justice. Federal, state and local officials, law enforcement personnel, representatives of citizens' groups and interested academic figures would be invited. The Department of Justice and the White House would appoint some of the delegates. The governors and mayors would be asked to appoint others. The Conference delegates would serve on various committees, which would prepare reports and make recommendations after the Conference. The Vice President would transmit to the President his recommendations for new legislation and administrative action based on the Conference's work. These recommendations could serve as a valuable starting point for the Organized Crime Commission.

Point Four - The Fifty States Project

Through the Fifty States Project, the President could reach out to the state governors to enlist their support for the national offensive against organized crime. At the same time, the project would spur state law enforcement officials and agencies to improve their own efforts against organized crime.

To initiate the Project, the President would write each governor to outline the national program. The President would ask each governor to appoint a Project representative, who would work with liaison officers in both the White House and the Department of Justice.

The state representatives, working with the White House and Departmental liaisons, could identify state initiatives that would complement the national effort. The Project could press for state enactment of legislation parallel to the Administration's anti-crime package. It could also identify state laws and judicial decisions that are impairing law enforcement efforts.

In addition, the Project would serve as the channel of communication through which state input could be considered on other components of the national program. In particular, the Project could advise the Attorney General on appropriate state and local participation in the regional Task Force program.

Point Five - Interagency Coordinating Committee

On January 29, 1982, the President announced the creation of a Cabinet Council on Legal Policy. This addition to the five

existing Cabinet Councils is chaired by the Attorney General. It reviews matters pertaining to interdepartmental aspects of narcotics control, drug abuse prevention and treatment, civil rights, immigration, and other similar interagency policy matters.

Part of the Cabinet Council is a Sub-Council on Drug Supply Reduction chaired by the Attorney General. A Working Group on Drug Supply Reduction was established under the Council to implement actions approved by the Council. This Working Group is chaired by the Associate Attorney General. The role of the Sub-Council and Working Group is to review the critical issues concerning drug trafficking which require interagency cooperation and assistance. In addition, the Working Group provides a forum for the discussion of ongoing operational problems surrounding drug enforcement.

In order to effectively address the problem of organized crime in our nation, a Sub-Council on Organized Crime should be created as part of the Cabinet Council on Legal Policy. This Sub-Council on Organized Crime would be chaired by the Attorney General; its membership would include those Departments and agencies concerned with the problem. A Working Group on Organized Crime should also be created; it would be chaired by the Associate Attorney General.

The mission of the Sub-Council and Working Group on Organized Crime will be to review the critical issues regarding organized crime which require interagency cooperation and assistance. The

Sub-Council will be the body that discusses policy issues and makes policy decisions. The Working Group will implement those actions which the Sub-Council approves.

The Sub-Council and Working Group will have an important role to play in implementing the regional Task Force project. The Attorney General will consult with the Sub-Council to determine where the Task Forces should be deployed and what their specific priorities and goals will be. The Working Group will closely monitor the work of the Task Forces and provide a forum for addressing and resolving operational problems.

Point Six - Federal Training Assistance to
Improve State and Local Efforts

To prevail in the fight against organized crime, the federal enforcement agencies must be able to share the techniques, methods and strategies they have developed with their state and local counterparts. Training is thus an important component of the new offensive against organized crime.

There is currently underway a pilot program designed to achieve this goal. In February, 1982, the Departments of Justice and Treasury formally joined together by Memorandum of Agreement and established the Justice-Treasury State and Local Law Enforcement Training Program for the purpose of developing advanced specialized training for state and local law enforcement officers.

This training is offered at the Federal Law Enforcement Training Center (FLETC) in Glynco, Georgia. The site at the FLETC

is the most complete and modern law enforcement training facility in the United States. Training at this site is cost efficient and comprehensive. At the center, agencies from the Departments of Justice and Treasury can join with state and local agencies and, where feasible, private sector organizations to develop the most comprehensive knowledge base and strategic planning capabilities available.

Courses offered by this program will have a direct impact on organized crime and drug trafficking. State and local investigators are trained to attack rapidly growing organized crime involvement in such areas as arson, bribery, computer theft, contract fraud and bid rigging, as well as drug smuggling. State and local agencies schooled in the suppression of street crime have historically been ill-equipped to deal with these crimes. Limits on federal jurisdiction and resources have combined with the limited state and local capabilities to provide a very low risk and high profit area for organized crime and drug trafficking.

A report detailing the findings of this pilot program will be submitted to the Departments of Justice and Treasury in December, 1982. If the positive preliminary results are substantiated, the Departments of Justice and Treasury will conclude their Memorandum of Agreement with the establishment of a National Center for State and Local Law Enforcement Training at the Federal Law Enforcement Training Center, Glynco, Georgia.

The National Center will be a key resource for our program to ensure domestic defense against organized crime.

Point Seven: Legislative Reforms

A critical component of our program to attack organized crime and drug trafficking is the package of legislative reforms the Administration advocates. The proposals supported include the following improvements:

- * Bail Reform - to provide adequate mechanisms to assure the appearance at trial of defendants such as narcotics traffickers who are severe flight risks and to allow consideration of the danger a defendant may pose to the community if released.
- * Forfeiture of the Crime-Related Assets of Racketeers and Drug Traffickers - comprehensive legislation developed to facilitate forfeiture in organized crime and drug cases, so that we can deprive these criminals of their vast sources of economic power.
- * Labor Racketeering - reforms aimed at deterring bribery and addressing the problem of the infiltration of labor organizations by organized crime.
- * Sentencing Reform - incorporates comprehensive sentencing changes to ensure penalties are appropriate in all federal cases, particularly organized crime and drug cases.

- * Exclusionary Rule - to ensure that evidence of a crime is not excluded if obtained by an officer acting in the reasonable good faith belief that his actions were in conformity with the Fourth Amendment.

These legislative reforms will give our prosecutors the tools they need to insure that organized crime defendants apprehended through the new enforcement effort will be removed from society and their operations crippled or seriously impaired.

Point Eight: Annual Report to the
President and the Congress

An important component of our program to fight organized crime will be an annual report to the President and the Congress by the Attorney General. This annual report would explain and reinforce all of the other points of the program.

The annual report would provide an overview of our efforts and identify those critical issues surrounding organized crime and drug trafficking in need of resolution. In addition, the annual report should review our progress in the permanent campaign against organized crime.